American Policy and Changing Alignments in the Middle East

Geoffrey Kemp, John Allen Gay, Adam Lammon
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# Table of Contents

**Introduction** .......................................................................................................................... 1  
The Modern Middle East ............................................................................................................. 3  

**Key Arab States Outside the Gulf** ......................................................................................... 9  
Syria ........................................................................................................................................... 9  
Iraq .............................................................................................................................................. 12  
Lebanon ...................................................................................................................................... 15  
Jordan ......................................................................................................................................... 17  
Egypt .......................................................................................................................................... 19  
Libya ........................................................................................................................................... 20  
Yemen .......................................................................................................................................... 21  

**The Arab Gulf States** ............................................................................................................. 23  
Saudi Arabia ............................................................................................................................... 24  
The United Arab Emirates ............................................................................................................ 28  
Qatar ............................................................................................................................................ 30  
Bahrain ....................................................................................................................................... 32  
Kuwait ....................................................................................................................................... 33  
Oman .......................................................................................................................................... 33  

**Israel** ...................................................................................................................................... 35  
History ........................................................................................................................................ 35  
Arab-Israeli Relations .................................................................................................................. 35  
The Palestinians .......................................................................................................................... 36  
Israel and Its Neighbors .............................................................................................................. 39  
Israel and the Iran Deal ............................................................................................................... 42  
An Israeli-Sunni State Axis? ....................................................................................................... 43  

**Iran** ...................................................................................................................................... 47  
History ........................................................................................................................................ 47  
Vulnerabilities .............................................................................................................................. 51  
Challenges for U.S. Policy ........................................................................................................... 52  

**Turkey** ................................................................................................................................... 57  
Overview and History .................................................................................................................. 57  
The Erdogan Problem ................................................................................................................... 58  
Turkey and the Kurds ................................................................................................................... 59  
Energy ......................................................................................................................................... 61  
Turkey and the Refugee Issue ...................................................................................................... 62  
Vulnerabilities ............................................................................................................................... 63  

**Russia** ................................................................................................................................... 65  
Moscow in the Eastern Mediterranean ......................................................................................... 67  
Russia and Iran ............................................................................................................................. 68  
Russia and Turkey ........................................................................................................................ 68  
Vulnerabilities ............................................................................................................................... 70  
Backup Ally, Not Rival ............................................................................................................... 71  

**Europe** ................................................................................................................................... 73
<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recent European History in the Middle East</td>
<td>73</td>
</tr>
<tr>
<td>Europe and Iran</td>
<td>76</td>
</tr>
<tr>
<td>Europe and Israel/Palestine</td>
<td>77</td>
</tr>
<tr>
<td>Europe and Bahrain</td>
<td>79</td>
</tr>
<tr>
<td>Europe, Syria, ISIS and the Migrant Issue</td>
<td>79</td>
</tr>
<tr>
<td><strong>The Growing Influence of China and India</strong></td>
<td>81</td>
</tr>
<tr>
<td>China</td>
<td>82</td>
</tr>
<tr>
<td>Growing Chinese Influence in the Middle East?</td>
<td>84</td>
</tr>
<tr>
<td>India</td>
<td>86</td>
</tr>
<tr>
<td><strong>Issues for American Policy</strong></td>
<td>91</td>
</tr>
<tr>
<td>Regional Imbalance</td>
<td>91</td>
</tr>
<tr>
<td>Sizing Up the Competitors</td>
<td>93</td>
</tr>
<tr>
<td>Internal Instability</td>
<td>94</td>
</tr>
<tr>
<td>Environmental Challenges</td>
<td>96</td>
</tr>
<tr>
<td>The Fight Against ISIS</td>
<td>97</td>
</tr>
<tr>
<td>Alternative Solutions to Regional Imbalances: Rollback and Containment</td>
<td>97</td>
</tr>
<tr>
<td>Constraints on America</td>
<td>98</td>
</tr>
<tr>
<td>Policy Options</td>
<td>100</td>
</tr>
<tr>
<td><strong>Conclusions</strong></td>
<td>107</td>
</tr>
</tbody>
</table>
Introduction

President Donald Trump’s decision on May 8th to withdraw the United States from the Joint Comprehensive Plan of Action to curb Iran’s nuclear weapons program will have a far reaching impact on U.S. relations with its European allies and on the strategic dynamics of the Middle East. The president’s decision contained few details of possible U.S. action if Iran, too, withdraws from the nuclear deal. However, what is clear is that the prospect of conflict between Iran and the United States has increased. Likewise, military activity between Iran and Israel in southern Syria will escalate. These events come at a time when U.S. policy in the Middle East is in a state of disarray.

A month earlier, on April 14, joint air strikes by the United States, Britain, and France on Syria’s chemical weapons facilities demonstrated the formidable power projection capabilities of the allies in the Middle East. However, in the strategic context of the Syrian civil war and the increasingly complex geopolitics of the Middle East, the operation, while a tactical success, highlighted the failure of the allied powers, and especially the United States, to present a coherent and manageable policy on how to enhance their national security interests.

The Obama administration left office with American boots on the ground in Iraq, Syria, and Afghanistan, and U.S. military involvement in Libya, Yemen, Somalia, and Pakistan (among others). Having risen to power as an antiwar candidate, Obama became the first two-term president to spend every day of his time in office at war, with the Middle East as the focal point.1, 2 As a candidate, Trump expressed frustration with America’s long, often fruitless engagement in the region; as president, he has yet to achieve real change in America’s Middle East policy.

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American Policy and Changing Alignments in the Middle East

Recent American intervention has stemmed from a fear of nuclear proliferation, terrorism, and the failure of local states to keep order within their own territory. But lurking in the background is another factor: an unstable, topsy-turvy regional system. Relations among Middle Eastern states today are not where one would have predicted in the first days of 2011, before the outbreak of the Arab Spring. While that upheaval largely failed to achieve its goal of popular rule and only overthrew a handful of rulers, it helped shake the regional order’s foundations. Coupled with an Iraq destabilized by years of war after the 2003 U.S. invasion, an Iranian nuclear crisis that reached a crescendo in 2014-2015, the collapse of Syria, an increasingly autocratic Turkey, a more active Russia, and a fragmented Europe, the region has suffered years of diplomatic chaos on top of a general increase in violence.

Once-central priorities for American diplomats like the Israeli-Palestinian negotiations receive much less attention. Settled patterns of behavior are being reversed: American negotiators communicated with Iranian counterparts to broker a controversial nuclear deal; Moscow and Washington have engaged in limited military cooperation in Syria—and worry about military confrontation there, too. Iranian and American forces face off in the Gulf, and tacitly cooperate in Iraq, even as fears grow of confrontation there and in Syria as well. Russia and Turkey swing from confrontation to cooperation. Kurdish groups are fighting on every front, and collectively control more territory than they have in ages. A group of fanatics calling itself the Islamic State of Iraq and al-Sham (ISIS) tried to revive the caliphate; their supporters and fellow travelers launch attacks around the globe. The United States is in a weaker position in the region than it has been in many years, yet remains deeply entangled in it and has no obvious exit strategy.

American policymakers need to adjust outdated policies to this transformed region. If they do not keep strategic interests and goals in the foreground, there is a risk that the United States will become more involved in the region without making it more stable. Local actors may be able to enlist America in their private disputes. And America may see its increasingly scarce resources diverted to diplomatic and military efforts in the Middle East, even as challenges in Europe and Asia grow more salient. A fresh examination of America’s vital interests in the region and the balance of power among Middle Eastern states is essential.

This monograph reviews the upheavals in the region, identifies important historical threads, and suggests options for U.S. policy. It argues that there are two core dynamics in the Middle East today that influence U.S. policy: first, a regional imbalance, with a balancing coalition against Iran only just beginning to emerge; second, weaknesses within states that breed turmoil, opposition, and terrorism. The U.S. response to these two challenges has largely been support for local partners: backing local states against Iran, and backing friendly governments against their opponents. The underlying assumption, then, is that more support will yield more security. This monograph will offer a critical examination of that assumption, arguing that U.S. policy must accept that our support can breed dependency, hindering the formation of a balancing coalition against Iran, and disincentivizing compromise between rulers and their opponents. The support-yields-security theory underpins recent calls for a U.S.-led containment or rollback strategy against Iran. Strategy towards Iran is a central focus of this study since Iran is a capable state that has bad relations with the United States and many of its neighbors. Iran’s strategic gains in recent years, its position next to the massive oil reserves of the western Persian Gulf, and the intense concern it inspires among U.S. partners in the region compel this focus.
But to understand the complexities of strategy towards Iran, U.S. relations with Russia, Turkey, the Levant, and the Gulf states, with references to Libya and the Kurds will be examined. A brief history of U.S. Middle East strategy since 1945 will be followed by a review of the region, with a focus on the role of key Arab states, Israel, Turkey, Russia, Europe, and China and India in influencing regional dynamics.

This monograph offers a counterpoint to the strategy of primacy that has determined America’s global approach since the end of the Cold War. A less ambitious approach to the Middle East, such as a traditional balance of power strategy, could free up resources needed to retain a more forward-leaning approach in regions like East Asia. A fresh look at the foundations of U.S. policy in the Middle East is necessary.

The Modern Middle East

In the aftermath of World War I and the subsequent breakup of the Ottoman Empire, Britain and France ruled over the emergence of the modern Middle East, a region that has been plagued with conflict ever since. The creation of new states—Iraq, Syria, Lebanon, Transjordan, and Palestine—and European dominance of historic states, especially Iran and Egypt, spawned anti-colonialist nationalism and Pan-Arabism. These trends came to a head after the defeat of Germany in World War II, as the colonial powers began to scale back their roles. Added to this complex geopolitical mélange was the creation of the State of Israel in 1948, which became the subject of violent and bitter Arab antagonism from its inception. The region became especially important for the Western alliance due to the need for Middle Eastern oil to supplement the strained capacity of the United States to fuel another possible war, this time against the Soviet Union. Oil, together with the unique relations Europe and especially the United States had with Israel, guaranteed that the region would play a key role in Cold War geopolitics.

Major events from 1948 to the present have shaped the level and nature of international involvement in the region. The Arab-Israeli wars in 1948-9, 1956, 1967, and 1973, together with the energy crises of the 1970s, the Iranian Revolution of 1979, the Gulf War in 1991, the fall of the Soviet Union in 1990-91, the 9/11 attacks on the United States, and the decision to overthrow Saddam Hussein in 2003 provide the backdrop to some of the most dominant Middle Eastern issues today: terrorism and the upheavals that began with the Arab uprisings in 2011. Today the residual wars in Iraq and Syria, the growth of Iranian power, and the return of Russia to the region are priority issues influencing both American and European security concerns.

The modern history of America’s Middle East policy can be divided into five phases: postwar, postcolonial, post–Iranian Revolution, post–Cold War, and post–Iraq War. Within these phases, U.S. policy oscillated between deeper engagement and allowing the states of the region to find order among themselves. Notably, a policy of active, onshore hegemonic control—the policy America currently pursues, and has pursued since the early 1990s—is the anomaly in this period; most U.S. involvement in the region has been in an offshore balancing role, or has not sought to preserve soft hegemony by friendly states.

The Cold War in the Middle East began in earnest with the Soviet attempt to establish satellite republics in northwestern Iran, a dispute that was resolved through diplomacy, but which
highlighted the Soviet threat to the region and the inadequacy of local forces in stopping it. Stephen McGlinchey describes in his study *US Arms Policies Towards the Shah’s Iran* how the Truman administration shaped its early policy toward the region. Distracted by Korea and informed by the Central Intelligence Agency that “no combat support could be expected from the Iranian armed forces” in the event of struggles with the Soviets there, the Truman administration pursued an “often contradictory” policy. This approach centered on expanding political and economic influence, containing the Soviets, supporting the British and French colonial role, supporting Israel, and supporting Arab nationalism.

The Eisenhower years saw the tensions in this strategy become unsustainable, as the British came under pressure from the nationalist government of Gamal Abdel Nasser in Egypt. The response was the Baghdad Pact, an attempt to build a NATO-like tier of allied states along the Soviet frontier, from Turkey, through Iraq and Iran, and into Pakistan. Political instability and nationalist sentiments undermined the alliance, with Nasser targeting the treaty and Iraq withdrawing after a coup. This did not yield much American military aid; neither did, McGlinchey notes, the promulgation of the Eisenhower doctrine after the 1956 Suez crisis downgraded the colonial powers’ role. American forces were instead the primary guarantors of regional security, and regional states continued to lack the stability to be deemed worthy of major defense-aid investment.

President John F. Kennedy brought an economic-aid-focused vision for the Middle East, and sought rapprochement with Nasser’s Egypt. His advisers pressured the Shah of Iran to reduce the size of his military and concentrate on internal challenges. Yet Kennedy’s plan ran into trouble, with the Yemeni civil war serving as a proxy conflict between nationalist regimes (led by Egypt) and monarchists (led by Saudi Arabia). Baathist coups in Iraq and Syria had Jordan fearful for the survival of its own regime. An American show of force in support of the Saudis, paired with pressure on aid to Egypt, followed. The Johnson years (1963-1969) would see Nasser’s Egypt reach and then recede from its high-water mark, with the grind in Yemen contributing to a crushing defeat at the hands of Israel in the 1967 Six Day War. Iran carried on a sustained flirtation with the Soviets on arms deals, leading to what the Shah really wanted: a bigger weapons package from the United States. The last year of the Johnson administration saw Britain announce its plans to withdraw from the Gulf by 1971.

Richard Nixon’s foreign policy was tempered by the lessons of Vietnam and, in the Middle East, preparations for the transition to the postcolonial era. Though the Nixon years saw major shifts in American foreign policy—détente, the opening with China, etc.—there was an emphasis on stepping back and allowing allies to take on a bigger role, to avoid, as McGlinchey notes, what

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4 Ibid., 9.
5 Ibid., 13.
6 Ibid., 22-24.
7 Ibid., 27-29.
8 Ibid., 25.
9 See McGlinchey, especially 39.
Nixon’s national security advisor, Henry Kissinger, characterized as “the kind of policy that will make countries in Asia so dependent on us that we are dragged into conflicts.” America would, in this vision, be freer to act because it was not tangled up in every new crisis that came along. This, coupled with Nixon’s longstanding friendship with the Shah of Iran, encouraged the United States to lean on Iran and Saudi Arabia for regional defense. Though commonly referred to as the “twin pillars policy,” Saudi Arabia’s inclusion was about retaining Saudi loyalty. There was no real expectation, McGlinchey argues, that Riyadh would “fulfil a regional security role, and it would not be until the Carter administration that the Saudis would receive notable upgrades to their…meagre military.” Nixon’s approach had fortuitous timing: with the rise in oil prices, Iran was soon able to become a major purchaser of American arms, frequently coveting—and sometimes receiving—the most advanced American systems. These sales grew increasingly disconnected from any assessment of Iran’s security needs or the emerging internal problems in Iran. “American regional policies in the Gulf had become,” McGlinchey writes, “fundamentally leveraged towards Iran.” Even skeptical presidents like Carter were convinced. At some point in the 1970s, the United States’ Middle East policy became one of throwing good money after bad. When in 1979 the Shah fell and Soviet forces invaded Afghanistan, America’s regional strategy was in tatters.

The Carter administration responded with a declaration that foreign attempts to take control of the Gulf area would be treated as an attack on the United States, and the development of the Rapid Deployment Joint Task Force (RDJTF), an expeditionary military grouping based in the United States but intended to provide an offshore capability to swiftly come to the defense of American interests in the region. This fundamental framework persisted through the Reagan years, with limited interventions to stabilize Lebanon, punish Libya’s leader, Muammar al-Qaddafi, and secure the Arab Gulf states’ shipping being the only major actions. The Gulf states and (to a lesser extent) the United States supported the Iraqis in their eight-year war with Iran. This backfired somewhat, as Iraq was left strong enough to launch its invasion of Kuwait in August 1990, two years after the war with Iran ended.

The Kuwait crisis occurred as the Soviet Union was collapsing, and constituted the opening act of the post–Cold War phase. It was a war aimed at restoring balance. Iraq’s seizure of Kuwait’s oil fields, and the threat it posed to Saudi Arabia’s, risked giving Baghdad a commanding position in the global oil market. A war-wrecked, isolated Iran was no counterweight. America’s intervention, backed by a global coalition, was sharp, but short, and had modest goals: a quintessential offshore-balancing war. The United States refrained from pressing its advantage to seize Baghdad and remove Saddam Hussein.

The United States made two serious errors at the end of the war and in the years immediately after. First, as Charles W. Freeman, the U.S. ambassador to Saudi Arabia at the time, has noted, in ending the war, “no effort was made to reconcile Iraq to the terms of its defeat. The

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10 See Kissinger, The White House Years, in McGlinchey, 65.
11 Ibid., 68.
12 The task force evolved into today’s Central Command, although CENTCOM has come to pursue much of its mission through forward deployment and direct intervention.
victors instead sought to impose elaborate but previously undiscussed terms by UN fiat.” The result was a war that “went into remission but never ended.” American forces were stuck enforcing expensive no-fly zones over much of Iraq’s sovereign territory, creating a state of permanent confrontation with Saddam. This was exacerbated by the second mistake: a shift, during the early days of the Clinton administration, away from a strategy of offshore balancing and towards the “dual containment” of both Iraq and Iran. This, Freeman writes, “created a requirement for the permanent deployment of a large U.S. air and ground force [...] as well as an expanded naval presence” in the Gulf states.

The posture of dual containment was rooted in a notion that the United States did not need to support either Iraq or Iran to balance the other, and thus that it could pursue policies intended to harm both of these “backlash states” with a “recalcitrant commitment to remain on the wrong side of history.” Though this was presented as a “realistic and sustainable [...] genuine and responsible effort,” its strident tone and transformative vision for the region to, among other things, “enlarge the community of nations committed to democracy, free markets, and peace” against a “band of outlaws” highlight that this was in fact an ambitious and revisionist policy that implied a deep, active U.S. role in the region.

The tense strategic context created by these two errors helped lead to a third error, one that would outstrip the others and inaugurate the current phase: the decision to invade Iraq in 2003 and overthrow Saddam Hussein. This decision had heavy direct costs: thousands of American and hundreds of thousands of Iraqi lives, trillions of dollars, and sustained violence within Iraq and across the region.

Reducing the American troop presence managed to shift some of the ongoing costs away from the United States, but the strategic-level impact of Iraq’s breakdown is still with us. Baghdad no longer balances Tehran and restrains its regional ambitions. And Iraq is weak, increasing its dependency on foreign assistance. This creates pressure for U.S. involvement, particularly to avoid Iraq’s domination by Iranian aid. Worse, Iran’s influence in Iraq often works against stability—by indulging Shia former Prime Minister Nouri al-Maliki’s sectarian politics, Iran helped the government in Baghdad lose its credibility with its Sunni constituents and neighbors. While it is true that many of these areas are a drain on Tehran’s resources, it now has an arc of influence that stretches from Beirut to Baluchistan, it has made inroads in Yemen, and it may have opportunities among Shia communities in places like Bahrain and Saudi Arabia’s Eastern Province. In Syria, its

17 All quotes here are from Anthony Lake, “Confronting Backlash States,” Foreign Affairs 73, no. 2 (March-April 1994): 45-55.
18 Daniel Trotta, “Iraq War Costs U.S. More Than 2 Trillion: Study,” Reuters, March 14, 2013, http://www.reuters.com/article/us-iraq-war-anniversary-idUSBRE92D0PG20130314. Some other studies have suggested that the long-term costs of the war could, factoring in interest, reach several times the $2 trillion figure.
actions even enjoy the cooperation of a great power, and they demonstrate Iran’s ability to recruit Shia fighters from places like Afghanistan and Pakistan and to build, as it has previously done in Lebanon and Iraq, militias whose loyalties appear to incline toward Tehran.

For the Gulf states, the current situation is extremely alarming. Iran, a polity that has been unified for millennia, and has a revolutionary ideology, is advancing. The Gulf states, on the other hand, have a history of division (as manifested in the crisis between the United Arab Emirates (UAE), Saudi Arabia, and Qatar) and of being conquered, and maintain political systems likely to face increasing tests in the future.

In this historic context, each actor has its own goals and interests. As a new strategic environment emerges, it is useful to systematically review the key players’ impact and how they will influence U.S. policy options.

The Arab states, Iran, Israel, Turkey, Russia, and Europe each have a role to play in this changing Middle East. Each deserves to be considered in depth. Indications suggest that the Trump administration is adopting a relatively cautious approach to the key crisis areas, though the president’s decision to launch strikes on the Syrian regime in 2017 and 2018 and to retain forces on the ground in eastern Syria after the fall of ISIS suggest a willingness to use force when believed necessary. Growing pressure against continuing to adhere to the nuclear agreement with Iran could lead to a significantly larger American role. America is at risk of doubling down on its historically anomalous onshore, activist strategy.
President Donald Trump faces an Arab world beset by increasing strategic, economic, and political instability. The George W. Bush administration had hoped to promote democratic stability, first by force in Iraq and then through a broader “Freedom Agenda.” Yet in the first case, the result was not democracy, but disaster. The second had limited impact, but events reminiscent of its intended political flowering occurred a few years later: the Arab Spring of 2011. Rather than cementing peace and order in the region and enabling Washington to turn its focus elsewhere, this accelerated major shifts in state alignment and particularly state behavior.

The Arab Spring progressed rapidly through the region, with late-2010 protests in Tunisia and the fall of the Ben Ali government inspiring similar political movements elsewhere. Yet the scale and impact of these movements varied greatly from country to country: some were small and quickly fizzled out; some were large and led to the fall of decades-old regimes. Some were answered with relatively limited state violence; some, particularly Libya and Syria, led to war. Many became entangled in larger questions about the role of religion and sect in politics and identity. In many cases, the power structures in place when the dust settled were weaker, resting on narrower bases and more government intervention (whether with force or with redistribution) than their predecessors.

In this chapter, some key developments in the major Arab states are reviewed. More substantive discussion of the overall result of the Arab Spring is discussed throughout the paper in other sections.

Syria

Long the nexus of Islamic civilization, Damascus has existed as the center of various powers until the collapse of the Ottoman Empire, when it became the capital of modern Syria as a French mandate. France’s decision to rely on Syria’s minority Alawite community to lead its government and military led to the Alawites dominating Syria after it received independence in
A string of coups eventually brought Hafez al-Assad to power, with his regime being characterized by repression and foreign conflicts with Israel and Lebanon. Protests against Hafez’s son Bashar, the current Syrian president, began in March 2011 and, after the regime responded with violence and arrests, quickly evolved into open civil war, killing hundreds of thousands and displacing millions more, and placing tremendous strain on already vulnerable neighboring states, especially Jordan and Lebanon. The war has wrecked the nation’s economy and infrastructure, divided its territory, and left it subject to competing interventions by virtually every state that can scrape together enough money to fund a militia or fly a bombing sortie. Major terrorist groups are active in the country, including ISIS, Syria’s ever-rebranding Al Qaeda branch, and Hezbollah. The nation’s power centers and even its borders are being redefined.

The war has seen the steady transformation of the opposition away from more nationalist visions and toward more divisive, hyper-sectarian politics that pose a greater threat to U.S. interests and to political stability. Radical Islamist groups play a large role in rebel coalitions, aided in no small part by the Assad regime’s initial measures to discredit the opposition by releasing hardline prisoners and rounding up moderates, and by support from Gulf area states and donors. Kurdish groups friendly with the Kurdistan Workers’ Party (PKK) control a large share of Syria’s northeast, and Iranian-backed militias, including those with strong sectarian brands, have been important in fighting for the regime. It is difficult to see how a civil war that has evolved in this direction can produce a stable, inclusive government that all sides can trust. The same is true externally: the lack of capable local allies in the fight against ISIS has led the United States to align itself with a coalition that, while nominally multiethnic, is closely aligned with Kurdish goals in Syria. These goals place the group at constant risk of conflict with Turkey and jeopardize the group’s credibility with local non-Kurds.

The war has seen destruction and displacement on a massive scale, both driven largely by the Assad regime and its partners. In the event of a peace settlement, rebuilding the nation will be a challenge just as massive as national reconciliation, requiring hundreds of billions of dollars and many years of work. This will only be possible with coordination among the many international actors now fighting one another directly and by proxy in Syria. However, even if such coordination happens, it may be hard to get Syrians to return to the ruins of their cities and homes.

Although much of the United States’ participation in the Syrian civil war has been dominated by the fight against ISIS, regional tensions are being exacerbated by the ongoing proxy war in Syria. Nowhere has this been more salient than in the Golan Heights, which has become more conspicuous since Iran began capitalizing on its presence in Syria to develop a permanent military presence near the Israeli border. In response to Iranian efforts to build independent military bases and transfer advanced weapons to Hezbollah, Israel has frequently carried out airstrikes on Syrian targets, including anti-aircraft batteries, weapons shipments, chemical

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weapons facilities,20 and Iranian military bases.21 Yet since the Assad regime has been facing intense internal pressure, Syria and its allies have typically responded to Israel’s strikes with restraint and verbal condemnation, rather than retaliatory military action.

However, in February 2018, Israel and Syria engaged in direct combat for the first time since 1982, after Israel intercepted an Iranian drone in its airspace, ordered retaliatory air strikes on Syria, and saw one of its F-16s shot down by Syrian air defenses. This was the Israeli air force’s first loss in more than thirty years, and provoked a second round of Israeli air strikes on Iranian and Syrian military personnel, reportedly doing serious damage to Syrian air defenses.22, 23 A few months later on May 9, a rocket barrage was launched from Syria at the Israeli-controlled Golan Heights, which Israeli Defense Forces (IDF) attributed to Iran’s Islamic Revolutionary Guard Corps’ elite Quds Force. In response, the IDF retaliated with strikes on numerous Iranian military assets in Syria and on Syrian air defenses.24 While both sides have tried to limit the risks of further escalation, additional confrontation appears likely as both countries’ strategic visions for post-war Syria are completely at odds.

The risks of escalation over the proxy war in Syria have not been confined to Israel and Iran. The United States and Russia have risks, too. Over the past two years, the United States has struck Syrian army soldiers or pro-regime militias near Tanf and Deir ez-Zor in eastern Syria three times, killing several hundred soldiers and allied fighters, and, on one occasion in June 2017, downing a Syrian jet. The most recent altercation occurred after regime forces shelled positions manned by the U.S.-backed Syrian Democratic Forces (SDF) where American special operations forces were present. The United States responded with heavy strikes against the regime forces and more than one hundred were killed, including scores of Russian mercenaries.25 That the United States is coming into conflict with Syrian, Russian, and Iranian-backed forces should be no surprise, given that the U.S. military continues to occupy large portions of Syrian territory. However, as the remaining opposition areas fall to regime control, it will only become more likely that the United States and the Assad regime and its allies will clash over their objectives in Syria.

There are also risks of clashes between the United States and its NATO ally Turkey in northern Syria. Turkey considers the Kurdish People’s Protection Units (YPG) militia a branch of the PKK; the YPG makes up a large share of the SDF, which America supports with airstrikes, arms, and advisors on the ground. Offensives by Turkey and Turkey-aligned Syrian rebels have targeted Kurdish forces west of the Euphrates River, especially in Afrin; U.S. forces have worked closely with militias in Manbij, some fifteen miles west of the river, and have remained there long after the area’s liberation from ISIS. U.S. forces have engaged in highly visible patrols intended to keep Kurdish and Turkish forces from fighting, and U.S. diplomats have tried to reach an understanding with Ankara to no avail.26

Iraq

Following the dissolution of the Ottoman Empire after World War I, Iraq was ruled by a British-created Hashemite monarchy until it obtained independence in 1932. Successive military coups beginning in 1936 would continually reshape the Iraqi government, which in 1945 became one of the founding members of both the Arab League and the United Nations, and in 1958 became a republic. However, Iraq was not a stable nation; its Sunni, Shia, and Kurdish populations continually vied for dominance and sought to institutionalize political gains. In 1979, Saddam Hussein and his Ba’ath Party seized the Iraqi presidency, starting a long, bloody war with Iran a year later.

Two years later, Iraq invaded Kuwait, but was quickly ejected from the country by a U.S.-led international coalition, sanctioned by the United Nations, and subjected no fly zones by the United States, the United Kingdom, and France to protect the Kurds in the north and Shiite Muslims in the south. This arrangement guaranteed mutual hostility would be the norm of U.S.-Iraqi relations. Continuing sources of tension included doubts about Iraq’s weapons of mass destruction programs, incidents in the no-fly zones, and the adoption in 1998 of regime change as official U.S. policy. In 2003, a coalition lead by the United States invaded to overthrow Hussein’s regime. Although the United States swiftly won the war, the collapse of central Iraqi authority subsequently led to an insurgency that divided Iraq along sectarian lines. American efforts to reestablish a government in Baghdad via free elections saw Nouri al-Maliki, a Shia, become prime minister in 2006; his sectarian policies were critical to losing the support of Iraq’s Sunnis, while pervasive corruption undermined the public’s faith in the government.27 Chaos within Syria on Iraq’s western border created opportunities for Al Qaeda and the Islamic State; the latter would capture Mosul and come within eight miles of the capital, Baghdad, in 2014.28

The fight against ISIS shattered the Iraqi army, requiring the involvement of multiple regional and international players, with Iran and the United States playing the largest outside roles in preserving Iraqi stability and sovereignty. While Iran sent members of its Islamic Revolutionary Guard Corps (IRGC) and Lebanese Hezbollah to train autonomous, Shia-dominated militias under

the banner of the Popular Mobilization Forces (PMU), the United States relied on special operations forces and military advisors to train the Iraqi army and the Kurds, and supported them with air strikes. The United States and Iran’s shared focus on fighting ISIS has positioned Washington as Tehran’s de facto air force in the war for Iraq, despite both nations viewing their competition for influence in Baghdad as zero-sum. This arrangement has driven ISIS out of the majority of Iraqi territory—Mosul was retaken in July 2017 and ISIS lost the majority of its holdings on the Iraqi border with Syria in December—but the costs have been significant: $45.7 billion worth of damage has been done to Iraqi infrastructure, Iranian influence over Iraq is at a new height, Iraq’s Kurdish autonomy has grown to unprecedented levels and has caused regional upheaval over its bid for independence, and Sunni Arabs, which saw their cities destroyed after they succumbed to ISIS, now live in squalor and lack financial support.

The country’s future stability remains uncertain. Kurds (whose territory had expanded to include Kirkuk and its nearby oil fields before the Iraqi federal government reestablished control in October 2017) now enjoy invigorated nationalism from their fight with ISIS and the breakdown in Iraqi central authority, and are only beginning to resolve longstanding disputes over oil and governance with Baghdad. The governing Kurdistan Democratic Party (KDP), which controls the regions of Iraqi Kurdistan closest to Turkey, has received increased attention from Turkish authorities seeking cooperation on energy issues, while the Patriotic Union of Kurdistan (PUK) has aligned itself with the opposition Gorran party, a PUK breakaway, to the potential benefit of Iran. Meanwhile, many Sunnis struggle to trust the central government due to accusations of discrimination and sectarian rivalries, despite that they need economic and security assistance from Baghdad and abroad if they are to rebuild their communities and keep ISIS from returning.

The Iraqi Shia population has conflicting loyalties as well, with national pride being undercut by religious affiliation and economic ties to Iran. While Iraq and Iran are majority Shia Muslim nations, their religious institutions do not always see eye-to-eye. This has as much to do with the cultural differences between Arabs and Persians as disagreements between the role of religion in politics, with Iranian clerics close to the regime giving their Supreme Leader ultimate

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legal authority, which the Shia scholars of the Iraqi seminaries in Najaf reject. This religious friction, in addition to a growing perception among Iraqi nationalists that Iran wants to control their country, has led some Iraqi Shia leaders to speak out against Iran’s growing influence. For instance, Iraq’s top Shia cleric, Ayatollah Ali al-Sistani, gave a speech in March 2015 in which he thanked Iran for its help in the fight against terrorism, but extolled Iraq’s independence. Sistani is an important figure within Iraq and the global Shia community, and his 2014 fatwa calling for defensive jihad against ISIS—the first of its kind since 1914—was critical to the PMU’s recruitment of fighters and ISIS’ eventual downfall; it also expressed solidarity with Iraqi Sunnis by treating them as victims of ISIS’ brutality rather than sectarian opponents. Sistani’s refusal in September 2017 to meet with a top Iranian cleric who was trying to unify an Iraqi Shia political bloc that would promote Iran’s interests portends that he will continue working to constrain Iranian influence in Iraq moving forward. Sistani’s position has also been adopted by Iraq’s populist Shia cleric Moqtada al-Sadr and Prime Minister Haider al-Abadi, who both profess Iraqi nationalism and have made visits to the Arab Gulf. Sadr has further been outspoken in calls for the Iraqi PMU to disband now that the fight against ISIS has ended and the Iraqi army has been reconstituted.

Iran’s support for the PMU in the fight against ISIS has been extensive, and many of its most powerful groups avow a greater loyalty to Tehran than Baghdad. The Iraqi government’s decision to legitimize these groups, some of which have sectarian bents and have engaged in atrocities, as an official, albeit separate, force nominally under the command of the Iraqi prime minister raises concerns about what role the PMU will play in safeguarding Iraqi sovereignty, and in Iranian foreign policy. The current state of affairs forecasts that the PMU will become a

point of contention between—and within—the Iraqi Sunni and Shia communities, as some view them as critical to protecting the Iraqi Shia from Sunni terrorists, while others call for them to be disbanded or be integrated into the Iraqi military to prevent abuses of power.\textsuperscript{45} Nevertheless, that American military equipment meant for the Iraqi army has repeatedly ended up in the hands of Iranian-backed elements of the PMU indicates future difficulties for American efforts to train and equip Iraqi forces that solely answer to Baghdad.\textsuperscript{46}

Such internal division and uncertainty has made Iraq into another arena in which international powers seek influence. With World Bank and IMF programs being implemented alongside an improving security environment, investors may be starting to see Iraq’s reconstruction as an opportunity.\textsuperscript{47} The United States has offered limited credit to the Iraqi government as it begins to rebuild, and has called for its coalition partners to do the same.\textsuperscript{48} Iran and other regional states like Turkey and Saudi Arabia have offered contributions to secure their influence in the state.\textsuperscript{49} Considering that the Iraqi government remains mired in a struggle to project power internally, it is unlikely that it will anytime soon begin to project power internationally. However, its territory will continue to be used as a battlefield for regional and international players in the greater struggle for Middle Eastern influence and resources.

**Lebanon**

Located on the eastern shore of the Mediterranean Sea, the nation of Lebanon has had a tumultuous history since its 1943 liberation from French rule after the breakup of the Ottoman Empire. Owing to its ethnoreligious diversity and the existence of sectarian tensions, Lebanon codified a National Pact that ensured the president would be a Maronite Christian, the prime minister a Sunni Muslim, and the speaker of parliament a Shia Muslim. These sectarian tensions have been repeatedly strained by the infusion of millions of Palestinians that fled the Arab-Israeli wars of the twentieth century, and rival factions with their own militias became the norm in Lebanese politics. Clashes between the militias sparked a civil war in 1975, which provoked the Syrian and Israeli armies to enter the country to secure their interests. Iran capitalized on this upheaval to establish Hezbollah, a force that could defend Lebanon’s Shia community on its behalf, and bombings by the militia were critical in causing the American and French peacekeeping forces to leave the country in 1983. Although the civil war ended in 1990, Israel withdrew from Lebanon in 2000, and Syria in 2005. All of the rival factions’ militias have since been disarmed, except for Hezbollah. This has allowed Hezbollah to become Lebanon’s preeminent political and military actor, and hold Lebanese politics hostage to its interests. It has also led to repeated conflict with Israel; the two adversaries fought a bloody war in 2006. Hezbollah’s participation in the Syrian civil war on behalf of the Assad regime guarantees not only that the group will not disarm

\textsuperscript{45} Al-Dagher and Kaltenthaler, “A Striking Positive Shift in Sunni Opinion.”
anytime soon, but also that it will remain a powerful actor in the Levant that resembles a state more than a non-state actor.

Lebanon remains at risk of further destabilization. The country’s political system, which has always suffered from inherent weaknesses, underwent a sustained deadlock beginning in 2014 that was only recently resolved by the rise of Michel Aoun, an unpopular but Hezbollah-friendly Christian figure, to the presidency. In response, Saudi Arabia pulled back a major aid package for the Lebanese military as well as on investments and travel, and was behind the attempted departure of Prime Minister Saad Hariri in November 2017. In his resignation speech, which some reports have alleged was also written by the Saudi government, Hariri warned of growing Iranian influence and suggested he was at risk of being assassinated. Hezbollah retains an outsize role in the country’s politics and, though seriously strained by its role in Syria, has a growing rocket arsenal that poses a severe threat to Israel. Israel has conducted numerous airstrikes in Syria, a great share of which were apparently intended to prevent the transfer of advanced weapons to Hezbollah and to restrict its presence in the Syrian Golan Heights. A war between Hezbollah and Israel would be devastating for Lebanon, and talk of war has grown in recent years. (Further discussion of this aspect of the Hezbollah question can be found in the Israel section of this monograph.) Lebanon hosts at least one million Syrian refugees and half a million Palestinians—an enormous number for a country with only about 4.5 million citizens and an already fraught internal political-demographic balance.

ISIS has conducted numerous attacks in Lebanon, and counter-ISIS efforts on the Lebanese border area have involved its military, the Lebanese Armed Forces (LAF), Hezbollah, and the Syrian military. The LAF and Hezbollah share an uneasy relationship in Lebanon, where although Hezbollah constitutes a part of Lebanon’s governing coalition, its military arm impedes upon the LAF’s monopoly on the use of force. Furthermore, since the LAF receives military assistance from the United States, its leadership has continually stressed that the LAF does not coordinate military operations with Hezbollah, which Washington considers a terrorist organization.

This complicated arrangement was illustrated in August 2017, when the LAF and Hezbollah—the latter in tandem with the Syrian military—initiated a joint effort to remove al Qaeda and ISIS militants from Lebanese territory near its eastern border with Syria. Some analysts,

have viewed this campaign as yet another example of LAF collaboration with Hezbollah, and have pointed to a growing list of evidence that speaks to the two organization’s extensive ties.\textsupercircled{56} This concern has also been raised by the Israeli government.\textsupercircled{57} However, others have argued that American security assistance to the LAF continues to provide dividends to the United States’ security interests in Lebanon and the Levant. Those in this camp contend that the LAF has been effective in countering Sunni extremism, promoting Lebanese stability, and serving as a bulwark against Iranian influence and Hezbollah’s militancy in Lebanon. In this view, American support for the LAF provides the United States with opportunities to shape events in Lebanon, and remains critical to pushing back on Hezbollah’s narrative that only it is capable of defending Lebanese security.\textsupercircled{58}

**Jordan**

As the League of Nations carved out spheres of influence from former Ottoman territory, the British mandate shaped the region into what would one day become the states of Iraq, Kuwait, and, in 1946, the Hashemite Kingdom of Jordan. Claiming to be directly descendent from the prophet Muhammad (of the house of Hashim), two successive kings used Western support and an increasingly modernized military to expand their influence to both banks of the Jordan River by 1950, though the West Bank and East Jerusalem were lost to Israel during their second conflict in 1967. Israel would pose a persistent point of tension for Jordanian-Palestinian relations. Jordan’s full-scale attack against the Palestinian Liberation Organization (PLO) in September 1970 as a response to the group’s guerrilla attacks against Israel and internal threats to the rule of King Hussein, continues to stain their relationship today. Jordan’s bilateral peace treaty with Israel in 1994 bought the kingdom increased stability and support from the West, and, after September 11, 2001, Amman became an important strategic ally for the United States in combatting regional terrorism and pushing back against political Islamists.

Jordan has long been a symbol of stability in a tumultuous region, even as it bears the repercussions of numerous conflicts on its borders. King Abdullah II remains a reliable partner for the United States, often serves as a broker of regional disputes, and asserts himself as a leading proponent of a moderate interpretation of Islam—providing a model for tolerant Islamic governance during a period where non-state actors have attempted to exploit political and religious grievances across the region. Normalized relations with Israel have brought cooperation to a variety of issues, as highlighted by the two nations’ landmark agreements regarding rights to the Jordan River.\textsupercircled{59} As a successful example of Israeli-Sunni Arab coexistence, this relationship could

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be replicated with other Sunni powers as part of a balancing axis to counter Iranian influence in the region.

But Jordanian stability is far from secure. Since the foundation of Israel, Jordan has hosted increasing numbers of Palestinians who have since attained varying levels of citizenship and political recognition, with millions of people making up portions of the informal economy and living in refugee camps. Decades of international aid have helped supplement the cost of supporting this population, but the addition of an estimated 1.3 million Syrian refugees since the start of Syria’s civil war has significantly added to that burden. The influx of refugees continues to pose a threat to Jordanian stability, to the point that the percentage of foreign nationals in Jordan is approaching more than half the total population of the country. The issues posed by refugees, coupled with the fact that the Jordanian national debt is near 90 percent of its GDP (caused largely by expensive energy imports), have left it at the mercy of international aid, much of which has come from Western countries like the United States. Recent terrorist attacks in a country known for its excellent security record, strained tensions with Saudi Arabia after disputes over custodianship of holy sites, and a series of suspect arrests of top-level officials and businessmen in both countries have all shown that Jordan is far from immune from the turmoil that plagues the Levant today.

Following the Trump administration’s decisions to recognize Jerusalem as the capital of Israel and to reduce economic aid to the UN agency which supports Palestinian refugees, Vice President Mike Pence traveled to Jordan to help soothe tensions and assess the political consequences. During his meeting with King Abdullah, the monarch noted the damage done to the possibility of reviving Arab-Israeli peace talks and called on Washington to rebuild trust and confidence in their partnership and return to efforts in crafting a two-state solution. Jordan’s small population and economy further limit its ability to decisively swing the Middle Eastern balance of power. Its collapse, by preoccupying Israel, would have more impact on regional order than any active Jordanian initiative.

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65 Recall that Jordan aligned itself with Iraq during the 1991 Gulf War and for several years thereafter; this did not prevent Iraq’s crushing defeat, the imposition of no-fly-zones, or Iraq’s sustained international isolation. It would be much harder for, say, Iran to gain the same kind of internal and external leverage on Jordan today that Iraq enjoyed at the time.
Egypt

Bridging the Muslim-majority nations of North Africa and the Middle East and holding the largest population of any regional state, Egypt has historically been seen as the cultural leader of the Arab world. Under the charismatic rule of Gamal Abdel Nasser from 1952-1970, Egypt championed pan-Arabism, which came to be seen as a threat to the interests of the United States and the Gulf monarchies. But after an experiment to unify Egypt and Syria failed in the early 1960’s and Israel defeated the Arab nations of Egypt, Jordan, and Syria in the Arab-Israeli wars, the ideology lost steam. The assassination of Nasser’s successor in 1981 further contributed to Egypt’s loss of regional prestige; his successor, Hosni Mubarak, ruled Egypt for nearly 30 years as a dictator until the outbreak of protests during the Arab Spring in February 2011 saw him step down from power. After Mubarak’s ouster, the Egyptian military ran a provisional government until the presidential elections of June 2012, where Mohammed Morsi of the Muslim Brotherhood was elected as president in the first free and democratic election in Egyptian history.

Under Morsi, the Egyptian parliament unilaterally drafted a new constitution in November 2012 that enshrined Islamic law in Egyptian society at the expense of secular, liberal, and non-Muslim Egyptians. Yet the Islamists in government went too far; Morsi’s efforts to obtain unlimited emergency powers brought millions to the streets in protest, and led to violence and an ultimatum from the Egyptian military for Morsi’s resignation. By July 2013, Morsi was overthrown. This brief Islamist interlude gave way to an Egypt that became a jagged crystallization of its prerevolutionary self, with the military’s power in politics made plain when General Abdel Fatah al-Sisi overthrew the government to enshrine himself as president. The military’s strategy to contain the Muslim Brotherhood then quickly became one of violent suppression, beginning with a 2013 massacre at Rabaa al-Adawiya.66

These events accelerated political violence, and dramatically undermined Egyptian stability. Egypt now faces a terrorist campaign, which in the Sinai rises to the level of insurgency. This has imposed severe damage on the Egyptian tourism sector—particularly after high-profile attacks like the October 2015 downing of a Russian airliner, an incident that killed 224, and an attack on a Sufi mosque in the Sinai Peninsula in November 2017, which killed 311 people67—and will only compound Egypt’s economic troubles. President Sisi has been unable to decisively defeat these threats. But many Egyptians still see Sisi as necessary for Egyptian stability, despite his political legitimacy being tied to controversial electoral victories. Although Sisi won reelection in April 2018, no true contenders were allowed to run against him.68

66 After the removal of Egyptian President Mohammed Morsi by the military in July 2013, over 800 members of the Muslim Brotherhood were killed by Egyptian security forces after they staged a sit-in protest outside of Cairo’s Rabaa al-Adawiya mosque in August.
A return to despotic rule is only one of Egypt’s many ongoing problems. An economic crisis, which saw foreign debt reach upwards of $80 billion dollars, fuel and food subsidies cut, foreign currency reserves decline, and inflation soar to nearly thirty percent in 2017, is only slowly starting to turn around.\(^\text{69}\) One of the largest sectors of the economy, tourism, was badly hit when terrorist attacks against airliners and coastal resorts made travel to the country a dangerous proposition for foreigners. IMF restructuring plans and loans have helped turn the crisis around, and foreign investment and tourism have since rebounded, but not to levels which would have significantly lessened the burden of repaying interest and loans that are absorbing the government’s budget.

Due to all these troubles, Egypt has become particularly reliant on Gulf money for financial stability. However, this dependency has not made Cairo a puppet to Riyadh or Abu Dhabi; Sisi’s decision in November 2016 to publicly back the Assad regime over the opposition in Syria drew the consternation of Saudi Arabia and its other Gulf allies. Yet, despite these tensions, Egypt has tried to improve its relations with the Gulf, even when its actions have led to unintended consequences. For example, Cairo’s increasing closeness with the Gulf states has led to nationalistic backlash inside Egypt, including over the transfer of two Red Sea islands to Saudi Arabia. Nonetheless, even in its diminished state, Egypt can continue to be an American partner in a few areas of strategic interest, including on counterterrorism, Israeli security, and negotiations over Palestine. Engagement may be the best strategy in this regard, as encouraging better governance and dissuading Sisi from taking further autocratic steps will help heal the fissures undermining Egyptian stability.

**Libya**

Libya’s current turmoil follows a history rife with centuries of combat, conquest, and foreign intervention. Ancient Roman rule was overthrown only to be later transferred to the Arabs, who later lost power to the Ottomans, and then the Italians. Attempts to integrate Libya into a Greater Italy were halted by World War II, after which French and British administrative rule led to its establishment as an independent monarchy. A coup brought the military government of Colonel Muammar Gaddafi to power in 1969, and after attempts to join the socialist pan-Arab movement led by Egypt’s Nasser failed, Gaddafi attempted a revolution of his own creation. Codified in his Green Book, Gaddafi encouraged a cult of personality that largely dissolved local governance, enforced selected tenets of democratic socialism and Islamist values, which, coupled with his personal eccentricities and allegations of supporting international terrorism, largely isolated Gaddafi. The violent suppression of protestors in Benghazi in February 2011 during the Arab Spring and abundant human rights violations eventually brought a UN and NATO sanctioned intervention by the United States and its allies later that year, which led to Gaddafi’s ouster and death.

After the Arab Spring, the transitional governments that attempted to take control repeatedly collapsed due to infighting, which created opportunities for extremists and terrorists. It


has also become a site of confrontation between other Arab states, as illustrated by a period during which Qatar and Turkey supported an Islamist government in Tripoli while Russia, Egypt, and the United Arab Emirates backed a more secular government in the eastern city of Tobruk. The Islamic State has taken advantage of the chaos to make Libya a major theater for its operations, and the state has become a source of weapons proliferation across the region.71 The flow of migrants and refugees through Libya is a major concern for European states, which have mounted a number of military operations to reduce crossings; accidents during crossings have killed tens of thousands.

Yemen

Conflict has long been the norm in Yemen, the poorest country on the Arabian Peninsula. Once divided between a communist south and Arab nationalist north before being unified in 1990, Yemen’s northern and southern armies failed to unify and engaged in a civil war in 1994. After a decisive northern victory, Ali Abdullah Saleh, previously the president of the Yemen Arab Republic, attained dominance over reunified Yemen. The outbreak of protests in 2011, reflecting internal divisions as much as democratic aspirations, led to Saleh’s fall but failed to produce a stable political settlement.

This upheaval culminated in an internal civil war instigated by the Houthis, a Zaydi Shia movement on the border with Saudi Arabia with some connections to Iran. In early 2015, members of the group advanced into the Yemeni capital of Sanaa and declared themselves the nation’s leaders. Saleh’s replacement, President Abdu Rabbu Mansour Hadi, fled and formed a coalition against the Houthis, while Saleh became their ally.72 Further complicating the issue was an announcement by the Southern Movement (also known as Al-Hirak) in January 2018 that it intends to overthrow the Hadi government and assert control over the provinces that formerly constituted South Yemen.

The situation has attracted a major military intervention, led by Saudi Arabia and backed by most of its allies, including the United States. The UAE has also joined the Saudi coalition and has utilized its special forces and Colombian mercenaries73 to support the Southern Movement and open new fronts against the Houthis. The intervention has failed to produce a decisive outcome, but it has created a massive humanitarian crisis (including at least ten thousand civilian deaths, widespread malnutrition and food insecurity, and more than one million cases of cholera and outbreaks of diphtheria) and heightened Saudi-Iranian tensions. A Saudi-led blockade of the nation prevented commercial goods from entering the country, including fuel for pumping water and powering electric grids, thereby forcing medical centers to shut down and sanitation systems to collapse. With the capital city and most population centers being located in high-elevated regions, pulling water from nearly depleted aquifers has only become a greater challenge, leaving upwards

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of half the population without water security. The blockade was temporarily lifted in December 2017, but Yemen’s infrastructure has been so vastly degraded that just delivering humanitarian resources presents a serious challenge in itself.

The Saudi air campaign targeting Houthi strongholds in the north and the Yemeni capital has stalled the civil war and caused thousands of civilian deaths. Houthi forces have fired ballistic missiles deep into Saudi Arabia, and, while some have been shot down, have escalated the conflict’s stakes. UN-led peace talks have repeatedly failed to mediate the conflict, and Saleh’s death in December 2017 at the hands of his Houthi allies after he called for dialogue with the Saudi coalition ensured that the war will continue. The United States has extensively supported the Saudi coalition, including with intelligence, refueling, arms sales, resupply, and more, while occasionally reducing particular aspects of that support and offering criticisms of the war’s humanitarian impact.

The Houthis’ firing of several missiles at U.S. Navy ships in 2016 prompted American retaliatory strikes, and threatened to pull the United States deeper into a conflict while more pressing priorities exist in the region. Al Qaeda and ISIS have taken advantage of the chaos to make territorial gains in the sparsely populated eastern provinces, and Al Qaeda-friendly local leaders have been linked to the Hadi government in its fight against the Houthis. Despite that, the United States military carried out over 120 drone strikes against terrorist organizations in Yemen throughout 2017; Al Qaeda in the Arabian Peninsula (AQAP) continues to pose a major threat to U.S. national security interests given its history of devastating attacks on American targets. As long as the conflict persists, it will continue to undermine American efforts to deter the growth of terrorist organizations in the southern Arabian Peninsula and may have the unintended effect of pushing the Houthis closer to Iran.

76 The attacks on the USS Cole in 2000 and the Fort Hood Shooting in 2009 were perpetrated by AQAP and a U.S. Army major who was linked to its leadership.
The Arab Gulf States

The six states that make up the Gulf Cooperation Council have been key players in virtually every struggle in the Middle East. The perceived decline in American involvement in the region and an increasingly active Iran have pushed the Gulf states to act more forcefully in defense of their interests. Militarily, this new strategy has yielded novel results, as Karen E. Young has noted. Gulf forces are taking direct action in places beyond their borders, from as far away as Libya to as close as Bahrain, and supporting armed actors (both states and militias) in almost every regional state. These interventions have given the Gulf states a greater role and have intensified conflicts, but they have yet to resolve a conflict, as neither the Saudi-led campaign in Yemen, the Syrian civil war, nor the isolation of Qatar have been settled. Gulf politics have become highly securitized in the post-Arab Spring era. The uprisings posed an ideological challenge to Gulf autocracies, and the rebellions’ failures have, in their leaders’ eyes, vindicated them and given them new confidence.77

Domestically, the Gulf States have been pursuing major economic reforms aimed at diversification to resist fluctuations in energy prices, reduce their dependency on migrant labor, and stimulate private sector growth. Saudi Arabia has launched a broader modernization campaign. These reforms could shake the region. The Gulf’s measures to reduce their unemployment rates may, as Young suggests, harm countries that currently send labor to the Gulf and remittances back home, including Egypt, Lebanon, Yemen, India, and China. And if the reforms fail, they could weaken Gulf economies and perhaps destabilize their societies.

This new Gulf assertiveness is not necessarily a positive development, as a lack of resolution has only made conflicts bloodier and the opposition groups more extreme. The Saudi-led intervention in Yemen, even with American assistance designed to reduce the impact on civilians, has had a bull-in-a-china-shop quality and has managed to offend both U.S. interests and values. Similarly, the efforts by a coalition of Gulf States and allies to isolate Qatar and forcibly align its foreign policy with Saudi and Emirati priorities have created friction between several U.S. partners, led to Turkey (a U.S. ally) deploying troops in a possible effort to prevent intervention,

and pushed Qatar closer to Iran. And Gulf support for the rebellion in Syria, due more to state incompetence than to actual intent, helped intensify the conflict and radicalize the opposition without successfully achieving its objectives. Moving forward, a better outcome for the United States would be for the Gulf states, possibly in tacit cooperation with Israel, to form an effective balancing coalition against Iran, and thus to reduce the need for U.S. involvement in the region. Possible factors preventing the emergence of such a coalition will be examined later in this monograph.

**Saudi Arabia**

The House of Saud and its conservative Wahhabi allies have been consistently consolidating power since the days of the Ottoman Empire. In 1932, Abdulaziz bin Abdul Rahman, known in the West as Ibn Saud, assumed the mantle of the Custodian of the Holy Sites of Mecca and Medina and crowned himself king. Ibn Saud would use his country’s hardline conservatism and the discovery of oil to ensure his dynasty’s dominance of the Arabian Peninsula. By capitalizing on its oil wealth, Saudi Arabia managed to negotiate an alliance with the United States, which has persisted for over seventy years and remains the foundation of Saudi security. However, Saudi Arabia’s stability has recently come into question, as the forces of globalization and the push for renewable energy put new pressures on the kingdom.

Following the death of King Abdullah in 2015, Saudi Arabia began implementing a series of changes that will profoundly affect the country’s economic and political affairs. In 2017, King Salman shook up the Saudi line of succession when he named his son, thirty-one-year-old Mohammed bin Salman, to the position of crown prince—an unprecedented shift in power from the gerontocracy that has led the Saudi state for generations to a member of the younger and relatively more liberal generation of Saudis. Crown Prince Mohammad has been the force behind the Saudis’ aggressive Yemen campaign, the brief resignation of Lebanese Prime Minister Saad Hariri, and the regional isolation of Qatar. At home, he has championed socially and economically liberal policies to revolutionize Saudi Arabia and reverse a disturbing trend of economic stagnation and declining state revenues. As part of this effort, he has moved for Saudi women to drive, curbed the power of the conservative religious establishment, modernized the country’s education curriculum, and is seeking to espouse a more moderate form of Islam and swiftly reduce the influence of extremist sympathizers among the Saudi clergy. He intends for these changes to

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produce a Saudi Arabia that is more attractive to international investment, and whose people are culturally receptive to values like tolerance, discipline, and transparency.82

Crown Prince Mohammad has also designed the transformative economic plan known as Vision 2030, which seeks to hedge against the threats posed by high youth unemployment, sunken global oil prices, and rising domestic energy consumption by increasing private sector employment and diversifying the oil-dependent Saudi economy. Vision 2030 further includes a plan to develop an international sovereign wealth fund by privatizing a minor stake in Saudi Aramco, the world’s largest oil company. These ambitious structural reforms are stressing the kingdom’s conservative social and political foundations, which, as Chatham House researcher Jane Kinninmont observed, rely on a social contract whereby government spending and social welfare programs translate to internal stability and regime legitimacy.83 Continued Saudi austerity measures will only exacerbate these tensions.

Rapidly rising electricity demand has also resulted in Saudi aspirations for nuclear energy, and the country plans to build 16 reactors by 2032 to provide up to 15 percent of its energy needs by 2040.84 These developments are concerning given the inherent dual-use nature of nuclear technology and the impetus for weapons proliferation from the Iranian nuclear program. Despite this, many analysts have assessed that Riyadh would not seek nuclear weapons out of deference to its security relationship with the United States, but the unpredictable nature of the American political system (as epitomized by the difference in American-Saudi relations under Barack Obama and Donald Trump) has undermined Saudi confidence in the durability of Washington’s support. Furthermore, the Saudis have been adamant that they would attain nuclear capabilities in parallel with Iran.85 Therefore, reports that Saudi Arabia has refused to explicitly forgo uranium enrichment or plutonium reprocessing are telling, while the Kingdom’s relatively limited integration into the nonproliferation regime should be addressed.86 Likewise, present Saudi technical shortcomings should not be taken for granted, given that the kingdom imports Western scientists with advanced science degrees, has made progress in nuclear medicine, and established the King Abdullah Center for Atomic and Renewable Energy (KACARE) in 2010 to serve as a repository of nuclear knowledge and to manage the country’s nuclear activities.

Despite ongoing Saudi efforts to develop an economy that can thrive in a less oil-dependent twenty-first century, significant constraints will continue to restrict Riyadh’s latitude in asserting itself as a major regional player. The global shift towards renewable energy sources, the profitable

development of unconventional oil, and the concurrent decline in oil prices has had deleterious effects on the Saudi economy; Saudi foreign currency reserves have fallen 34 percent from a high of $737 billion in August 2014 to $485.9 billion in October 2017.\(^\text{87}\) After seeing steady 5.5 percent growth from 2005 to 2015, Saudi GDP growth declined to 1.4 percent in 2016 and contracted in 2017 as state revenues (90 percent of which are derived from oil exports) declined by half.\(^\text{88}\) Government subsidies, which have long been used to quell internal calls for political reform and social liberalization, continue to cost approximately $61 billion annually\(^\text{89}\) and recent efforts to reduce these benefits have incited social backlash.

For example, after introducing a 5 percent sales tax on goods and doubling gas prices (which remained below market price even after the increase) in January 2018, Riyadh was forced to implement a $13 billion stimulus package that would “ease [the] burdens on [its] citizens” by providing bonuses to state employees and stipends for students.\(^\text{90}\) Riyadh similarly backtracked on its September 2017 decision to slash the salaries of government employees (which comprise 60 percent of all employed Saudis)\(^\text{91}\) by 30 percent after it incited a public tirade on social media. The Saudi government’s recognition that austerity is crucial to creating a more sustainable economy is certain to continually clash with its citizens’ expectations of financial generosity, which have been conditioned by years of unparalleled government largess.

Moreover, as Saudi Arabia tries to build a robust private sector that can substitute its declining oil revenues as a part of its Vision 2030, it will run into problems with its labor pool. According to the World Bank, Saudi youth unemployment was at 32.6 percent in 2017,\(^\text{92}\) which bodes ill for a country where 60 percent of its population is below the age of thirty.\(^\text{93}\) This problem is likely to persist into the extended future; 226,000 Saudis will join the labor force annually, driving the working age population to nearly 18 million by 2025. American University of Beirut Professor Hilal Khashan has written that Saudis are generally ill-suited to the kinds of labor-intensive, private sector jobs which Vision 2030 envisions as “generating at least 60% of Saudi economic growth.” He contends that the Saudis are unlikely to want these jobs, especially when the pay is lower than the public-sector jobs to which they are accustomed, and which require specialized technical skills or strenuous work.\(^\text{94}\) Therefore, Khashan predicts that Riyadh will be forced to rely on highly skilled expatriates and foreigners to build the necessary infrastructure to

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\(^{89}\) Ibid.


accomplish Vision 2030’s high economic growth targets, thereby deepening the Saudi private sector’s dependence on foreign workers (which already comprise 90 percent of the private Saudi workforce\textsuperscript{95}) and undermining efforts to develop an indigenous, technically-skilled workforce.\textsuperscript{96}

For Vision 2030 to be successful, Riyadh must revolutionize Saudi society from its core. The current Saudi tripartite model of “religion, tribalism, and oil” is incompatible with a plan that calls for transparent and tolerant governance, and a disciplined and entrepreneurial populace with a deference for institutional authority and the rule of law. Efforts to create a “productivity-driven economy” without implementing the necessary political reforms, Khashan argues, are “bound to usher in a class society that would result in the withering of tribalism. In essence...deconstructing the pillars of the Saudi political system without replacing them with modern ones.”\textsuperscript{97} Riyadh’s desire to hedge against concerning economic trends by transforming Saudi Arabia is certain to increase instability as the deeply conservative Saudi society is shaken by the modernizing forces of globalization.

Another enduring challenge for Saudi Arabia is one of political governance, especially as it relates to its marginalized Shiite community, which comprises approximately 15 percent of its population and resides in its extremely oil-rich eastern province. As a matter of ideological and strategic policy, Iran has long sought outreach to the Middle East’s disenfranchised, impoverished, and ostracized Shiites, often providing political, economic, and military support as part of its efforts to gain influence at the expense of its adversaries. Given the Saudis’ vast advantage in terms of military spending, conventional armaments, and alliances, Iran is certain to exploit simmering tensions within the Saudi Shiite community which have festered over decades of Riyadh’s neglectful and sectarian policies. This threat necessitates that Riyadh undertake what Frederic Wehrey has said will be a “generational struggle” to create a more “pluralistic landscape” that brings Saudi Shiites into the fold.\textsuperscript{98} Continuing the flawed policies of the past for short term political gain will only provide Iran with further opportunities to undermine Saudi stability.

More broadly, there are historical and theoretical reasons to worry about Vision 2030. Decades ago, on the other side of the Gulf, another young royal embarked on a similar quest to stave off upheaval with an ambitious modernization program. The country was Iran; the royal, Mohammad Reza Shah Pahlavi. His “White Revolution” indeed achieved massive change: empowering women, boosting literacy, and shifting the economy away from landowners and bazaaris and towards a modern economic structure. This meant a serious change in Iran’s political economy and society—a change that came at the expense of many of the regime’s traditional supporters. The reforms also accelerated urbanization and social disruption. Over time, all of this would increase opposition to the monarchy and encourage that opposition to rally around Islamic identity. As historian Ervand Abrahamian famously wrote, ”The White Revolution had been designed to preempt a Red Revolution. Instead, it paved the way for an Islamic Revolution.” Given the differences between Saudi Arabia in 2018 and Iran in 1963, this analogy may not be apt.

\textsuperscript{95} House, “Saudi Arabia in Transition,” 2.
\textsuperscript{96} Khashan, “Saudi Arabia’s Flawed ‘Vision 2030.’”
\textsuperscript{97} Ibid.
However, the comparison presents a troubling parallel because not all reforms go where the reformers intend.

That leads to the philosophical challenge facing Vision 2030. Few would dispute that the reforms have included a centralization of power around the person of Mohammad bin Salman, and that it features many state-directed projects. Some of these are exceptionally ambitious and innovative. Consider the city of Neom, planned to be built from nothing on the Saudi-Jordanian frontier, along the Straits of Tiran. The city aims to have more robots than people, a fully integrated Internet of Things, no supermarkets (since robots will deliver everything), and major innovations in supply chains.\(^9\) It hopes to add $100 billion to the Saudi GDP and will be, in the words of the Crown Prince, a “world hub” and a “civilizational leap for humanity.”\(^10\) Neom’s location indeed suggests potential—near the Sinai, Jordan, and Israel, and hundreds of miles closer to Europe than Dubai is. But Saudi Arabia has had big projects fail before: “Other massive cities in the desert,” note Bloomberg’s Glen Carey, Vivian Nereim and Christopher Cannon, “have been announced with much fanfare, then have floundered short of expectations, like the $10 billion office park on the outskirts of Riyadh sitting largely unoccupied and unfinished.”\(^11\) And that is at the heart of the challenge facing not only Neom, but Vision 2030 as a whole: centrally planned, state-directed initiatives often fail, and fail at great cost. Isolated from supply and demand by access to state revenues, bureaucrats can sustain miscalculations far longer than any private entity. And cut off from the feedback of elections and even from much of Saudi Arabia’s traditionally broad network of ruling royals, Mohammad bin Salman’s highly centralized authority might enable him to err grandly—with even grander consequences.

**The United Arab Emirates**

Following the withdrawal of British forces from the Persian Gulf in 1971, the seven emirates, or provinces, unified into a federation known as the United Arab Emirates (UAE). Despite being one of the youngest states in the Middle East, the UAE was able to quickly translate its immense oil and gas reserves—the seventh-largest proven reserves in the world\(^12\)—into regional prestige and influence. The UAE’s economy, while still heavily reliant on oil, is diversified to the point that it has become the region’s foremost financial market and the Arab world’s second largest economy after Saudi Arabia. Abu Dhabi’s strong partnership with Riyadh belies the federation’s historic connections to Iran; many influential Emirati families and tribes trace their recent heritage to the Islamic Republic. While relations with other Middle Eastern partners have fluctuated, the UAE’s political relationship with the United States has remained strong due to robust bilateral military cooperation on counterterrorism and shared regional threats.

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Historically, the internal politics of the UAE have remained relatively stable, with political power focused in Abu Dhabi and economic investment centered in Dubai. Investments in transportation infrastructure, telecommunications, financial services, and tourism have diversified the Emirati economy against price shocks in the global oil market, and many sources suggest that steady growth in non-oil sectors will continue unabated into the future. However, the Emirates are heavily dependent on foreign labor; the number of migrants now exceeds the domestic population nine-to-one, with laborers and domestic service workers coming primarily from South Asian states like India, Bangladesh and Pakistan, but also other Arab states. Yet, despite this imbalance, the distribution of oil revenues to Emirati citizens and restrictive employment laws for foreign workers have combined to dissuade dissent from emerging, and have widely led to projections of long term internal stability and an attractive investment climate.

Such stability has allowed the Emirates to become the region’s cultural, travel, and tourism hub, with Dubai becoming the fourth most visited city in the world. The relative ease of visa acquisition, temperate climates both culturally and atmospherically (in the winter months), and the luxury Emirates and Etihad airlines have brought in tourists from its neighbors alongside those from India, the United Kingdom, Russia, and the rest of the world. Dubai’s attractions, such as the world’s tallest building and one of the world’s largest shopping malls (which is also equipped with an indoor ski slope and accompanying penguins), in addition to its central location within four hours flying-time of over two billion people, has made Dubai Airport the busiest in the world. International sports tournaments have found sponsorship and accommodations in Dubai, with golf, tennis and rugby competitions being held annually, and the famed horse races with their massive purses have led the city to be nicknamed the ‘City of Gold.’ Abu Dhabi has sought to compete with such extravagance in its own ways, with the elegant Sheikh Zayed Grand Mosque, the newly-opened Louvre Abu Dhabi acquiring priceless works of art, and ambitious infrastructure projects such as Saadiyat Island and Formula One race tracks.

The UAE’s domestic strength has allowed it to have an outsized role in regional affairs, and Abu Dhabi has occasionally undertaken actions that some have called bold, others impulsive. The UAE has supported the Saudi air campaign against Houthi rebels in the Yemeni civil war with its own troops, and has given substantial support to a southern secessionist movement which seeks to overthrow both the rebels and the Hadi administration. In Syria, the UAE and Saudi Arabia pledged to send their special forces into the country to help train Syrian rebels in their fight against the Islamic State and the Assad regime, and have supplied opposition groups with money and

materiel. These efforts are part of the Saudi-Emirati strategy of countering Iranian influence in the Middle East, and have often taken a sectarian bent in favor of Sunni Arab populations.

While the Emirates remain an important Middle Eastern ally for the United States, American support has empowered them to accept greater risks in their foreign policy. The Jebel Ali deep-water port is the most frequented port of call for the U.S. Navy outside of the United States, and American air wings have routinely operated from the Al Dhafra Air Base to conduct strikes in Iraq and Syria. Bilateral cooperation over the provision of arms remains considerable. Sales of American defense hardware to the Emirates have exceeded $23 billion since 2010, and are now the second highest in the world (second only to Saudi Arabia). The Emiratis were the first foreign country to receive the THAAD missile defense system, and purchases of Patriot systems, surveillance and reconnaissance drones, and various military aircraft have been extensive. Following Abu Dhabi’s signature on a “123 Agreement” which has been touted as the gold standard for nuclear “safety, security, non-proliferation, and operational transparency,” the United States agreed to supply the UAE with civilian nuclear power by 2018. Given the extent of bilateral ties and the importance of the UAE’s geographic position to American military operations in the Middle East, it is nearly guaranteed that the Emirates will continue to play a major role in the United States’ regional strategy as well as efforts to develop a balancing axis against Iran.

Qatar

The State of Qatar has long been ruled by a single family, but it was a poor British protectorate until the discovery of oil and gas beneath its shores in 1939. This tiny peninsula gained its independence in 1971 after negotiations with the Trucial States and Bahrain on unification fell apart, and the al-Thani family emerged from infighting to control the country. The Qatari emir has capitalized on his newfound wealth to expand Qatar’s regional influence and outreach by funding news organizations like the Al Jazeera television network and Islamist organizations like the Muslim Brotherhood and Salafists in Syria, giving the nation an outsized role the region’s politics. Despite enacting only limited democratic reforms since the beginning of the twenty-first century, Qatar has used its strategic location to secure good relations with the United States. Yet this has not been replicated with its GCC partners; Qatar’s support for the Muslim Brotherhood during the Arab Spring and its close relationship with Iran has created successive crises in the Gulf in 2014 and 2017-18.

110 Ibid.
On June 5, 2017, Saudi Arabia, the United Arab Emirates, and Bahrain, along with Egypt, broke diplomatic relations with Qatar and announced a trade embargo. The action was both unprecedented and unexpected. While there is no consensus as to the exact precipitating cause, Qatar and other Gulf states have had a contentious relationship for many years. Some argue that Qatari actions and close relationships with organizations that are perceived as a threat to other Gulf states led to the embargo, while others argue that Saudi ambitions, fear of Iran, or even President Trump’s permissive attitude toward greater Gulf state autonomy are the main causes. Ultimately, all of these issues may have played a role in the current crisis, but where this crisis goes and how it is resolved remains to be seen.

Qatar’s Middle East policy has been a significant irritant to its neighbors for many years. Due to Qatar’s small population of only three hundred thousand citizens, they have pursued their regional interests by triangulating between regional allies Iran, Saudi Arabia, and the United States. However, over the last few years Qatar has acted even more independently—by showing sympathy and providing support to many groups that embrace political Islam—and was perceived by other Gulf states as encouraging many of the uprisings that took place during the Arab Spring. In addition, the Qatari owned satellite television station Al Jazeera has caused diplomatic rifts by criticizing the governments of other regional actors. Other Gulf states have become increasingly incensed by such actions that are perceived as sowing disorder and discord and running counter to their interests. Saudi Arabia and the Gulf states put forward an ultimatum with demands to be met in order to resolve the conflict, but despite ongoing negotiations there is no sign that either side is willing to compromise. In August 2017, Qatar decided to restore full diplomatic relations with Iran, in direct opposition to the demands of other Gulf states.

The long-term consequences are not yet known, but what is clear is that the region’s worst diplomatic crisis in decades continues to deepen, creates significant impediments to U.S. Middle East policy, and absorbs top-level U.S. diplomats, including former Secretary of State Rex Tillerson. If not handled delicately, the current crisis may exacerbate risks to the GCC, to major U.S. military installations in Qatar, and potentially reduce unimpeded access to U.S. bases in Bahrain and Kuwait. Furthermore, if the crisis worsens, it has the potential to create new alliances that will benefit U.S. adversaries, such as Iran, and hurt U.S. regional allies. Therefore, U.S. strategy in the Middle East will need the flexibility to overcome the growing complexities among conflicting alliances and interests and to adjust to a wide range of potential outcomes. The United States has much at stake in the crisis between Qatar and other Gulf states, but it also has a significant opportunity to reassert its regional role by mediating a resolution to the crisis.

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116 Ibid.
Bahrain

After liberation from the Portuguese, Persians, Omanis, Ottomans, and British, the archipelago of the Kingdom of Bahrain finally emerged in 1971 as the smallest of the independent emirates in the Persian Gulf, and leveraged its large oil and gas reserves to rapidly accelerate economic development and to establish good relationships with the United Kingdom and United States. Pro-democracy protests and repeated coup attempts rattled the ruling al Khalifah family throughout the 1980s and 1990s, and a popular referendum in 2001 codified Bahrain as a constitutional monarchy, where the Sunni minority rules over the Shia majority (that comprises upwards of 70 percent of the population). Rising sectarian tensions in the region have exacerbated internal dissent in Bahrain, and its emir has responded to civil disobedience with autocratic policies and repression. Yet this has not stopped Bahrain from solidifying its relations with the United States, Israel, and (most of) its GCC partners. Bahrain has followed Saudi Arabia into conflicts with Yemen and Qatar, using its wealth to build a moderate military prepared to retaliate to Iranian aggression in the region.

But this has failed to bring the domestic stability that other countries in the region have bought: protests in Bahrain broke out again in 2011 during the Arab Spring, and were met with a harsh crackdown. Martial law and troops from Saudi Arabia and the UAE were used to put down the protests, which King Hamad al Khalifa declared were an Iranian plot to subvert the ruling family—a charge opposition leaders denied. The main opposition party, al Wefaq, is the largest in the country, and its leadership is comprised largely of Shia clerics whose loyalties are divided between Iran’s Supreme Leader and Iraq’s Grand Ayatollah Ali Sistani, just as its membership has divided loyalties along ethnic and religious lines as Arab Shites. The Iranians have been regularly accused of interfering in Bahrain’s crises and encouraging violence, and IRGC Quds Force head General Qassem Soleimani warned of a “bloody intifada” if a prominent Shia cleric was harmed—remarks difficult to interpret as anything other than an Iranian threat, given their source.

The protests raised sectarian and geostrategic concerns: Bahrain is just a few miles off Saudi Arabia’s coast but was at one point controlled by Iran. Bahrain is also home to the U.S. Fifth Fleet and the headquarters of U.S. Central Command’s naval element. A group of U.S. senators, in a letter to the secretary of state, cautioned that “Bahrain’s failure to address the legitimate grievances of its citizens has strained the country’s social fabric and invited outside actors to take advantage of the deteriorating situation…the government’s harsh crackdown on the political opposition undermines the country’s stability and plays into the hands of Iran.” While it is uncertain to what extent the protests were fomented by Iran rather than born of legitimate political

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118 Bahrain has made numerous overtures to Israel, including meetings between the king and prominent rabbis and discussions of business delegations and visas. For more, see Dov Lieber, “Despite Hype, Experts Doubt Bahrain-Israel Ties Ready for Prime Time,” Times of Israel, September 26, 2017, https://www.timesofisrael.com/despite-hype-experts-doubt-bahrain-israel-ties-ready-for-prime-time/.
grievances among Bahraini Shia, it is clear that until the Bahraini government implements inclusive policies, sectarian disparities will continue to threaten Bahrain’s stability and will remain a point of regional tension. A divided polity creates openings that outside actors can exploit.

**Kuwait**

The discovery of oil reserves beneath Kuwait in the 1930s brought large levels of investment from its British rulers and transformed it into one of the wealthy kingdoms in the Middle East. After gaining its independence in 1961, Kuwait was often subject to threats to its sovereignty by Iraq, which required repeated support from the British military and Kuwait’s neighbors. These disputes came to a head in 1990, when a disagreement over an oil field that spanned the Kuwaiti-Iraqi border led Saddam Hussein to invade Kuwait. The First Gulf War saw the United States, backed by a UN resolution, eject Iraqi forces out of the country at the cost of massive damage to the country’s oil infrastructure and, after the Iraqis set fire to Kuwaiti oil wells, an environmental disaster. Kuwait later served as a launchpad for coalition forces during the 2003 invasion of Iraq, and Kuwait has secured the United States as a strategic partner and hosted American forces since.¹²³

While domestic turmoil occasionally erupts within the al-Sabah ruling family and the legislature is periodically dissolved, steady progressive reforms have made the country a relatively stable nation in the region. Kuwait typically follows the lead of its larger partners in the GCC on international issues and works to avoid provoking its Iranian neighbor, as it has a significant minority Shia population. (Notably, this Shia population has historically had a friendlier relationship with the ruling dynasty than many other regional Shia communities.) Despite having more oil reserves than the UAE¹²⁴ and arguably stronger connections to the U.S. military given the number of bases it hosts on its soil, Kuwait projects little power in the region and tends to remain a neutral player in the regional power struggle.

**Oman**

One of the last states on the Arabian Peninsula to gain independence from the British in 1971, Oman has been a remarkably peaceful and quiet country in a tumultuous region. Its sole conflict, the Dhofar Rebellion, ended after Sultan Qaboos ousted his father and instituted sweeping modernization reforms, with amnesty initiatives, formal integration of several interior provinces, and foreign support unifying the nation. The sultan’s progressive campaign continued as Oman became a founding member of the GCC, women were included in ever-expanding areas of the government, and cooperation with the West on oil production and counterterrorism initiatives deepened. Fluctuations in oil prices frequently trouble the Omani economy, although attempts at diversification and shipping-infrastructure development have brought foreign investment and aid from nations like China and India who want to connect trade routes through the region to European markets.

Oman is uniquely positioned to be a neutral party to the Gulf conflicts because of the significant religious freedom that it offers to its religious community, the majority of which are followers of Ibadism, a branch of Islam that aligns neither with Sunni or Shia teachings. This may be a major contributor to the lack of terrorism stemming from or occurring in the country, with several studies showing that Oman is largely untouched by such violence, the only state in the region with such a distinction.\textsuperscript{125} Given this asset, and a geographic position at the mouth of the Persian Gulf that borders both major Muslim powers, Oman has long sought to play the role of mediator and liaison between the Sunni and Shia blocs. Its neutrality in the recent dispute with Qatar and conflict in Yemen, ongoing diplomatic and economic relations with Iran, and cooperation with the Sunni-dominated Islamic Military Counter Terrorism Coalition all serve to further its nonaligned status. This has not prevented Saudi Arabia and others from attempting to sway Oman’s allegiance, while the United States and others have pressured Muscat over allegations of allowing Iranian weapons to be smuggled to Yemeni Houthi rebels.\textsuperscript{126}

Oman’s continued neutrality could remain a great asset for American diplomats and policymakers when devising a Middle Eastern strategy.\textsuperscript{127} Given its modest military and its relatively small share of regional energy resources, Oman is not a critical player in the region’s geopolitics. However, Oman is placed at a geographically strategic position on one end of the Strait of Hormuz, which could be manipulated to destabilize Gulf oil exports in times of conflict if either Iran or Saudi Arabia held sway over Omani politics. This would be a significant detriment to U.S. interests in the region. Further, Oman’s success in facilitating the talks that led up to the Iran nuclear deal proved the importance of maintaining secure backchannels for communication with Iran in the absence of formal diplomatic relations. The continued stability of Oman, as the sultan’s health begins to fail, presents yet another area of concern in the region, and American support for a peaceful transition and the subsequent continuation of its neutrality will be of some importance in the near future.

Israel

History

The United States and Israel have long enjoyed a friendly and stable relationship, which began when the United States was one of the first countries to recognize the state of Israel upon its founding in 1948. While economic and military aid, as well as diplomatic shielding at the United Nations, have always been robust, American support for Israel has not been constant over time. For example, major U.S. military aid only began after the 1967 Six-Day War, which Israel fought using French-made aircraft (the supply of U.S. F-4 Phantom fighters was complicated by American concerns about Israel’s development of a nuclear arsenal). Israeli interventions in Lebanon and the Palestinian territories have also created periodic challenges for U.S. regional policy and led to U.S. pressure on Israel. In recent years, personal disputes between President Obama and Prime Minister Netanyahu over settlement construction in the West Bank and the Iran nuclear deal did not prevent their defense officials from coordinating joint offensive operations, including cyberwarfare against Iran’s nuclear program and counterterrorism activities in Syria and Iraq.\textsuperscript{128} Ensuring that Israel maintains its qualitative military edge in the region must remain a priority of U.S. policy, but should not prevent American officials from using this aid as important leverage over Israeli policy.\textsuperscript{129, 130}

Arab-Israeli Relations

As Dennis Ross has observed, in its approach to the Arab-Israeli issue, the United States has operated on three core assumptions\textsuperscript{131}:

\begin{itemize}
  \item When the United States distances itself from Israel, it can get closer to the Arab states.
\end{itemize}


\textsuperscript{129} Ibid.


When the United States gets closer to Israel, it comes at a cost to relations with Arab states. Transformative diplomacy in the Middle East won’t be possible as long as the Israeli-Palestinian issue isn’t resolved.

Ross suggests that these three assumptions are wrong. For example, Nixon suspended sales of Phantom fighter aircraft to Israel in 1971 in a bid to create an opening with Egypt, but was rebuffed. When Barack Obama gave his Cairo speech in 2009, he asked King Abdullah of Saudi Arabia for a reciprocal gesture of openness toward Israel; this too was rebuffed. Even as far back as the Kennedy administration, Saudi Arabia didn’t mention U.S. MIM-23 HAWK missile sales to Israel in key meetings, instead focusing on the crisis in Yemen and U.S. overtures to Egypt.

A misreading of Arab leaders’ priorities, argues Ross, is at the root of this error. The Israeli-Palestinian issue is politically important to them, but it’s not an existential concern like maintaining a good relationship with the United States. That is why Israel is not a central issue in U.S. relations with its Arab friends; it is why Arab leaders have generally worked to maintain a minimum “floor” in those relationships, and it is why they are cooperating with the Israelis more than ever before.

The HAWK missile sale example is particularly pertinent today. At the time, Saudi Arabia saw Nasser’s Egypt much as it currently sees Iran, as a critical threat to both its regional position and its internal legitimacy. Thus, Israel acts as a bulwark against Iranian influence and, for its neighbors, a crucial source of cooperation against terrorists. In this regard, Israel is an important piece in an emerging regional alignment, an Israeli-Sunni axis working to restrain Iran in the perceived absence of American support.

The Palestinians

Israel continues to build settlements in the West Bank, despite frequent objections from the United States. Today, there are over 126 settlements in the West Bank and the Jewish population exceeds 400,000; add in East Jerusalem, and the population breaks 600,000. This population’s growth rate has, in some years, exceeded the general Israeli population’s growth rate by a factor of two or more.

Settlements pose a significant obstacle to an Israeli-Palestinian peace process because they are physical obstructions to a future economically and politically viable Palestinian state. For example, Israeli proposals to build housing in the E1 zone to connect Jerusalem with the settlement at Maale Adumim would effectively isolate East Jerusalem from the West Bank and reduce its effectiveness as the capital of Palestine. Moreover, the Israeli Defense Force’s (IDF) deployment into the West Bank to provide security and antiterrorism support to settlements restricts movement to Palestinian areas—which have substantial population growth rates of their own—further hindering a troubled economy. Consequently, settlements undermine the economic sustainability of Palestine by disturbing the formation of a contiguous Palestinian West Bank and by restricting the natural expansion and development of Palestinian cities. The removal of some settlements and a reduction in security measures in the West Bank would go a long way towards alleviating these problems and creating a lasting peace.

If the Trump administration is committed to negotiating a grand bargain between Israelis and Palestinians, it will need to muster the necessary political support to do so before it is too late. Considering ongoing and expanding settlement construction, American inaction will only allow this problem to worsen over time. At some point, settlements will grow so numerous that a solution will become impossible to attain, resulting in a binational state that would mortally threaten Israel’s Jewish and democratic character. Israel appears to be on a glide path to a one-state solution because the political environment on both sides of the security barrier is not conducive to a new round of peace talks. This outcome would weaken Israel and place new pressures on the United States.

The Trump administration’s December 2017 decision to unilaterally recognize Jerusalem as the capital of Israel and relocate the American embassy there has overtly tarnished the United States’ reputation as an impartial peace broker between the Palestinians and Israelis. However, although the decision engendered derision from Muslim publics around the world and incited criticism from capitals across the region, it has not reduced the United States’ regional influence. For instance, despite warnings from Saudi King Salman that this relocation would harm the viability of future peace talks, the kingdom appears to be more concerned with the geopolitical threats emanating from Tehran than with the Palestinian issue, and will not allow it to stymie bilateral cooperation with the United States. As previously discussed, the lack of Palestinian-Israeli peace remains a salient issue for Arab and Middle Eastern publics, but is less pressing for many American allies in the Gulf, which view Iran as the primary strategic and existential threat. Robert Satloff, Executive Director of the Washington Institute for Near East Policy, epitomized this conclusion in an analytical piece he wrote after a trip to Riyadh last December. Following meetings with a variety of senior Saudi officials—government ministers; the secretary-general of the conservative, Saudi-backed Muslim World League; and Crown Prince Mohammed bin Salman himself—Satloff wrote that his expectation that the Saudis would condemn the administration’s decision went completely unfulfilled; the outrage was conspicuously absent. Instead, Satloff reported that he was only able to wring a single word of disappointment from the Crown Prince in response to a direct question about Jerusalem; a momentary tangent which “quickly turned to where Riyadh and Washington could work together to limit the fallout.”

The failure of the two-state solution may still be years away, but Israel is already facing new challenges to its international standing. European countries have become less supportive, allowing the Palestinians to make gains in international organizations. The Boycott, Divestment and Sanctions movement (BDS) has achieved several successes, including EU regulations requiring labels on certain goods produced beyond the Green Line. Musicians are pressured to cancel concerts in Israel, while others—including prominent figures like former Pink Floyd singer Roger Waters—have joined a “cultural boycott.” Israelis abroad, and even non-Israeli Jews, face

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growing pressure to take clear, anti-Israel positions. In one high-profile example, Matisyahu, a Jewish American reggae singer, was disinvited from (and later re-invited to) a Spanish reggae festival after refusing organizer’s requests that he publicly condemn “Israeli war crimes”; he faced protests during his performance. The BDS movement has become particularly strong on college campuses, with student governments voting to divest from Israel and companies that support it, and questioning the right of Jewish students to serve in official roles. Several major academic organizations, including the American Studies Association, have enacted boycotts of Israeli universities. A campaign to counter these boycotts has seen anti-boycott laws passed in a number of U.S. states.

Israel’s relationship with the United States has also faced unexpected headwinds. Benjamin Netanyahu’s speech against the emerging Iran deal, delivered to a joint session of Congress in March 2015, failed to unite Congress against the deal. In fact, because many Democrats perceived the speech as a slight to Obama, it may have helped the deal’s supporters get enough votes to block attempts several months later to undo the deal. And while public opinion in the United States continues to strongly favor Israel, that support is eroding among younger people and liberal Democrats. The partisan gap on support for Israel is also growing, which may have been exacerbated in the blowback to Netanyahu’s speech, and which has prompted worries about the future of the American Israel Public Affairs Committee (AIPAC), an entity whose scrupulous bipartisanship faces challenges in a more confrontational U.S. political environment. Pro-Israel attitudes do not necessarily translate into support for Israeli government positions on particular issues: a plurality supports U.S. abstention if Palestine seeks recognition at the United Nations, and six in ten oppose settlement construction. If the collapse of the Iran deal leads to war with Israel and the United States, and that war does not lead to a quick victory, many of these trends could worsen for Israel: Netanyahu had made headlines shortly before the Trump administration’s withdrawal decision by giving an eye-catching presentation on stolen Iranian nuclear weapons files. Trump cited the presentation in his withdrawal speech.

Within the Palestinian territories, there has been sustained political instability. Mahmoud Abbas remains president despite having last faced voters more than a decade ago. Lines of succession remain unclear. Fatah’s attempts to reduce Hamas’s influence in the West Bank have had only mixed results, with fears that a fair poll could yield a win for Hamas. Hamas has had

142 See, for example, Grant Rumley’s scholarship on this point.
troubles, too: as a Sunni “Resistance Axis”-aligned movement, Bashar al-Assad’s crackdown on the heavily Sunni Syrian opposition pulls it in two directions at once. Hamas has thus spent the days of the Syrian war tottering back and forth between Tehran and Riyadh. And within its stronghold of Gaza, it faces new challenges on its Islamist flank from Salafi and pro-ISIS groups, some of which have been known to attempt attacks on Israel that could lead to Israeli reprisals against Hamas.144

Yet, Hamas’ new leadership has, since coming to power in August 2017, moved swiftly to end the Islamist militia-cum-political party’s regional isolation. It has repaired ties with Iran after years of strained relations that resulted in dramatically reduced funding, a move that helps Iran reestablish its influence in the Palestinian territories. Moreover, Hamas and Fatah signed a reconciliation deal in October 2017 that was brokered in Cairo by Egypt’s General Intelligence Service and laid the groundwork for a future reunification of the Palestinian territories. The parties agreed to transfer control of the Gaza Strip’s borders and daily administration from Hamas to the Palestinian Authority by December 2017 and planned to reconvene in Egypt shortly before this for discussions on forming a Palestinian unity government. However, this nascent success is unlikely to immediately result in a broader Palestinian reconciliation, since negotiations have stalled over Hamas’ unwillingness to turn over its weapons to Fatah and the Palestinian Authority. The assassination attempt on the Palestinian prime minister and general intelligence chief in the Gaza Strip in March 2018 is likely to strain bilateral relations further. That Hamas has remained steadfast in its refusal to disarm and committed to its rejection of Israel’s right to exist will likely continue to hinder an improvement in relations with Fatah and Israel, respectively.145

Israel and Its Neighbors

Decades of peace with Egypt have turned the country into a silent partner for Israel—a relationship epitomized by the rise of ISIS and similar extremist groups in the Sinai Peninsula. As reported by the Times of Israel, Israel has pursued “close” intelligence cooperation with Egypt, supported the Sisi government, lobbied America on Egypt’s behalf, allowed Egypt to move heavy weapons into the Sinai that would otherwise be forbidden under the peace treaty,146 and even, according to The New York Times, conducted more than one hundred air and drone strikes in the past two years inside Egyptian territory with Cairo’s permission.147 The two states may also cooperate closely on energy issues as Israel moves forward with new natural-gas projects.

Israel’s security concerns about Syria have shifted dramatically, too. The states have a longstanding dispute over Israeli-occupied territory in the Golan Heights, and came to blows in Lebanon during their rival occupations of its territory. Hezbollah, an enduring threat to Israel, has

long enjoyed Syria’s support (or at least toleration). The frontier between the two states was largely quiet and Israel was able to focus its security energies elsewhere. However, the outbreak of the 2011 Arab Spring in Syria and the resulting civil war has turned Damascus from a regional actor into the regional basket case. Hezbollah (along with Iran-backed militias from around the Shiite world) now plays a critical role in the pro-regime coalition. Israel’s concerns are now focused on ways that the Syrian conflict could create openings for Hezbollah and Iran, and repeated Israeli airstrikes on targets inside Syria have sought to prevent (1) the transfer of advanced weapons to Hezbollah and (2) the opening of a new front by Hezbollah and Iran against Israel in the Golan Heights. 2018 has seen a major escalation in these strikes. Clashes have been larger, with Iran sending a drone into Israeli airspace, retaliatory strikes on Iranian positions in Syria, the downing of an Israeli jet on the raid, Iranian rocket fire into the Golan Heights, and massive Israeli airstrikes on both Iranian assets and Syrian air defenses in response. Iran seems unable to leverage its Syrian presence against Israel so far, raising questions about possible asymmetric retaliation.

To a lesser extent, there are also concerns about the presence of Sunni jihadist groups on the Israeli border. Israel has taken a multipronged approach to its northeastern frontier: when Israel comes under fire, it hits regime assets; when wounded or sick people show up at the border, it treats them. It has tried to get humanitarian aid into hard-hit villages; as journalist Neri Zilber has written, “this effort to win hearts and minds seems to be succeeding.” According to reports, Israel has engaged in a small-scale program to support some anti-regime rebel groups in the Golan, although the known effort does not appear sufficient to shape outcomes beyond the very local level.

Zilber also observed that there has been growing pressure by some Israeli security figures to take a more active role in the overall conflict to defeat Iran and Hezbollah and ensure, if Assad falls, that the region knows Israel was “on the right side.” Many other figures are less optimistic about the rebels, whom they brand “50 shades of black.” Such a policy could create friction with the other major shift in Syria: the transformation of the Russian presence there from a minor naval base to a major military intervention, including the use of heavy airstrikes. This has certainly strengthened the regime coalition. More broadly, one would expect Israel to feel threatened by a nuclear-armed great power establishing bases to support a rival. However, in light of the fact that Netanyahu and Putin enjoy a close relationship, the Russian presence does not seem to concern Israel, and may bring benefits: as Samuel Ramani has assessed, Russia can serve as a stabilizing force and a check on Iranian influence over Damascus, and Israel has retained its ability to act in Syria.

Jordan has also become an emerging concern. In addition to its preexisting internal divisions, it now plays host to more than a million Syrian refugees—equivalent to more than a tenth of the population. This has placed a strain on its public services, resources, and economy, with the national debt reaching disconcerting levels and unemployment remaining high. Occasional terrorist attacks, unusual in what is typically a secure country, add to the concern. Economic troubles in the Gulf also harm Jordan’s economy through falling remittances and aid.

If Jordan appeared to be on the brink of collapse, Israel would be likely to intervene.

The situation in Lebanon has, from the perspective of Israel’s interests, become more complicated and dangerous. Hezbollah has come to exercise a growing influence over Lebanon’s government, which has led to political confrontations and the withdrawal of Gulf aid and investment. This has disrupted Lebanon’s economy in addition to the serious risks levied on its internal balances by the recent refugee flows and, in the words of one analyst, has also “cede[d] the field to Iran.” Over time, Hezbollah’s rocket forces have continued to grow larger and more advanced: as Willy Stern has written in the Weekly Standard, they now number well over 130,000 rounds, with the ability to fire some 1,500 per day; some of these systems have the ability to accurately strike from long range, possibly putting very valuable assets and densely populated civilian areas deep within Israel at risk. Quoting Israel Defense Forces (IDF) planners, Stern wrote that “as many as hundreds of Israeli noncombatants might be killed per day in the first week or two of the conflict”—more if there is a surprise attack. And, because Hezbollah is likely to conduct some of its operations from inside civilian areas, Israeli responses may cause tremendous civilian casualties, too, especially in Shia villages in southern Lebanon where Hezbollah’s presence and its abuse of civilian structures is most extensive. The result could be a mutually devastating war—indeed, this is what Israeli security experts have been warning of for years.

Yet on the other hand, Hezbollah’s intervention in Syria has become a serious drain on its forces, with heavy casualties (some saying up to a third of its fighters) and a large share of its strength tied up far from its frontier with Israel. Its intervention against Syria’s rebels has

severely damaged its image, eroding its desired brand as the Islamic resistance and replacing it with a narrower Shia-sectarian brand. Thus, though Hezbollah presents a growing threat to Israel with missiles and other military technologies, it has stronger incentives not to act against Israel because of its entanglement in Syria. Its damaged image further signals that it cannot count on as much support from the rest of the Arab world (though, conversely, in the event of stability in Syria, it could use a conflict with Israel to restore that image). Its fighters are gaining experience in battle, but it is often in large offensive operations, not the defense-oriented, short-target-window guerrilla operations that Hezbollah has used against Israel in the past. Finally, Hezbollah’s enormous arsenal and Israel’s capability to respond to its use have created an uneasy conventional deterrence.

**Israel and the Iran Deal**

Prior to the nuclear deal with Iran, Israel’s approach to Tehran’s nuclear program was one of exposure and hindrance, paired with the threat of preventive attack. Iranian nuclear scientists were assassinated and Iranian equipment was sabotaged in what were widely understood to be Israeli-backed actions. Israel’s air forces retained, at some expense and opportunity cost, the ability to conduct very long-range strikes against hardened targets, such as Iran’s key enrichment facilities near Natanz and Qom. Israeli diplomats worked to keep the Iranian program on the international community’s radar. The threat of a high-risk, likely destabilizing Israeli intervention against Iran also incentivized the United States to cooperate in elements of the sabotage campaign and to offer its own military threats to the Iranian program, including by developing special weapons, such as the Massive Ordnance Penetrator (a very large bunker buster), and preparing several of its valuable, stealthy B-2 bombers to deliver them. There were several periods between 2006 and 2012 when the risk of actual military intervention by either Israel or the United States appeared to be increasing, but over time the credibility of the threat diminished. On the Israeli side, it became known that the security cabinet was sharply divided on the issue, and improving Iranian capabilities and defensive measures made it less likely that a strike would succeed. On the American side, President Obama’s disagreements with Prime Minister Netanyahu and his palpable reluctance to escalate the nuclear crisis or initiate major military entanglements put his willingness to act in doubt. The escalation of the international sanctions regime, changes in how Iran managed its stockpile of 19.75 percent enriched uranium, and the beginning of serious negotiations in 2013 further reduced the perception that war was imminent.

As the deal took shape, the Israeli government’s opposition to it was quite open. The 2013 Joint Plan of Action, the negotiating framework that outlined the final deal, made it clear that Iran would be able to continue enriching uranium after a final deal—a key concession. And, as Netanyahu noted in his speech to Congress in 2015, the deal did not really target Iran’s missile programs (indeed, the UN resolution that supported the final deal assigned no meaningful consequences to Iranian missile activities) or have any link to Iranian behavior, raising the prospect that Iran could, after a decade or so of restrictions, emerge unchanged and stronger than ever. However, because so much of the previous Israeli messaging had focused on technical, nuclear

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161 For more on the dynamics and risks of military action by either the United States or Israel against the Iranian nuclear program, see Geoffrey Kemp and John Allen Gay, *War with Iran: Political, Military and Economic Consequences*, (Rowman & Littlefield, 2013).
aspects of the deal (see, for example, Netanyahu’s 2012 “cartoon bomb” speech at the United Nations\(^{162}\)), the Obama administration was able to turn the battle over the deal into a battle over the finer points of proliferation science and verification measures, rather than the strategic level concerns created by an advancing Iran. As many supporters of the deal pointed out, “Netanyahu’s bomb has been drained,” because the 19.75 percent stockpile was effectively eliminated.\(^{163}\)

Those in favor of the deal say that was the point: that hope for Iran to change its behavior, and especially to agree to change its behavior, was not likely to be fulfilled. Following this view, restricting Iran’s nuclear advances, even if only for a time, was an end in itself, narrowing the field of competition and lowering the temperature on the broader confrontation. Yet it is also reasonable for the deal’s critics to worry that when the deal sunsets, it will be more difficult to form international coalitions against risky Iranian nuclear advances, and Iran may be stronger and better able to resist whatever pressure can still be brought to bear. These two schools of thought manifest themselves in the Israeli national-security leadership: those associated with Netanyahu and Defense Minister Avigdor Lieberman expressed deep concerns about the nuclear deal and its effects and were supportive of President Trump’s withdrawal from the deal on May 8, 2018. In contrast, the Israeli professional security community has stressed the nuclear threat being “reduced” and focused much more on Iran’s threat to Israel via Hezbollah,\(^{164,165}\) Israeli reactions to the future of the deal will likely remain divided. With European and American thinking on Iran diverging since the president’s withdrawal from the JCPOA, the United States must work to keep Europe on America’s side, rather than Iran’s, and to lay plans for both serious negotiations with Iran (if things go well) and more robust means including deeper sanctions, enhanced missile defense, and perhaps more explicit deterrence doctrines to counter an eventual Iranian bomb.

**An Israeli-Sunni State Axis?**

The strategic alignment between Jerusalem and many of the Gulf Arab capitals has become increasingly open. They share serious concerns about Iran’s presence in a broad arc from Iraq, through Syria, and into Lebanon, to the south in Yemen, and in the Shia populations around the western edges of the Gulf. They are all also worried about Iran’s nuclear and missile programs, since the latter (which are the means of delivery for the former) don’t have the range to be aimed at America or the West. They have all been in a fluctuating relationship with Erdogan’s Turkey, nervous about Muslim Brotherhood–aligned factions, and friendly with the Kurds. They are, in spite of their problems with Moscow’s friends in Tehran, reasonably friendly with Russia. There are, of course, differences: the Israelis are under a more direct, critical threat from Hezbollah, and also don’t have much of a stake in the battles over the oil production freeze.

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But shared interests have made strange bedfellows. Israel has moved to establish a mission to the International Renewable Energy Agency (IRENA) in Abu Dhabi, whose headquarters is located there in part because Israel supported the Emirati bid over its normally close friend Germany.  

Israeli computer firms have supplied the Emirates with surveillance software. High-visibility meetings between Israeli and Saudi elder statesmen are becoming almost routine, with hints that the dynamic politics under King Salman’s regime may even enable the Arab Peace Initiative to be carried through in the event of peace. Netanyhu even shook hands with the Emirati and Bahraini ambassadors to the United States in March.

There are a number of factors potentially hindering the structurally logical Gulf-Israeli axis. The Palestinian question is one: while there is little evidence that the leaders of the main Gulf states treat the issue as one of great strategic significance, it does threaten to hinder any serious Israeli effort to cooperate deeply and sustainably with the Gulf States, including against Iran. According to Israeli military intelligence, Iran is providing $50 million to Hamas and $70 million to Islamic Jihad per year. If Gulf-Israeli cooperation against Iran is effective enough to seriously trouble the latter, it could ask the beneficiaries of its largesse to stir up a confrontation with Israel. Such a confrontation would surely increase domestic pressure on Gulf leaders to distance themselves from Jerusalem. And in an era of strained budgets and social transformation, how much domestic disquiet will Gulf leaders be willing to risk?

Similarly, the emergence of a Gulf-Israeli axis could, by displacement, heighten both sectarianism and radicalization. Eager to shift popular energy away from the anti-Zionism and anti-Semitism that Gulf leaders have long indulged, they may find a ready substitute in anti-Shia sentiment and in toleration for extremists targeting Shia Muslims. This would make stability in Iraq, Syria, Lebanon, Bahrain, eastern Saudi Arabia, and Kuwait more difficult, and could have knock-on effects in Afghanistan and Pakistan, too. However, given that sectarianism is already high, in great part due to the conflict in Syria, policymakers will need to study how serious such an increase might be, and whether it will lead to a categorical, strategically impactful increase in stability. Other radicalization could also occur: the combination of transformative domestic agendas and relations with Israel could drive extremism in the Gulf states. (The analogy with the social engineering attempted by the Shah’s Iran is imperfect but frightening: attempts at rapid modernization and Westernization created strong opposition, including among the hardline clerics who would emerge at the head of Iran’s revolution.)

In the shorter term, the already bitter sectarian climate will prevent Iran from assuming leadership of the Palestinian issue and of Sunni rejectionism generally. And as long as the Syrian conflict persists (and, to a lesser extent, as long as Iraq fails to integrate Sunnis into its polity on just and equal terms), this is likely to remain the case. However, in the longer term, these factors

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may shift, particularly if Israel and Hezbollah are drawn into another conflict; Iran may regain some popularity in Sunni polities. The emergence of a strategically meaningful “resistance axis” is highly unlikely, but significantly greater support for Iran among Sunni Arab publics would further increase the risks of a Gulf-Israeli axis.

Internal Gulf disputes are also an obstacle to the establishment of the Gulf-Israeli axis as a coherent strategic force. The recent Qatar fight is a highly visible example of a deeper phenomenon: the Gulf states compete with and distrust one another in ways that seriously hinder their effectiveness as an alliance. This fact is all the more remarkable and troubling given the Gulf’s weaknesses vis-à-vis Iran. Fostering greater security cooperation in the Gulf should be a top priority for U.S. policy, although policymakers will need to establish whether American inducements can deepen integration, or whether American guarantees are a crutch that enable the Gulf states to avoid it.

There could also be a burden-shifting problem within an Israel-Gulf axis. Each side would want the other to pay the price of actually confronting Iran and to thus accrue the benefit of a weakened Iran on the cheap. There have been allegations, for example, that Saad Hariri’s exile was a Saudi attempt to make an Israeli-Lebanese war more likely. Regardless of whether such allegations are true, Lebanon gives the Saudis an ability to shift risks and burdens towards its counterpart that Israel cannot mirror.

Israel also faces limits in aligning with the Gulf states. While the Israeli public has a reputation for being more tough-minded and less idealistic than American and Western European publics, the latter have long had simmering unease over friendship with the Gulf. The Gulf states are likely to remain autocratic, to implement severe interpretations of Islamic law, and to support highly conservative currents of Islamic thought. Women in Saudi Arabia will likely continue to live as second-class citizens, even as their access to social media will increase the salience of their status to outside audiences. Israelis are unlikely to relish friendship with the Gulf. More seriously, Israel has tended to be wary of its neighbors’ acquisition of advanced weapons, reasoning that Israel’s unpopularity with the public in these states, combined with their unstable and opaque governments, creates a recipe for long-term danger. This would make significant efforts to empower the Gulf states more difficult and would make retaining Israel’s qualitative military edge more expensive for both Israel and the United States.
Iran

History

The key points of the U.S.-Iranian relationship are well known. For much of Iran’s early history, contact between the two was cursory. Iran, surrounded by Arabia to the south, Russia to the north, and imperial Britain to its east and west, had far more pressing geopolitical concerns than Washington. The discovery of oil did not really change that, as it merely deepened Tehran’s links to London and its attractiveness to Moscow. The two would subjugate Iran and remove its king during the Second World War, enabling the Allies, including the United States, to use its territory as a valuable supply route to Russia, far from the threat of Axis interdiction.

The end of the war saw the geopolitical contest over Iran continue, with the Soviet Union attempting to retain authority in the northwest via local proxies. It is here that America made a forceful debut on Iran’s geopolitical scene, leading the way at the United Nations to push the Soviet Union to withdraw. Britain retained its influence via the Anglo-Iranian Oil Company in Iran’s southwest, but it, too, was withdrawing and reducing its role in the world as it recovered from the war. That withdrawal took place amidst a global wave of anticolonial, nationalist sentiment, and Iran was no exception, with Prime Minister Mohammad Mossadegh nationalizing Iran’s oil industry in March 1951. The ensuing years of political turmoil left Britain with little influence, and it thus had to turn to its stronger ally, the United States, to remove Mossadegh in 1953 and return the young Shah from exile. America’s action came in spite of its own support for decolonization and democracy, and suggested to many inside Iran that Washington had taken up Britain’s role as the meddling empire. For a time, this perception mattered little: the Shah himself moved closer and closer to the center of Iran’s political stage, even as he and his regime became increasingly important to America’s plans to keep the region stable and out of Soviet hands.

Those two storylines came to a disastrous conclusion with the Shah’s fall at the beginning of 1979. Now, the perception of America as a malicious conspirator made it a prime target for the revolutionary camp. The forceful capture of U.S. diplomats and the subsequent hostage crisis saw the two states break off relations and nearly come to hostilities. Then followed Saddam Hussein’s invasion of Iran in 1980. The Iraqi dictator benefited from the lion’s share of American support;
in 1982, Iranian forces ejected Iraqi forces from most of Iranian territory and prepared to invade Iraq and overthrow Saddam. Iran was also establishing itself in this period as one of the world’s premier sponsors of terrorism, with its proxies in Europe and Lebanon taking many Western citizens’ lives. This period of friction reached its climax at the end of the Iran-Iraq war, with multiple armed U.S. actions against the Islamic Republic in the Persian Gulf as retaliation for the Iranian harassment of oil shipments, and the inadvertent downing of an Iranian airliner by a U.S. Navy cruiser, an incident which killed 290 civilians.

This escalation mired both sides in reciprocal hostility and left little desire to interpret their counterpart’s actions as anything other than malicious. And though the 1990s saw attempts at outreach—talk of an oil deal, for example—they also saw U.S. sanctions on Iran tighten and U.S. fears of Iranian terrorism deepen, due to events like the 1992/1994 bombings of Jewish and Israeli targets in Argentina and the 1996 bombing of a U.S. military residential facility—Khobar Towers—in Saudi Arabia. This dynamic continued through the George W. Bush administration. In late 2001, Iran played a constructive role in the negotiations for a post-Taliban government of Afghanistan and achieved something that resembled cooperation with the United States in Iraq, only to see itself subsequently condemned as a member of the “Axis of Evil” and have the darkest secrets of its nuclear program brought to light. Bush’s second term saw a great deterioration begin; though there was talk of restoring diplomatic ties, Iran’s hand in fighting the American occupation of Iraq ruined all chances of U.S.-Iranian détente. American soldiers were killed by Iranian proxies trained to use advanced, Iran-supplied weapons, but as Washington began taking nonlethal measures to hinder Iranian activities in Iraq, Tehran backed off. However, worries about Iran’s nuclear program were growing, as was talk of taking military action to halt it. Already tied down by two increasingly unpopular wars, American policymakers knew a third would be a very tough sell.

As Barack Obama took office in 2009, the main trends in U.S.-Iranian relations—sanctions, military threats, tension in Iraq—continued. There was reason to believe Obama wanted to change the nature of the U.S.-Iranian relationship: he had been criticized during the 2008 presidential campaign for expressing a willingness to negotiate “without precondition” with countries like Iran. An influential article by Hudson Institute scholar Michael Doran even suggested that a drive for rapprochement with Iran had been a strategic theme of Obama’s entire presidency. Yet the opening years of the Obama presidency saw a string of sharp blows to U.S.-Iranian relations. First were the crackdowns surrounding the disputed 2009 Iranian presidential elections, which damaged Iran’s international reputation; despite tepid American support for the opposition Green Movement, the Iranian regime came to view the movement as a Western-backed, existential threat. And as Iran’s nuclear program continued to expand in defiance of numerous UN Security Council resolutions, international pressure grew, too, with ever-tightening measures from the UN, the United States and, crucially, the European Union.

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170 See David Crist’s The Twilight War: The Secret History of America’s Thirty-Year Conflict with Iran for more details on this period.
The result was a sanctions regime that became significantly more restrictive between 2010 and 2013, even as Iran faced a worsening situation in Syria and serious economic shocks from both the sanctions and economic mismanagement.

After Obama won reelection in the United States in 2012, and the more moderate Hassan Rouhani won the presidency in Iran in 2013, the stars had aligned for a nuclear deal. Secret backchannel talks from mid-2012 produced a negotiating framework by late 2013 and a final agreement by mid-2015.

The agreement, known as the Joint Comprehensive Plan of Action (JCPOA) was intensely controversial in the United States, with a resolution of disapproval narrowly failing to achieve a two-thirds majority in the Senate and a resolution of approval failing by more than one hundred votes in the House. In Iran, opposition was more muted, with many legislators absent when the deal was approved in the Majles. The deal took different trajectories in each country’s politics. In Iran, expressions of distrust in the United States’ adherence to the deal, and of doubt that its economic relief had an impact, became more frequent from prominent officials, including the Supreme Leader himself. In the United States, opposition became more muted: while early in the Republican primaries, candidates argued about whether they’d rip up the deal on “day one” of their presidency or wait until later, talk shifted to ambiguous proposals to “strengthen” or renegotiate the deal, or to redouble efforts against Iran in other (nonnuclear) sectors. The deal had also lowered the temperature of the Iran issue in Washington, though the president’s frequent statements of concern about the deal once again inflamed the issue.

Paradoxically, the uncertainty about the deal’s future created strong incentives for Iran to avoid actions that could provoke a crisis with the United States. Cyber attacks reportedly dropped off (and resumed almost immediately after Trump withdrew from the deal), and the U.S. Navy reported a sudden end to Iranian harassment of its ships in the Gulf. Some of these incentives still hold for Iran, as it needs to keep Europe from also withdrawing from the deal. The worry is now that Iran will also withdraw from the deal and resume major enrichment activities, potentially reducing its breakout time to weeks rather than months. Trump’s decision to withdraw from the deal is not likely to force Iran back to the negotiating table in the near term, as prompt negotiations would be a humiliating step for Tehran. Iran will initially seek to work with Europe, Russia, China, and India to save the deal and insulate its trade from U.S. sanctions. America’s willingness to tolerate trade with Iran by these third parties will be the key factor in whether the deal survives without America. The survival of the deal will reduce the likelihood of increased U.S.-Iranian and Israeli-Iranian conflict, as well as frayed U.S.-European relations. The destruction of the deal could see tension flare on all three fronts. The risk of direct U.S. or Israeli preventive attacks on Iranian soil has grown, and will grow dramatically if industrial-scale enrichment resumes.

The post–Arab Spring period has also seen a major shift in Iran’s regional standing. Prior to 2011, Iran’s star was rising. Mahmoud Ahmadinejad’s strident rhetoric had made him a popular figure, as had Iranian proxy Hezbollah’s strong showing in its thirty-three-day war with Israel in 2006. Iran was initially quite enthusiastic about the Arab Spring, branding it an “Islamic Awakening” against secular and pro-Western tyrants around the region. But things quickly deteriorated: in Egypt, for example, the short-lived government of Muslim Brotherhood-aligned member President Mohamed Morsi was overthrown and replaced by another secular dictatorship, and Iran’s real rivals, the Gulf states, were largely immune to the movement. Syria also quickly became a source of major problems for Iran: the friendly Bashar al-Assad government became locked in a spiraling confrontation with its opponents. Casualties were heavy, and with the opposition concentrated in Sunni areas, the conflict took on an increasingly sectarian bent. This opened some doors for Iranian influence within Syrian minority communities, but this influence had to be maintained by an expensive, unending intervention in support of the Assad regime. Iran and Hezbollah’s entanglement in the conflict severely harmed their standing with Sunni publics, and as the instability in Syria spread to Iraq, it required another Iranian intervention and triggered worries about ISIS attacking Iran itself. These fears were realized in June 2017, when ISIS attackers struck the Majles and Khomeini’s mausoleum.

Post-Arab Spring turmoil in Yemen created opportunities for the Tehran-friendly Houthi movement and in Bahrain for Shia opponents of the Al Khalifa dynasty, with the Gulf states developing entanglements of their own. Yet in all of these cases Iran’s “gains” have actually been increasing its shares in costly chaos. The damage in some of these places, particularly Syria, is so severe that recovery will take more than a generation, if it occurs at all.

There are thus limits on the value Iran can extract from its expanded role: its main accomplishment has been to advance near Israel’s position in the Syrian Golan. This could enable it to open a second front against Israel. However, Israel has repeatedly attacked Iran and Hezbollah’s presence in Syria to prevent this. After six years of civil war, Iran has yet to consolidate its Syrian presence into a meaningful tool against Israel. Other recent gains, such as the prospect of handling Iraqi Kurdish oil exports, also remain largely unrealized.

The story is similar in the economic realm. The Ahmadinejad government was grossly irresponsible, handing off hyperinflation to Rouhani. Although the Rouhani government has been able to bring inflation down to historic lows, it has failed to achieve the major strides in growth promised by the nuclear deal. The U.S. decision to reinstate sanctions on Iran will further weaken Iran’s economic recovery. Critical industries, especially energy, need massive investment. Corruption, particularly centered around the Islamic Revolutionary Guard Corps’ (IRGC) economic activities, is severe, and the connection of economic entities to the political/religious/security apparatuses will make foreign investment risky, especially in combination with Iran’s longstanding worries about foreign economic domination. Banks are laden with bad assets and outside investors are at risk of arrest and harassment. Iran’s currency is unstable, and the government has responded by restricting holdings of foreign cash, setting a unified (but still well above market) exchange rate, harassing speculators, and taking measures to reduce the role of the dollar. Finally, while part of the sanctions regime is subsiding, it remains ambiguous what business is permitted, and the penalty for being wrong can be fines in the billions.
of dollars. All of this makes solid economic growth and rapid international integration seem unlikely.

**Vulnerabilities**

Iran is not an island of political stability. It is hard to predict revolutions, and accordingly unsound to set policy that hinges upon their success. At the national level, the reformist, moderate, and liberal forces behind the 2009 election protests have been largely silent, but Iran’s overeducated and underemployed youth present an enduring problem for the regime. On the periphery, there have been new rumblings in the country’s northwest, with Kurdish groups engaging in armed actions (and facing Iranian retaliation), and in the southeast, where political and criminal violence both threaten. Iran believes that Saudi Arabia had a hand in fomenting some of this, and Riyadh has also signaled its friendship with the Islamic Republic’s old enemies, the Mojahedin-e-Khalq. Supreme Leader Ali Khamenei has also repeatedly expressed concerns about Western cultural influences on Iran, which he views as a threat to his regime.

Khamenei himself may present another issue for the Trump administration. He is old, and there are rumors about his declining health. Iran has only changed supreme leaders once, and it was a period rife with political intrigue and legal distortion. The same is likely this time around, with the added factor that political power is now less centered on the legislative body nominally tasked with making these decisions. America is limited in its ability to exert influence on this process, and the prospects of a new Supreme Leader that would take Iran in a more U.S.-friendly direction are not much better. But a transitional period might not be short, and Khamenei’s passing could hinder ongoing U.S.-Iranian interactions while the new leader’s selection and consolidation plays out.

2017 saw steady small-scale protest by labor groups, ethnic minorities, and depositors in unstable financial institutions. Environmental conditions were bad, with severe pollution in cities, major dust storms, and lakes drying up. A major earthquake in Kermanshah province killed hundreds, injured thousands, and displaced tens of thousands; some perceived the state’s response as inadequate. Late in the year, tension grew within the political system, too. Some reformists began having public second thoughts about their support for Hassan Rouhani’s moderate government. Former president Mahmoud Ahmadinejad and his allies sharply criticized the judiciary. 2009 presidential candidate Mehdi Karroubi chafed under his ongoing house arrest. Relatives of former president Hashemi Rafsanjani raised questions about the circumstances of his death.

This all came to a crescendo in December 2017, as Rouhani presented a somewhat austere budget, which included the possibility of gasoline price increases and limits on transfer payments. The budget also listed the price of support for increasingly controversial religious foundations. Around the same time, egg prices experienced a sudden spike. A protest by defrauded investors in Mashhad, apparently stirred up by a hardline activist, touched off a nationwide revolt. Rather


than targeting the Rouhani government, as hardliners had hoped, the protesters began targeting the regime itself. “Death to Khamenei” was a common chant and some protestors demanded an end to Iranian support for foreign governments and non-state actors like Hezbollah. Protests broke out in small cities like Khorramshahr, Tuyserkan, and Izeh. The regime was in trouble. It took an aggressive step, blocking access to the social media site Telegram (with some forty million users in Iran—half of the country’s population). After several days, the protests slowed. They had surprised many analysts; many of the protesters were young, apparently unemployed members of the working classes. The protesters lacked centralized leadership, which likely limited their prospects for success under prolonged repression. Yet the protests highlighted Iran’s many internal challenges and called into question the regime’s ability to maintain the support of a large, young population that faces limited economic opportunities and has no memory of the regime’s twin pillars of legitimacy: the revolution against the Shah and the war against Iraq. This raises two challenges for Iran’s hegemonic potential: first, internal struggles might someday bring down or radically reform the regime; second, the regime may need to devote more resources to the home front in order to preserve itself.

**Challenges for U.S. Policy**

Henry Kissinger, in describing the Nixon administration’s rationale for seeking détente with the Soviet Union, stated that “our view was that a long period of peace would benefit us more than the Soviet Union.” America, with its global network of allies and friendships, was in a far better position to take advantage of reduced tensions than the Soviets, who “had a very rigid system, a very stagnant economy. They had not, at the time that we had détente, ever had a legitimate succession.” Washington should examine the Iran deal, if it survives without America, in the same light: can the American position be improved more than Iran’s during the eight or more years of reduced tension on the nuclear front? And how much can Iranian relative gains impact the United States?

There are analogies and dissimilarities between the détente-era Soviet Union and Iran: the Iranian economy is certainly stagnant, as it needs tens of billions of dollars in catch-up investment in many sectors. Yet the Iranian political system has had legitimate successions, at least below the level of the Supreme Leader, and it has been able to adjust itself to partially accommodate new political currents. Iran is reintegrating into the global economy, but this is proceeding slowly. The Supreme Leader has shown autarkic instincts, and Rouhani has yet to show an appetite for either taking on the IRGC’s economic empire or for a serious confrontation with corruption. America is now massively more powerful than Iran, and will continue to be more powerful if and when the nuclear deal expires, but Iranian relative gains may be significant, as Iran is improving its anti-access/area denial (A2/AD) capabilities in the Gulf and consolidating its positions in Syria, Iraq, Lebanon, and Yemen. Even so, Iran is unlike the Soviet Union in another fundamental way: it is not a challenger for global hegemony, and even if it develops a significant nuclear deterrent, it is unlikely to reach the human-species-annihilating scale of the Soviet arsenal.

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180 He does not personally have the power to conduct such a campaign, anyway, and would need Khamenei’s support; the resistance to an economic reform campaign could in fact include efforts to destabilize Rouhani’s foreign policy, to the detriment of American interests.
The international community, even without U.S. involvement, can take measures of its own to make the most of the duration of any surviving aspects of the nuclear deal. A major drive to convert some of the nuclear deal’s strong points (such as restrictions on high-purity enrichment and similar practices of higher proliferation risk, or improved inspection protocols) into international standards could put pressure on Iran to retain them if the deal collapses or continues without American participation. A more integrated Gulf security architecture could enable local states to balance Iran more effectively without American help, although ultimately this architecture would best be part of a stable regional order that includes Iran, rather than one that leaves Iran cornered, with no legitimate paths to advance its interests. And, of course, an economically dynamic, politically responsive, and stable region will be in a better position to balance against or negotiate with the post-deal Islamic Republic.

Iran’s support for terrorist groups like Hezbollah, Hamas, and militias in Syria and Iraq will remain a challenge. The easiest way to use such forces is to spoil settlements and undermine stronger forces, rather than to aid in stabilization. As the tools become more developed, they can take on more advanced tasks that are not necessarily so destructive: consider the Iran-influenced Popular Mobilization Units (PMU) in Iraq, which have played an important role in helping the Iraqi state fight ISIS even as they have turned that state in a more sectarian direction. On the one hand, elements like the PMU would be very difficult to wipe out or to exclude from a lasting Iraqi political settlement. On the other hand, smaller, weaker groups may lack the power to force their inclusion or to survive a unified hostile effort by other elements of the state.

Iran and Hezbollah have also come to play a growing role in Latin America, particularly via appeals to expatriate communities and contact with criminal networks. Researchers have documented the significant scale of these activities and attempts to leverage other anti-American currents in Latin American politics. In most cases, these activities are not highly visible, but they were significant enough to become a major question in Argentinian politics, where apparent attempts by the Kirchner government to sweep Iranian terrorist activities on Argentine soil under the rug, coupled with the mysterious death of the prosecutor looking into the matter, led to a major scandal. The United States will want to set a more confrontational policy toward Iranian influence in America’s own backyard than toward Iranian influence in the Middle East, where Iran’s role cannot be eliminated and America’s great distance affords more strategic flexibility.

Iran’s development of increasingly advanced ballistic missiles is another area of concern, particularly as restrictions against Iran’s nuclear program expire. Iran is bound not to develop missiles to deliver nuclear weapons, but it is difficult to separate this from the development of conventional missiles that in sufficient numbers and with sufficient capability for precision can alter the regional balance. Even so, America’s capacity to set policies that meaningfully change the trajectory of Iran’s missile development is limited, especially since the Iranian leadership appears to see missiles as an important deterrent tool, one made even more important by Iran’s lack of a serious air force and the tremendous technological lead that both the United States and many of its regional friends enjoy in this domain.

181 Smaller numbers of missiles, or less accurate missiles, pose a significantly smaller threat, particularly against targets further afield. For a discussion of these limitations, see Joshua R. Itzkowitz Shifrinson and Miranda Priebe, “A Crude Threat: The Limits of an Iranian Missile Campaign Against Saudi Arabian Oil,” International Security 36, no. 1 (Summer 2011): 167-201.
Many American administrations have weighed reestablishing relations with Iran. It is indeed unusual for two major players to refuse to exchange diplomats for nearly four decades. Both states have the ability to help and to hurt each other’s interests, and both states have major policy initiatives in some of the same arenas. In some places, like Israel, these initiatives are directly opposed. In others, like Iraq, they share the basic goal of preserving the integrity of the state and defeating the Islamic State. In most places, it is complicated. There are thus strong incentives to communicate: to warn, to deconflict, to indicate a position, to propose cooperation, to determine the other’s intentions. Because of this, even states in conflict with one another, such as the United States and the Soviet Union, will communicate. And indeed, Washington and Tehran have often been in communication during their years of mutual isolation.

But the lack of regular channels has been a source of miscommunication, embarrassment, and even danger. The two states have struggled to interpret each other’s signals, to trust middlemen who have interests of their own, and to determine whether their interlocutors are actually speaking for the other government. For example, the U.S.-Iranian negotiations in the Iran-Contra affair had to work through a network of self-interested intermediaries, including the Israeli government and international arms dealers; more recently, it remains controversial whether a 2003 grand bargain memo presented to the Bush administration was a momentous Iranian overture or freelancing by a “disgruntled,” “ambitious” Swiss diplomat. Iran’s opaque political system leaves even its own president unsure of how far his authority extends, but much of it is a product of the lack of established, trusted channels. The nuclear negotiations have led to positive developments in this area: regular communications at the foreign-minister level have already helped resolve a number of disputes, major and minor. That is, in many ways, what a normal relationship looks like, so why not institutionalize that through an exchange of permanent representatives?

There are risks, of course: most notably, the Iranians stormed the U.S. embassy in 1979 and continue to occupy it, in violation of international protocols and in spite of America’s largely inviolate preservation of the Iranian embassy in Washington, D.C. Recent years have seen several major security incidents at diplomatic missions in Iran, including the British and Saudi embassies. These actions were, just like the 1979 hostage taking, perpetrated by hardline activists with ambiguous relations to the state and were met with insufficient government resistance. Would an American mission in Iran be safe? Would Iran use its diplomatic personnel to support terrorism in the United States just as it does in other countries? These are serious, valid concerns.

Yet an improvement in U.S.-Iranian relations would be faced with a still deeper challenge: Western diplomats tend to interact with technocrats, especially in Iran’s foreign ministry. The foreign ministry only sometimes speaks for the whole Iranian system; the Supreme Leader and the security state may have other views, and are both central in shaping Iranian external policy. Channels to these parts of the Iranian regime should be explored, although they will be exceptionally sensitive in both countries. Many American leaders’ Iranian counterparts, from Quds Force head Qassem Soleimani to the Supreme Leader’s foreign policy adviser Ali Akbar Velayati,

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have ties to terrorism for which they face international legal restrictions. Track II diplomacy may be the only hope on this front, and even then, it would need to be pursued with discretion. Even so, the risks to the national interest in not talking may be greater than the risks of talking.

The broader structural dynamics of U.S.-Iranian relations can only be understood in light of the regional balance of power. The advice in this section merely aims to smooth bilateral relations, reduce the risk of miscommunication, and stabilize the nuclear issue; the closing section on issues for U.S. policy, and the subsection on regional instability, will address the broader regional balance of power and whether America needs to adopt a policy of containing or even rolling back Iran.
Turkey

Overview and History

Turkey poses a major dilemma for the United States in the Middle East. A NATO member since 1952 with a long history of secular, military-dominated politics, it has spent more than a decade under the leadership of a populist Islamist party that brings skepticism to its relations with the West. The Justice and Development Party (AKP)’s tenure in power has seen major changes in Turkey’s politics, economy, and external security environment. Its foreign policy, too, has waivered. The “zero problems with neighbors” approach of 2002-10, aimed at reducing tensions in its neighborhood, imploded as Syria fell into civil war and Ankara’s relations with Damascus worsened. Recent years have also seen once-rapid economic growth slow, the AKP’s dominance of national politics challenged, and renewed conflict with the Kurds. The Islamic State and Russia both have had forces on Turkey’s border, and large numbers of refugees have entered the country. The military and other elements of the state have been purged since the failed coup attempt on July 15, 2016, and the narrowly approved 2017 constitutional reforms seem to have the country moving towards sustained political confrontation, deepening autocratic tendencies, and separation from Europe.

Despite these challenges, Ankara detects opportunities. With many forecasting a lower-profile U.S. presence in the region, strong local states may find openings. As a Sunni power with one of the region’s most advanced militaries, a large economy, and a crucial geopolitical position between Europe and Asia, Turkey is naturally positioned to be one of the most important Middle Eastern powers. It has taken steps to move in that direction, such as announcing a military base in Qatar in December 2015 that will give Turkey the ability to project limited power into the Persian Gulf. Turkey has exploited the massive refugee presence inside its borders to extract concessions from the European Union with the threat of unrestricted migration. ¹⁸⁴ Years of tension with the Kurds have given way to a more complex, segmented relationship: while struggling with the PKK inside its own territory and warning the People’s Protection Units (YPG) in Syria against advances west of the Euphrates River, it developed unusually warm ties with the KRG in Iraq. With the

KRG squeezed by disagreements with Baghdad, low oil prices and the war with ISIS, Turkey became a crucial partner for oil and gas sales. All that fell apart with the Kurdish independence referendum in September 2017, which Turkey strongly opposed and then coordinated with neighbors to counter.

Even so, the greatest challenge for Turkey remains Syria. The presence of large numbers of Syrian refugees within Turkey has been a source of internal tension and security risk, and Turkish troops have taken positions inside Syrian territory. Syria is also another source of tension with the United States, as America’s top concern—ISIS—is not as much of a concern for Turkey as Assad or the Kurds; Turkey’s Kurdish foes include factions closer to Russia and supported and trained by the United States.

Despite all these differences, Turkey’s natural friends are still in the West—on issues like counterterrorism, there are simply no substitutes. In times of tension with Russia, the relationship with NATO is a source of deterrence for Ankara. A strong Turkey would also be a crucial component of any American offshore-balancing strategy for the Middle East or any serious attempt to reduce European dependence on Russian gas.

The Erdogan Problem

The root of many of Turkey’s troubles is Turkish president Erdogan, whose personal, autocratic rule overshadows Turkey’s foreign and domestic policies. At home, he rode a wave of economic liberalization and new political openness to popularity. This led to new ambitions abroad: a foreign policy that looks less to junior partnership with the West and more to leadership of the Middle East. Yet, as former ambassador Uluc Ozulker told Al-Monitor’s Semih Idiz in February 2016, this led to “policies that were beyond Turkey’s means and capabilities.” Ankara was rising, but not enough to become “the principal player who could rearrange things and change the established order in the region according to its will.”

Turkish overstretch peaked with the Arab Spring. Apparently pro-democratic, often Islam-inflected uprisings across the Sunni world seemed to present a natural opportunity for a Sunni Islamic democracy to take the lead, but Erdogan made bad bets, and then doubled down on them. In Egypt, he embraced the Muslim Brotherhood government of Mohamed Morsi. In Syria, he tried to mediate between the Assad government and its largely Sunni opposition. Yet Morsi fell, and the successor government of President Abdel Fatah al-Sisi cracked down on the Brotherhood. Assad reneged on promises he’d made to Erdogan and intensified the conflict. Even so, Erdogan persisted. Another former ambassador, Temel Iskit, told Idiz, “Erdogan tried to impose his personal outlook on others, and when they refused to accept this, as in the case of Assad, he became their enemy and pursued what amounts to a kind of blood feud against them. He has been overtaken by hubris and personal obsessions.”

Erdogan’s domestic approach, which has seen crusades against any factions or institutions that have had the temerity to oppose him, reflects the same challenge. And the situation only got

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186 Ibid.
worse in the aftermath of the failed coup in July 2016: a massive crackdown targeting thousands of opponents and institutions with apparently little regard for who actually had a role in the attempt. The purges included large numbers of the military’s officer corps; in all likelihood, this will hinder Ankara’s ability to play a fully effective role in dealing with ISIS and in controlling refugee flows. And politics are more centered than ever on Erdogan. Still, recognizing that the problem with Turkey is a personality problem as much as a problem of diverging interests will not solve today’s challenges. Erdogan’s rule, however aggravating, is a reality, and Washington must set policy accordingly.

**Turkey and the Kurds**

Growing problems with its Kurdish citizens and Kurdish groups on its borders have become central challenges in Turkey’s interactions with the West. Turkey regards both the PKK (active in southeastern Turkey and in border areas) and the YPG (active in Syria) as terrorist factions and as existential security threats, and has blamed terrorist attacks inside Turkey on both groups. The campaign against the PKK inside Turkey has become particularly harsh, with the use of heavy weapons and siege-like tactics in southeastern cities like Diyarbakir. The United States shares Turkey’s concerns about the PKK but cooperates with the YPG against ISIS. Within Syria, the two Kurdish groups work together.

The YPG controls much of northern Syria. This has come to be tolerated by Assad’s government, though there are occasional clashes.187, 188 The Syrian Kurds have similarly complicated relations with the Free Syrian Army coalition of rebel groups (cooperation in some areas and with some groups; confrontation in others and with other groups) and with Iraq’s Kurdistan Regional Government (KRG), which has occasionally restricted the flow of goods across the border into Syrian Kurdish territory.189 They have also confronted harder-line Islamist rebels such as Syria’s offshoot of Al Qaeda. Turkey itself has shelled Syrian Kurdish positions and, in January 2018, launched an operation against the Kurdish canton of Afrin as part of a broader bid to keep northern Syria from becoming a permanent base for the PKK, which as a Turkish-Kurdish rebel movement would be strengthened by the unification of Kurdish areas in northern Syria.190 The Kurds may be deeply divided, but the shared, cross-border experience of the ISIS battle and the strong feelings it has provoked, coupled with the geopolitical opportunities provided by the chaos, have led to a Kurdish awakening.191 From Turkey, through Syria, into Iraq, and even, increasingly, in Iran, armed Kurdish groups have been seizing the initiative, taking territory or hindering their foes’ use of it.

Turkish-Kurdish conflict has only grown worse, in great part because Kurdish advances led to overstretch. As Nicholas Borroz and Egemen Bezci have written, the confrontation with

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191 Bezci and Borroz, “ISIS Helps Forge the Kurdish Nation.”
ISIS had all the makings of a formative national experience for Kurdistan.\textsuperscript{192} Normally divided by borders and factions, the Kurds faced a common enemy and shared a common struggle. On both sides of the Sykes-Picot line, Kurds depended more on themselves and global allies than on local states for their defense. They made territorial gains in Iraq (including the crucial city of Kirkuk) and in Syria, and proved themselves to be one of the most dynamic fighting forces in the war against ISIS. The political pressures on Kurdish leaders to move for independence grew even as the economic incentives to preserve the status quo shrank. The September 2017 independence referendum in northern Iraq was the high water mark of this trend; the international isolation and Iraqi advances that followed the referendum brought Kurdistan to a new low.

Clearer support for the Kurds has long been the most popular unimplemented view in the U.S. Middle Eastern policy community. The Kurds are perceived favorably in the United States. Their effectiveness in the fight against ISIS, history of working with Washington, energy resources, desire for nationhood, relative friendliness with Israel, and visible empowerment of women all create good favor and yield potential pro-Kurdish constituencies within the American political system. Likewise, in Iraq, Washington feels particularly responsible for the Kurds because its imposition of a no-fly zone over Iraqi territory after the First Gulf War in 1991 resulted in the creation of a Kurdish autonomous zone,\textsuperscript{193} which today is administered by the KRG. Even so, the economic viability of a future Kurdish state is in question because it is effectively landlocked and requires regional states to allow it access to their territory.

Since the Kurdish people extend across four nations (Turkey, Syria, Iraq, and Iran), U.S. strategy must be sensitive to the risk that Kurdish independence could lead to conflict and state failure. This risk is particularly salient in Iraq, where the recent KRG independence referendum resulted in Baghdad demanding that foreign nations close their diplomatic missions in the Kurdish capital, Erbil, and Turkey, Iraq, and Iran threatening sanctions and military intervention against the KRG.\textsuperscript{194} Following days of intense posturing, Iraqi government forces later deployed to northern Iraq in coordination with the Iranian-backed Popular Mobilization Units (PMU)\textsuperscript{195} and the IRGC\textsuperscript{196} to reassert Iraqi sovereignty over the oil-rich city of Kirkuk (which Kurdish forces made territorial gains in Iraq (including the crucial city of Kirkuk) and in Syria, and proved themselves to be one of the most dynamic fighting forces in the war against ISIS. The political pressures on Kurdish leaders to move for independence grew even as the economic incentives to preserve the status quo shrank. The September 2017 independence referendum in northern Iraq was the high water mark of this trend; the international isolation and Iraqi advances that followed the referendum brought Kurdistan to a new low.

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\textsuperscript{192} Ibid.
Addressing the Kurdish issue undoubtedly demands working with the Turks, which, while a NATO ally, face new headwinds in their relations with the United States. Crackdowns on journalists, demonstrators, the Kurdish minority, and so forth, paired with an increasingly corrupt, personality driven and autocratic Erdogan government, challenge the notion that the United States and Turkey share core values. Loud declarations against U.S. friends like Israel, Egypt, and Greece, along with Turkey’s cynical use of refugees to put pressure on Europe, raise questions about just how deeply Washington and Ankara share interests. Turkey’s attempts to secure the extradition of Fethullah Gülen and to stop the U.S. trial of accused sanctions evader Reza Zarrab have also become a serious diplomatic challenge. And tensions between Turkey and Russia, calm for now, risk the emergence of a new friction point on NATO’s frontiers.

Even so, it is not clear that the United States is willing to make the concessions or expend the resources necessary to heal relations with Turkey. With Russia putting pressure on NATO’s periphery, actions that call the alliance’s structural integrity into question would also be ill-timed. The best approach for the Trump administration to the Turkish challenge may be indirect. A clearer, better-coordinated Syria policy, or even a straightforward, public outline of a feasible desired end state in Syria and the plan for getting there, would stand the best chance of reducing tensions with Turkey over Syria and, at minimum, would reduce misunderstandings.

**Energy**

Energy is another area in which Washington could help end the deadlock with Ankara while advancing its own interests. To Turkey’s east are the abundant hydrocarbon resources of southern Russia, the Caucasus, and Central Asia. To its west is Europe, a major hydrocarbon consumer. Turkey is a natural channel for oil and gas routes, but it has not achieved its full potential. Helping Turkey in its quest to become a pivotal player in the global energy market would be a win-win: new gas sources and gas routes would help reduce European energy dependence on Russia, would give Turkey deeper economic ties to the West, and would boost Turkey’s struggling economy. Yet there are obstacles in Ankara’s path. Russia has sought to promote its own pipeline network as alternatives, and has been able to gain major market shares in many eastern and central European states, including NATO allies. Pipelines are politically sensitive projects that require sustained cooperation from multiple governments. One particular energy producer in the region, Iran, is subject to economic sanctions that hinder investment and, even when suspended, represent heightened political risk. Furthermore, new extraction and transportation techniques have the global hydrocarbon sector in flux, making big investments even riskier.

Dynamics like these killed the Nabucco Pipeline, which would have connected the Caucasus gas fields to Europe through Turkey. One of its replacement projects, the Trans-Adriatic Pipeline, was a geopolitically inferior substitute. As Eurasia Group energy analyst Leslie Palti-Guzman wrote for Reuters in 2014, “the pipeline will bring Azeri gas to Italy, which already has fairly diverse energy sources, while Nabucco, even in its smaller version, would have supplied gas to EU member states—notably Bulgaria, Hungary and Romania—largely dependent on [Russia’s] Gazprom.” All three of those states are also NATO members. Palti-Guzman argued that

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Europe’s lack of a united, geopolitically conscious energy policy left smaller states with little cover against Russian maneuverings.

**Turkey and the Refugee Issue**

Syrians began fleeing to Turkey almost as soon as the Syrian Civil War broke out in 2011. There were, as of early November 2017, more than 3.2 million registered refugees there, making Turkey the largest recipient of refugees from Syria, a country that has seen up to 45 percent of its population displaced.\(^{199}\) \(^{200}\) This has placed serious strains on Turkey’s public services and society—a large share of the refugees do not live in camps, but in Turkish cities and towns. Ankara only issued a few thousand work permits, meaning most refugees work illegally or don’t work at all.\(^{201}\) The lack of opportunity in Turkey, combined with the attraction of bigger European economies and welfare states, has spurred a steady stream of refugees and others attempting to move onward to Europe. The Syrians are joined by large numbers from other countries, particularly Afghanistan and Iraq. Human traffickers charge exorbitant rates to bring refugees and migrants from Turkey to insular Greece in overcrowded, dangerous boats, and many deaths have resulted. While Turkey does make efforts to restrict the flow toward Europe and bring boats back, it has used the flow to put pressure on Europe in negotiations on a solution.

This pressure seems to have worked: in March 2016, Europe and Turkey outlined a deal in which Turkey takes back “all refugees and migrants who cross into Europe from its soil in return for more money, faster EU membership talks and quicker visa-free travel for Turkish citizens.”\(^{202}\) The core mechanism of the deal was substitution: for each Syrian returned to Turkey, Europe will take in a different Syrian from Turkey. The deal faces political and legal challenges; additionally, any further movement by Turkey toward the EU would require resolution of the Cyprus issue and would only deepen the debate over what Europe is and what the European Union is for. A true resolution of the refugee issue will require answers to the same sorts of questions, plus coordinated responses across the European Union—a tall order.

Washington’s ability to help on this issue is limited. While there have been efforts to step up refugee resettlement within the United States, such programs can only help a small share of the millions who have fled. Taking in a meaningful fraction of Syria’s refugees would create extraordinary political challenges for any administration, and would risk creating a “pull factor” for more migration, as Europe has recently experienced. Support for Turkey and other refugee recipients may be the best option available until the intensity of the Syrian conflict lessens.

However, the refugee situation today must factor into this planning in two important aspects. First, refugees currently outside Syria and displaced persons inside Syria need education,

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job training, and healthcare if they are to take up places in a peaceful Syrian economy. Turkey, as the largest and most capable host of Syrian refugees, will be central to this effort. Second, Syrian refugees should return to a peaceful Syria to take part in rebuilding the country.

Even with these steps, the large number of non-Syrians making the journey through Turkey highlights that solutions to the Syrian conflict only address one aspect of the broader European migration challenge. How many Syrians will be eager to return to the blasted remains of cities and to begin the decades-long reconstruction slog? Washington’s options in solving the Syrian aspect of the European migration challenge are finite; its options and, for that matter, its stake in solving the overall issue are even more limited.

Vulnerabilities

Although Turkey has re-established better relations with most Middle Eastern countries, the durability of those ties cannot be assured given a number of outstanding issues that can cause friction. Turkey’s first concern in the Middle East has to be the containment of Kurdish nationalism that is alive and well both within Turkey itself and in Syria, Iran, and northern Iraq. The wars in Iraq and Syria have strengthened Kurdish aspirations for more independence from Damascus and Baghdad, and in the case of Iran’s Kurdish minority, more autonomy from Tehran. While the Kurds of Iraq have by far the most established autonomy and their rights are codified in the Iraqi constitution, Turkey is fearful that the success of the Iraqi Kurds will boost the appetite of other Kurdish minorities to stand up for their perceived rights. The situation in Turkey remains troublesome. The authoritarian leader Recep Tayyip Erdogan has survived an attempted coup by dissident military units in July 2016, but the country remains fraught with internal political polarization, a weakened economy, and a number of unresolved regional quarrels in Israel, Greece, and Cyprus, as well as deteriorating relations in the U.S. and Europe.

Under these circumstances, Erdogan will likely use the Kurdish threat, real or imagined, to boost nationalist sentiment and rally the country to stand up against its foes. This strategy does not reflect the hopes of neo-Ottomanism that were being predicted several years ago. Turkey, like Iran and Russia, Saudi Arabia, and Egypt, remains a large, unipolar Middle East power, but far from a potential regional hegemon.
Russia

Russia has a long history of involvement in Middle Eastern affairs: making territorial inroads at the Ottoman periphery, extending protection to Orthodox populations in the Balkans and the Levant, and cultivating relations with the Kurds and, during the Cold War, with Marxist movements across the region. Even so, Russia’s recent forays into the region, particularly its September 2015 intervention in Syria, have surprised many. Why would a state with a struggling economy and trouble on its own frontiers get involved in a far-off, seemingly interminable conflict? Why risk confrontation with the United States, Turkey, and other players? The sources of actions like these are closely tied to Russia’s vision of itself: as a great power whose interests must be taken into account in world affairs.

Russia sees its policies in the Middle East as seeking order, while American policies—haphazard interventions, democracy promotion, etc.—have, in its view, caused chaos. Libya and Iraq were left as anarchic wrecks after U.S. military actions that Moscow opposed (in the latter case) or expected to be more limited in scope (in the former). Moscow does not necessarily see the consequences of American interventions as accidental: one Russian perspective holds that the United States intentionally foments disorder to buffer its weakening position in the region. Russian president Vladimir Putin has come to see himself as a Tsar Nicholas I for the Middle East: a defender of statehood against forces of upheaval. Moscow wants those states to be secular, as well, but there are nuances that must be noted. Israel, Assad’s Syria, and Sisi’s Egypt are among the pillars of this vision—but so is Iran, which is seen by Russia as more a civilizational, rather than theocratic, power where religion is a source of political order, not the driving force in policy. The challengers to a secular state order are those states where religion is a source of instability, a blunt instrument wielded by those in power to solve domestic dilemmas. The Gulf states are the principal foci of this fear. Russia thus seeks secular bulwarks against the possibility of a Salafi/Wahhabi resurgence.

This vision has a domestic component, too. Islam is not seen as an alien presence in Russia (some historians think it has been practiced in Russia longer than Christianity) and it has a substantial following, with at least 1.5 million Muslims in Moscow and some sixteen million
throughout the country. As Paul J. Saunders noted in *Al-Monitor* in 2014, Putin has said that “Christianity, Islam, Buddhism, Judaism and other religions are an integral part of Russia’s identity, its historical heritage and the present-day lives of its citizens,” and, while calling for a shared “civic identity,” warned against people “losing touch with their ethnic or religious roots.” That said, the Russian state seeks to discourage political trends in all of its “indigenous” faiths. It also faces a serious threat of domestic radicalization, some of which it sees coming from Saudi Arabia or from Turkey’s Gülen movement.

With such a large Muslim population, Russia fears that extremism abroad will not stay abroad: conflicts in the Islamic world may attract Russian Muslim citizens, who might then return to Russia radicalized and prepared to launch terrorist attacks. Russia has said it has tracked 2,800 Russian citizens participating in the conflict in Syria. Thus, fighting extremists abroad, rather than fighting them at home, is one motivation for going to war there—a similar argument to that made by the United States for fighting Al Qaeda and the Taliban in Pakistan.

Recent history also informs Russia’s Middle East strategy. Russia remembers the Yugoslav wars of the 1990s as a national embarrassment: it was sidelined, playing a limited role in diplomacy and unable to prevent NATO’s intervention against Serbia in 1999 or Kosovo’s independence in 2008. Russia saw NATO’s actions in the former Yugoslavia as a dangerous act of unilateralism and an action suggesting that might makes right. Russia’s actions since have echoed this logic as much as its leaders have rhetorically opposed it. The 2008 war in Georgia, in which Russian “peacekeepers” swept in to defend a breakaway region with limited recognition, parallels the story of the Kosovo war a decade earlier. Russia is repeating that formula at present in Ukraine and Syria, using force to secure influence over these conflicts and potential peace settlements. And that leads to another goal of intervening in the Syrian Civil War: Russia wants to compel the United States and the European Union to recognize its great power status, to negotiate with it directly and on equal terms, and to let it participate in setting the agenda. Ultimately, Moscow hopes to be the first stop on the road to any major action that impacts its interests, and for its objection on such matters to have the force of a veto.

In the medium term, concerns like these have made backing Bashar al-Assad’s regime in Syria a natural step. Russia sees no alternative to Assad and his regime if Syria’s secular, state-based order is to be preserved and extremism fought. Russia has, by force, made itself an essential voice in any international effort to resolve the Syrian Civil War. Although the Trump administration did launch cruise missile attacks in 2017 and 2018 in response to Assad’s use of chemical weapons against civilians, it is unlikely to attack Assad with major air strikes when

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Syria’s skies are filled with Russian jets, and neither it nor Syria’s rebels will succeed in toppling him as long as his forces are aided by regular shipments of Russian arms and heavy Russian air strikes. That does not mean Russia wants Assad to be president of Syria forever. Indeed, the Yugoslavia analogy may apply here too, with Assad being like Serbian president Slobodan Milosevic—a leader who is the best hope for now, but from whom it can transition away later. An international settlement is the goal, with Russia at the head table.

From this perspective, Russia’s intervention in Syria has been a success. The tide in Syria has turned, with Assad regaining territory, including in strategic areas like Aleppo and Deir al-Zour. The United States and its allies have been compelled to enter talks with Russia to avoid confrontations between their forces. Talk of removing Assad has quieted. That is not to say that Russia has “won” in Syria, but it has forced the West to recognize and respect its stake while shaping the ultimate outcome of the conflict in its favor.

Moscow in the Eastern Mediterranean

Russia’s growing military presence in Syria’s coastal regions is not occurring in isolation. Around the eastern Mediterranean, Moscow is taking on a more assertive role. Egypt, in addition to supporting Russia’s Syria intervention, has been buying billions of dollars of Russian weapons (including the advanced MiG-35 fighter). Russia has launched two spy satellites for Egypt (both of which failed) and is financing a new nuclear-reactor complex there. Russia provided a big banking bailout to Cyprus, and its warships have the right to call at Cypriot ports for humanitarian purposes while its military aircraft involved in the Syria intervention can use Cypriot bases in emergencies.

Russia also enjoys strong ties with Israel, aided in great part by economic contacts and the large number of Israelis of former Soviet heritage, such as Moldova-born Defense Minister Avigdor Lieberman. This strengthening of ties has included some security cooperation, too, including joint Russia-Cyprus-Israel naval exercises. Moreover, Israeli aircraft have continued to conduct occasional strikes on targets inside Syria despite the presence of some of Russia’s best air defense systems there.

One way to interpret these moves is Moscow breaking the West’s attempts at containment. Russia has successfully bypassed the chain of NATO allies stretching from the Gulf of Finland to

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207 This does not preclude clashes at the periphery, as has been the case in incidents near Tanf and involving U.S.-backed Kurdish forces in the east.
Turkey’s Lake Van. Its actions in Syria have been supported from Sevastopol (annexed from a westward-drifting Ukraine), from the Caspian (bypassing Caucasus states that flirted with NATO) and through Iraqi airspace (once subject to American protection). Its supply ships pass right under Turkey’s nose, cruising through the heart of Istanbul on their way to Tartus, its main port in Syria.

**Russia and Iran**

It may seem odd that Russia would be cooperating with Israel on one side of the Golan Heights and with Israel’s arch-foe Iran on the other. However, for Russia, the two policies are not contradictory; if anything, the relationship with Israel offers further incentives to constrain Iran’s role in Syria. Indeed, many analysts have noted that Iranian and Russian goals in Syria, while similar enough to provoke intervention, diverge enough to lead to different strategic goals. As Ari Heistein and Vera Michlin-Shapir argued in *The National Interest*, “Russia is interested in preventing the fall of the Alawite-led Assad regime and preserving a client state in the region. Iran is interested in Syria becoming completely reliant upon and under the influence of Tehran.”

Russia supplied the Syrian government, protected it at the United Nations, and ultimately intervened to save it when rebels were making major gains. Iran, on the other hand, has concentrated on creating local militias that operate under its close supervision—a model it has used before in Iraq and Lebanon. It is therefore likely that Russia will seek to keep the upper hand in Syria. Even so, cooperation between Iran and Russia has been real: Russian aircraft regularly fly through Iran on their way to Syria, and they have cooperated to form an intelligence-sharing center with the Syrian regime to assist Iraq in its fight against ISIS. Both are also providing arms to the Iraqi government. And Russia has sometimes worked with the United States to keep Iranian forces at a standoff from the frontier with Israel, even though Israel has not been satisfied with the full extent of the restrictions.

Elsewhere, the picture has been murkier. Russia supported Iran’s attempts to regain its position in the international oil market, even as it participated in talks on reducing oil production—talks Iran scoffed at given its approach of regaining market share first and considering any production cuts later. Russia has also offered Iran some protection on the Security Council and in other UN bodies. It has sold Iran the advanced S-300 surface-to-air missile system, although this was only done after extensive, halting negotiations over many years, including a multiyear embargo during the nuclear talks and delays even after their conclusion. (It then sold the more advanced S-400 to Iran’s neighbors Turkey and Saudi Arabia, and has spoken to Qatar about the S-400, too.) Russia also worked with the other members of the P5+1 (the five permanent members of the United Nations Security Council, plus Germany) to negotiate the nuclear deal with Iran, including allowing the imposition of stiff sanctions. And Russia was far softer on Kurdistan’s bid for independence than Iran.

**Russia and Turkey**

Putin and Turkish President Recep Tayyip Erdogan may seem like mirror images of each other: they’ve both led struggling, once-great powers back into the international conversation at

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the cost of increasingly autocratic and personality driven politics, and both can appear to have grand, quasi-imperial aspirations for their states—and their own roles. Yet the two were, for a time, sharply at odds. The Syrian conflict found them on opposite sides, and the Turks were not pleased by the Tatars’ misfortunes in Russian-occupied Crimea. Yet the real turning point was Turkey’s November 2015 downing of a Russian Su-24 fighter-bomber that had briefly passed through Turkish airspace while conducting operations in Syria. As the Russia analyst Michael Kofman has pointed out, the result was a major setback for Turkey and for Western interests in the eastern Mediterranean, as the Russians responded by placing top-tier antiaircraft, anti-ship, and surface-to-surface missiles in their bases in Syria and adding flights by advanced intelligence-gathering aircraft near the Turkish-Syrian border. Russia now has an anti-access/area-denial (A2/AD) zone in the eastern Mediterranean.

The Russians have another strong option in addressing their Turkish problem: good relations with the Kurds. As Michael A. Reynolds has noted, Russia’s ties to the Kurds go back centuries, and Moscow has worked in different ways over time with the PKK and its regional subsidiaries. After the downing of the Russian Su-24, the Democratic Union Party (PYD)—the PKK’s Syrian affiliate—opened an office in Moscow. Russia certainly has the option, if it chooses, to increase support for Kurdish statehood, and even the PKK, in order to increase pressure on Ankara. Turkey has its own set of options, including support for Chechen separatists in Russia and for the rebels in Syria, but, as Reynolds points out, “Turkey is smaller than Russia, and Turkey’s Kurds are some twelve to eighteen times more numerous than Russia’s Chechens. Kurdish separatism poses a far graver challenge to the Turkish Republic than Chechen separatism ever could to the Russian Federation.”

On the other hand, in the wake of Turkey’s July 2016 coup attempt, the major purges and crackdowns that followed, and the turn toward a more autocratic political structure, Moscow could be a more attractive partner to Ankara. European states have expressed alarm at the depth and apparent injustice of the purges and with the structure and process around the constitutional reforms. The United States has expressed concern that many of its main Turkish interlocutors in the fight against ISIS have been removed, and Erdogan has complained that the United States hosts Fethullah Gülen, whom he accuses of orchestrating the coup. Russia, with its tendency to overlook its allies’ illiberalism, has an appeal in these circumstances. Even before the coup, there had been a tendency toward rapprochement, with Turkey issuing a quasi-apology for the death of the Su-24 pilot. With better relations, the two states can benefit each other significantly: Turkey gets more independence and leverage in its relations with the West, and Russia gains influence with a strong neighbor that can bridge strategic spheres. Yet how much of this is feasible, given recent disputes, real differences in Syria, Erdogan’s volatility, and Turkey’s status as a NATO member? Further, if the sectarian conflict in the region against Iran—led by Saudi Arabia, but which enjoys Turkish participation—intensifies, there may be some negative ramifications for Turkish-Russian

relations. Some analysts argue that Turkey is merely using dalliances with Russia to gain tactical leverage in its troubled relations with many Western states.\(^{216}\)

**Vulnerabilities**

Russia has good reason to feel that its entry into the Syrian civil war has been a great success. Its use of airpower was a crucial element in the military success of the pro-Assad forces fighting ISIS. However, it was Syrian, Lebanese, and Iranian forces who bore the brunt of the casualties in the ground war. Yet so long as areas of Syria remain under control or threat from ISIS, Russia has to be prepared for a protracted, if limited, presence in the country and could find itself subject to systematic terrorist attacks by renegade ISIS operatives.

In January 2018, sustained drone and mortar attacks were launched against Russia’s air base in Hmeimim and its naval base in Tartus. These attacks followed a mortar barrage on the airbase that killed two Russian servicemen. There are estimates that in 2017 Russia suffered casualties in the hundreds, including both military and civilian personnel. Official Russian policy has been to downplay its own casualties since there are indications that the Syrian war is not popular with Russian citizens. Furthermore, official Russian policy towards Syria and the Middle East is more focused on securing Russian interests than embracing a policy of nation-building similar to that initially advocated by the George W. Bush administration after the 9/11 attacks and the 2003 invasion of Iraq.

One factor of concern to Russia must be the prospects of a prolonged presence in Syria that overtime will lead to significantly higher causalities. Because of the bitter legacy of the Russian intervention in Afghanistan in the 1980s and dire demographic predictions of a declining Russian population, the country is especially sensitive to losing young men in wars. Russia’s population has been steadily declining for the past few decades. According to 2017 UN statistics, Russia now has a population of 143 million, ranking ninth in the world. And in the wake of the December 2017 protests in Iran, any pullback from Syria by the Iranian Revolutionary Guard Corps or a reduction of its military and financial support to Hezbollah could put extra burden on Russia to assure the stability of the Assad regime. Russia is well aware that Syria and the region remains a dangerous place and given Russia’s multiple but often conflicting relationships with local countries, it has no ambition to become too closely embroiled in regional rivalries between Sunni and Shia Muslims and Arabs and Israelis. While Russia has established a de facto alliance with Iran in Syria, it seeks to sustain good relations with Israel and regards Saudi Arabia as friendly power with whom it can do business.

In a different way, the growing Turkish military involvement in northern Syria is not good news for Russia unless it sees potential conflict between Turkey and the United States as a useful wedge issue. The wars in Syria and Iraq have strengthened Kurdish aspirations to seek greater independence from Damascus, Tehran and Baghdad. While the Kurds of Iraq have already established autonomy in the north of the country and these rights are codified in Iraq’s constitution, Turkey is fearful the success of Iraqi Kurds will boost the appetite of other Kurdish minorities to

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seek great freedom. On this matter Russia and Turkey may share common philosophies about freedom movements, but if serious fighting erupts in Syria over the Kurds, Russia will have reasons to be worried.

**Backup Ally, Not Rival**

It may be alarming for American policymakers to see Russia improving its position in the Middle East, particularly when its actions come at the expense of U.S. dignity (as was the case with its Syrian intervention) or target U.S. partners (by befriending states like Egypt or Turkey). During the Cold War, U.S.-Soviet competition in the Middle East was a zero-sum game, where Soviet gains represented a serious threat to U.S. allies and interests. Washington should not ignore Moscow’s moves. Yet Russia is now a second-choice partner for Middle Eastern states. It can offer friendship and assistance with fewer caveats concerning human rights or democracy. This complicates U.S. policy in the region by creating an appearance of choice, giving America’s allies more leverage in their dealings with Washington. Russia has many tools at its disposal: veto power in the Security Council, the ability to sell arms and to use them when necessary, and its energy sector (not just oil and gas but also nuclear) and technical knowledge. However, Russia remains a weakened state, with less ability to project power into the region and little to offer in economic cooperation compared to the West. Middle Eastern actors may enjoy being able to triangulate against Washington, but they do not have to choose between the two major powers, and if they had to, their choices would likely disappoint Moscow.
Europe

The countries of Western Europe are more deeply involved in the Middle East and North Africa than they have been in decades. From Libya and Syria to the Persian Gulf, European capitals face tough decisions and new opportunities. Should they stay out of the region’s conflicts, or is an active role the lesser evil? Should they invest heavily in Iran, or is it an unreliable partner with too many foes? Can they overlook human-rights concerns and sell arms to the Gulf states? Can an increasingly autocratic Turkey be drawn closer to the European Union? Questions like these need answers, even as Europe faces serious internal challenges, fiscal constraints, military weakness, a massive influx of migrants, and fundamental questions of identity. It is unlikely that this panoply of problems will allow a coherent European policy towards the Middle East, but the old European approach to the region, rooted in trade, energy, and the occasional diplomatic initiative or role in an American-led intervention, will no longer be sufficient.

Recent European History in the Middle East

Since the later decades of the Cold War, Europe’s financial position relative to the Middle East has been fading, due to an increasingly open, global socioeconomic system. Those trends have only sharpened since the beginning of the twenty-first century, with the oil boom of the 2000s putting money into Middle Eastern states’ coffers while the financial crisis of 2009-10 weakened the economies of prominent European states. Since the outbreak of the Syrian Civil War in 2011, the number of migrants entering Europe has accelerated massively, amplifying Europe’s identity crisis, and giving new impetus to those who want to weaken or limit the project of European integration. The new order is even palpable in one of Europe’s most beloved exports: soccer. Prominent clubs—which may be Europe’s most recognizable international brands—are owned by Middle Easterners or feature the logos of Middle Eastern firms on their jerseys. And that’s merely a visible manifestation of the underlying reality that Middle Eastern investments play a major role in European financial markets and key economic sectors like real estate. The Europeans are happy to have the money, while the Middle Easterners are happy to have a safe, legally predictable destination for their capital. Startling figures abound:
● A 2017 report by the UK’s House of Lords suggested that Qatari investment alone in the UK totaled 30 billion pounds, and added that “since the UK relies on capital inflows to counterbalance its large and persistent trade deficit, investment flows from the region are a key prop of Britain’s continued economic health.”\(^{217}\)

● CBRE Group estimated in 2014 that Middle Eastern investors, led by their nations’ sovereign wealth funds, would be putting $145 billion into European commercial real estate in the next decade, including $85 billion into Britain alone. Moreover, “the need for Middle East investors to diversify away from U.S. dollar-dominated investments will counteract the fundamental attractiveness of [American] real estate as an asset choice.” This investment in Europe would represent eighty percent of Middle Eastern foreign investment in commercial real estate; after Britain, “France, Germany, Italy, and Spain” would be the preferred destinations.\(^{218}\)

● “Middle East investors control nine of the largest 50 development sites in London, representing 20 percent of the current real estate investment pipeline,” according to CNN, quoting the consultancy JLL.\(^{219}\)

● Middle Eastern transactions for hotels in Europe in 2015 “rose 140 percent to €4.4 billion,” according to HVS, making up around 18 percent of an “extremely active” market.

● Middle Eastern investors poured money into Europe’s faltering financial sector at the height of the 2008 financial crisis, creating a kind of bailout. Many retain large stakes despite a turn toward real estate. The two largest stakeholders in Credit Suisse, for example, are Qatari and Saudi Arabian.\(^{220}\)

Of course, some of these trends are shifting, as fluctuating oil prices, and increasing pressure for internal investment leave many Middle Eastern investors less inclined to turn to Europe. However, Europe’s attraction is still impressive—even Europe’s latest major shock, Brexit, though opposed by many Middle Eastern investors in Europe, could lead to more Middle Eastern investment in Britain, thanks to the falling pound. “We do not see any real impact on our business or partnership and major projects will continue,” the CEO of Abu Dhabi firm Masdar told *The Big 5 Hub*.\(^{221}\) “We may be on the cusp of seeing a significant resumption in property investment activity in the British capital,” said Faisal Durrani of Cluttons to *International Finance*

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Victoria Frank of Knight Frank told the same publication that “within Europe, [the] UK is the primary market where Middle East investors like to put their money in. Hence, Brexit has only helped them go after the market they have been eyeing for a long time.” And European states remain solicitous of more Middle Eastern investment—for example, in April 2016, Britain dispatched Lord Jim O’Neill, famous for coining the term “BRICs” while at Goldman Sachs, to the UAE to drum up investment for infrastructure in Britain’s north.223

With Middle Eastern investment in attractive sectors in key European states easily reaching the hundreds of millions or even billions of dollars and, in cases like Lord O’Neill’s, serving European governments’ domestic priorities, an impact on European policies is inevitable.

As in real estate, arms deals with Middle Eastern states can be politically beneficial. European arms sales to Middle Eastern states have been lucrative—three billion pounds for Britain from Saudi Arabia in 2015, per the Independent; €6 billion for a dozen EU states from Egypt in 2014, per Amnesty International, a billion-dollar deal for Sweden from the UAE in 2015, and so on.224, 225, 226 The House of Lords reported that “in 2015, the UK’s defense exports to the Middle East constituted over 60% of the UK’s £7.7 billion defense export market.”

While some of the equipment sold would have little use in repression or in actions violating human rights, much of it could contribute to such actions. For example, the “small arms, light weapons and ammunition; armored vehicles; military helicopters; heavier weapons for use in counter-terrorism and military operations; and surveillance technology” that Amnesty notes were supplied to Egypt in spite of its crackdown could easily be used by autocratic regimes to target or deter their opposition. European firms have also been heavily involved in supporting the Saudi intervention in Yemen, which has been criticized for its severe humanitarian impact and which offers few discernable benefits for Western security. Small arms are of special concern: in addition to their obvious utility in a crackdown, they are durable and can, if stolen, lost, or transferred, circulate through the global arms market for decades.227 Other European arms sales raise questions beyond human rights and terrorism—for example, cruise missiles sold to the UAE and Saudi

Arabia create a risk of undermining the Missile Technology Control Regime.\textsuperscript{228,229} That, in turn, might make it even harder to work against Iran’s ballistic-missile program.

Alternatively, the United States also sells a vast array of weaponry to countries in the Middle East, particularly to Saudi Arabia and the United Arab Emirates. It is reasonable to assume that no future U.S. administration will cut off these arms sales, so the United States will likely encounter Europe in the Middle East not only as a proliferator, but as a competitor.

Yet these arms sales are not necessarily disadvantageous to U.S. and European interests. Iran’s growing power presents a challenge to the regional order, and many of its neighbors fear they are weaker than Tehran. Some perceive that America is abandoning them and cozying up with the Islamic Republic, while others fear a longer-term U.S. drift toward Asia, where China’s ongoing rise is sure to draw America's attention and resources, leaving less for Gulf concerns. A better-armed Arab Gulf may be better equipped to resist moves by Iran and less inclined to lash out against perceived tentacles of Iranian influence in places like Yemen. Whether this actually occurs will be a key question for the Trump administration—a question it should monitor in conjunction with European states. The Yemen war suggests that more arms may not equal more balance, or at least not more of the sort of balance that would allow the United States to delegate some of its regional security responsibilities to its regional partners.

Indeed, the reverse may be occurring: backed and heavily armed by the United States and Europe, the Gulf states may feel freer to behave irresponsibly at home and abroad. The West has experienced this pattern before with another Gulf monarch—the Shah of Iran. As Sean L. Yom argues in \textit{From Resilience to Revolution}, steadfast Western support enabled the Shah to avoid domestic compromises.\textsuperscript{230} We are still living with the disastrous results this had for American interests in the region. The same dynamic can occur in the international sphere: with a superpower ally, weak states can take uncompromising positions with stronger neighbors, prolonging tension, and can structure their militaries in ways that do not meet their security needs. A policy review on these issues with no predetermined outcome would be a prudent exercise for the administration.

**Europe and Iran**

Europe has long been a source of frustration for the United States in its dealings with Iran. European states have stronger economic ties with the Islamic Republic, creating incentives for a softer line than Washington would prefer. That dynamic has reemerged in the wake of the 2015 nuclear deal. The period just before and after implementation saw a flurry of trade delegations and ministerial visits, and Iran has already signed deals worth tens of billions of dollars with European firms.\textsuperscript{231} However, European cooperation on sanctions was decisive in bringing Iran to the


negotiating table, European support in the talks was key to their fruition, and European commitment will be crucial to the deal’s survival. France in particular has suggested an openness to further negotiations with Iran on security issues, including “uncompromising” missile talks and regional activity. (Such statements have drawn rebukes from Iranian officials.)

Following the U.S. withdrawal from the JCPOA, the chasm between European leaders and President Trump may continue to grow. Russia and Iran will both benefit greatly if a wedge is driven between the United States and its European allies, and the failure of Merkel, Macron, and May’s combined efforts to keep the United States in the deal does not bode well for the transatlantic relationship. As U.S. sanctions are gradually reinstated over the next six months, European leaders must decide whether to fall in line behind an unpopular American administration at the expense of expanding very lucrative trade with Iran, or to forge their own path on Middle Eastern policy issues. The Trump administration will have to choose how much it is willing to press Europe to comply with U.S. sanctions on Iran. As Trump stated in his withdrawal announcement, any renegotiations with Iran will encompass its regional activity and ballistic missiles, terms that will be difficult, if not impossible, to attain without European support. Achieving such support, unless U.S. sanctions achieve unexpectedly strong effects on their own, will require Europe to join America in implementing powerful sanctions on Iran—meaning European violation of or withdrawal from the deal. Such choices by Europe are highly likely to lead Iran to resume some enrichment activities. If industrial-scale enrichment, enrichment to high purity, and other measures that make nuclear breakout easier resume, the risk of war will grow significantly. Europe has always been the pivot player on Iran, and is likely to remain so.

Europe and Israel/Palestine

Europe’s historically friendly relations with Israel face growing pressures. The EU has long declined to extend its trade agreements with Israel to goods made in the occupied Palestinian territories of the West Bank and Gaza, but this issue came to a head in 2015, when the European Commission began requiring such goods to be clearly labeled. Israeli Prime Minister Benjamin Netanyahu proclaimed the move “an exceptional and discriminatory step inspired by the boycott movement.” A Knesset bill requiring nongovernmental organizations receiving significant funding from foreign governments to register as foreign agents was met with disapproval from the EU, since a significant portion of these funds come from EU states. The EU ambassador to Israel reportedly told the bill’s most prominent supporter that the bill was like something “we see mostly


in tyrannical regimes.”236 And EU states’ support for Israel in international fora like the United Nations has been fading.237, 238

This heightened contentiousness in relations is due to a pair of related European perceptions: that Israel is not engaging in good faith in the peace process with the Palestinians, and that Israel’s politics and culture are drifting steadily to the right, to the point that they are approaching illiberalism. These perceptions create friction in relations between Israel and European states, which have long placed great emphasis on the peace process, human rights, and democracy in their collective foreign policy. Concern about Israel is also spreading among European publics. Some of this is, to be sure, a product of latent European anti-Semitism, changing European demographics, and emerging political currents. But these are all essentially fringe phenomena and are not sufficient to explain, for example, a 2014 poll of British adults, taken during an Israeli intervention in Gaza, in which clear majorities in every demographic and political subgroup said that they thought “the current Israeli government” was “guilty of war crimes.”239 And it’s not just Britain: Israel has received bad news from opinion polls in places like Germany, typically seen as one of the most pro-Israel European states.240, 241, 242

Cooling relations between Israel and Europe may create challenges for U.S. policy. While there has been some loss of affection for Israel in the United States, there remains a vast gap between European and American public attitudes: European leaders may feel that supporting Israel is an increasingly risky position, even as American leaders feel the same about opposing Israel.243 U.S. support for Israel in the United Nations may become even lonelier, with exercising the veto in the Security Council even more essential. European initiatives may also create diplomatic and political headaches for U.S. policymakers. There have been worries, for example, that the EU’s settlement-goods labels could make a boycott or embargo more likely. Even if this is not codified into law, Europe may become a critical site of contestation for the Boycott, Divestment and Sanctions (BDS) movement, which Israel regards as a “strategic threat.”244 Expanded BDS activity in Europe could create pressures for public counteractions in the United States, perhaps modeled

on the New York state government’s initiative to prevent pro-BDS entities from receiving taxpayer funding. Such initiatives could create challenges for European businesses active in the United States. Europe may also attempt to take its own initiatives on the peace process and on Palestinian statehood. France, for example, convened an international meeting to revive the peace process and hinted for a time that failure would lead to its recognition of Palestine.

**Europe and Bahrain**

The political unrest and human-rights problems in Bahrain are principally American worries, due to the major American naval base there (the base, Naval Support Activity Bahrain, houses U.S. Naval Forces Central Command and the U.S. Fifth Fleet). However, Britain also has recently opened a naval facility there, UK Naval Support Facility. The base will be, notes the *Independent*, “the first major naval base opened by Britain in the east of the Suez canal since 1971.” Britain is accordingly a fellow stakeholder in the political situation in Manama. It will face two sorts of pressures. First, especially after Brexit, the British presence may acquire a symbolic or sentimental value greater than its strategic importance, as British leaders attempt to highlight their post-EU international clout. Second, if Bahrain’s troubles get worse, Britain will face pressure to leave, certainly on human-rights grounds and possibly also, if ambiguous Iranian warnings are to be believed, due to violence. In the event of a major deterioration in Bahrain, coordination between the United States and Britain will be essential.

**Europe, Syria, ISIS and the Migrant Issue**

Europe is faced with a nexus of challenges emanating from the Levant: the war in Syria, the rise of the Islamic State group in Syria and Iraq and its attacks abroad, and the massive flow of asylum seekers and others into Europe. Taken together, these issues represent the biggest challenge for European foreign policy and domestic security, one that has required difficult measures and yet remained far from resolution. The diplomatic track to resolve the Syrian conflict has stalled, with initiative passing to the Assad regime and its Russian, Iranian, and Hezbollah backers, and on the other side to the more radical elements of the Syrian opposition. ISIS has staged severe and repeated attacks in Europe, causing heavy casualties and shutting down cities, leading to extended states of emergency and military action by many European states. The instability in Syria, coupled with the inability of neighboring states to cope, has collided with Europe’s commitment to the rule of law, humane governance, and free movement of persons to trigger a wave of more than one million asylum seekers rushing into Europe. This has strained

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infrastructure, law enforcement, and interstate coordination while producing severe political aftershocks. It has also given North African states new leverage in dealing with Europe: they can threaten to allow migrant flows northward. It is strange, then, that the United States has been left to take the lead in dealing with the Syrian civil war. America has experienced these ill effects on a vastly smaller scale than Europe. The Europeans must play a greater role on Syria and to be prepared to take a large share of responsibility for stabilizing and rebuilding Syria in the event of peace. Otherwise, Brussels will continue to lack influence over the conflict’s settlement while being continually forced to deal with its consequences.

The Growing Influence of China and India

By the beginning of the twenty-first century, it was clear that the booming economies of Asia and the parallel appetite for trade and energy resources would have an important impact on the Middle East, especially the oil-rich Gulf countries. India has always had a major presence in the Persian Gulf given its proximity and recent history, but China’s emergence after centuries of absence has been a more recent phenomenon.

As a result of the emergence of China and India as world economic powers and the growth of other Asian economies, the ties between Asia and the Middle East have increased to an unprecedented extent. The signs can be seen everywhere. All around the Gulf, hotels, banks, schools, and shopping centers are managed by Asian expatriate workers, who also provide most of the region’s manual labor. Without Asian labor, the oil-rich economies of the Gulf would collapse. Many of the vast construction projects in Doha, Abu Dhabi, Dubai, and other city-states are supervised by South Korean companies. Most of the automobiles and trucks on the street are Japanese or Korean. The endless procession of tankers that sail from the huge ports of the Gulf carrying oil and liquefied natural gas is destined increasingly for the Asian market. Infrastructure projects, including new roads, railways, seaports, airports, undersea communication lines, and gas and oil pipelines, are expanding in both the Middle East and Central Asia, making access between the two regions easier and cheaper.

These trends suggest that, absent a protracted global recession, the Asian presence in the Middle East will continue to grow significantly over the coming decade. However, the strategic implications are far less clear. To what extent will major Asian countries such as China and India be drawn into the complicated, volatile geopolitics of the Middle East? What roles will they take on? How will intra-Asian rivalries play out? And how will Asia’s new powers interact with the countries that traditionally have dominated the region—notably the United States? Apart from Indian and Chinese purchases of military technology from Israel and Asian arms sales to the countries of the Gulf, the big issues of war, peace, and security in the Middle East have largely remained outside Asia’s domain. Will that always be the case?
Asia’s involvement in the Middle East affects a huge swath of countries, including Pakistan, Indonesia, Malaysia, Thailand, Singapore, Sri Lanka, Bangladesh, the Philippines, Australia, New Zealand, and, more indirectly, the countries of Central Asia. All are influenced in some way by the scramble for Middle East energy, the huge amount of money that Middle East oil and gas producers have received and invested, and efforts to seek alternative energy supplies and supply routes. However, China and India merit particular attention owing to their economic and potential military prominence: over the next thirty years, the economies of India and China are expected to surpass that of the United States in size, which will give their governments increased regional and global clout.

China

China’s growing influence in the Middle East has led to debate about whether the evolution of Chinese interests will pose a threat to U.S. interests. China retains longstanding economic interests in the region, and has recently expanded its investments and negotiated new diplomatic and security initiatives. Some analysts speculate that repeated American missteps in the region have raised the potential for a U.S.-PRC rivalry, while others maintain that China’s strategic goals do not threaten U.S. dominance and cooperation remains possible. However, if China’s pursuit of increased regional clout ends up threatening U.S. interests in the Middle East, policymakers have a variety of options through which to undermine their efforts. Yet, no matter their intended outcome, increased Chinese activity in the Middle East must be considered when shaping U.S. policy in the region and globally.

The Middle East is strategically significant for China because its economy is highly dependent upon industrial, construction, and manufacturing exports, and it needs secure supplies of resources and stable markets for investment. Beijing's growing demand for energy has made it increasingly dependent on Middle Eastern exports, and China now imports more than half its oil from the Gulf. Chinese demand for oil coupled with the United States’ rising levels of domestic energy production have led China to replace the U.S. as Saudi Arabia’s foremost patron. This has contributed to a 600 percent growth in trade between China and the Middle East in recent years, and significant investments and loans have already been announced for future.

In 2013, Chinese leader Xi Jinping announced the development of the Silk Road Economic Belt, often referred to as the “One Belt, One Road” initiative or the “Belt and Road Initiative (BRI),” which intends to link Asia to Europe through both sea and land routes and various infrastructure projects. The Chinese leadership sees the BRI as an opportunity to further their country’s long-term global ambitions to find new markets for its goods, engage its vast construction industry, and to increase economic growth after a recent slump in GDP growth. As the central hub for both land and sea routes connecting Europe to Asia, the Middle East will likely benefit greatly from Chinese investment and international trade flowing through the region. Egypt

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251 The above paragraphs were adapted from chapter one of Geoffrey Kemp, The East Moves West: India, China, and Asia’s Growing Presence in the Middle East (Washington D.C.: Brookings Institution Press, 2010).

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and the Gulf states have all received significant investment in shipping infrastructure and increased bilateral trade, forcing their own domestic economic priorities to shift towards facilitating this increasingly important relationship. The prospect that economic considerations could ever supplant the prominent political and security concerns of U.S. partners like Saudi Arabia, the U.A.E, and Israel is doubtful, but other nations whose standing with the United States is less favorable, such as a Turkey or Iran, could be drawn to China as an alternative ally.

While Washington may see China’s forays into the Middle East as attempts to undermine American influence by asserting itself as a less imposing economic and political partner, some have argued that these decisions are grounded merely in financial considerations, as Chinese businesses are less risk averse than their American competitors.254 I-wei Jennifer Chang has championed this perspective by arguing that first, Chinese investments do not threaten U.S. interests, and, second, that Chinese efforts to bring the BRI to the Middle East “reflect more continuity than change” in its regional policy. Chang asserts that China has even sought productive participation in important regional matters like the Iranian nuclear program.255 According to this outlook, the United States may have little to fear from rising China’s activity in the Middle East, but if this project comes to define the core of Chinese naval and land-based trade, Middle Eastern security could become a paramount Chinese national interest. This would necessitate an increased military and diplomatic presence that could undermine America’s regional supremacy and, if it yields a serious Chinese bid for hegemony, America’s vital national interests.

Beijing has already taken steps to enhance its regional power projection. Chinese ships have supported evacuations of its nationals from Yemen and Libya. These events played a significant role in the subsequent decision to establish China's first overseas naval base in Djibouti, the first of many that are likely to be built as China continues to invest in ports all along the BRI route.256 It has been reported that Chinese and Pakistani officials are discussing the possibility of a Chinese naval base in Pakistan, with potential locations including the port of Gwadar that already acts as a Chinese commercial port.257 While both nations continue to deny such reports, it is becoming increasingly clear that China is determined to multiply its logistical options across the region and around the world.

Throughout the Middle East, China has been strategically adept in cultivating good relations with multiple parties simultaneously. These efforts have been fruitful for China not only economically, but also in enhancing security. For instance, Beijing’s concerns over members of its Muslim Uighur population joining the Islamic State and other militants in the Syrian civil war

255 Ibid.
have led China to collaborate with both Syria and Turkey on border security and terrorism.\textsuperscript{258} The Chinese have managed to cooperate with both Saudi Arabia and Iran in defense and trade as well as to correspond with both parties of the 2011 Libya civil war and to even conduct shuttle diplomacy between them during a crisis.\textsuperscript{259} Additionally, they have attempted to insert themselves into ongoing regional disputes, supplying diplomats and proposals in both the Syrian and Israeli-Palestinian conflicts.\textsuperscript{260}

However, this limited and seemingly neutral approach to regional rivalries may actually be quite a hollow pronouncement of a non-interventionist stance, as Richard Fontaine and Michael Singh contend. China is progressively taking sides by supporting Russia in vetoing U.S.-sponsored UN Security Council resolutions on Syria, participating in joint naval exercises with Russia in the Mediterranean, and engaging in intelligence sharing with the Syrian government.\textsuperscript{261} Chinese cooperation with these states coincides with China’s growing bonds with Iran; the two nations have an extensive partnership in the energy trade, and Beijing offered Tehran early support to its nuclear program by diluting sanctions against it at the UN. Furthermore, China is likely to meet Iran’s demand for modern armaments after international prohibitions on Iranian missile development end in 2023. China can also work to thwart U.S. restrictions on trade with Iran, including export controls on proliferation-sensitive goods and financial sanctions. One possible cost of a renewed U.S. sanctions campaign against Iran could be the rise of the renminbi as an alternative global currency.

In the long term, the United States must recognize that any additional regional engagement by China—whether economic, diplomatic, or military—presents reforming Middle Eastern states with an alternative to the Western model of democratic liberalism. While the U.S. remains the first choice in partnerships with Middle Eastern states, they are becoming increasingly willing to look to other external powers for assistance as necessary, and Beijing’s offers of developmental assistance and labor contracts are associated with fewer political constraints and human-rights requirements than those coming from Washington. Considering that conservative elements in some Middle Eastern societies are pushing back against Western-led liberalization campaigns, China may increasingly be seen as an attractive regional partner.

Growing Chinese Influence in the Middle East?

Even if Chinese aspirations in the region evolve to be anathema to American interests, it is uncertain that an assertive China could achieve dominance of the Middle East’s oil reserves. The Middle East has fallen under foreign control in one shape or another on several occasions, notably during the Ottoman and the British empires, and has been under the United States’ strong hegemonic influence since the end of the Cold War. Expanding Chinese influence in the region could severely harm U.S. interests if America retains significant exposure to the global oil market and China attempts to use Middle Eastern oil flows as a weapon. But with increased American


\textsuperscript{259} Chang, “The Middle East in China’s Silk Road Visions”


\textsuperscript{261} Fontaine and Singh, “Middle Kingdom Meets Middle East.”
energy development and increased Chinese demand for imported oil, this would require both a reversal of existing trends within the United States and the establishment of a Chinese oil empire that could not only meet its own needs without relying on the global market, but also export to others. This is a farfetched scenario.

Chinese supremacy in the Middle East would face significant headwinds, stronger in some cases than those America has faced. Of course, radical Islam and nationalism are obstacles to any outside power, but China’s less normative approach to other states’ internal politics may insulate it somewhat from these concerns. Yet increasing influence in another state’s affairs can encourage resistance and resentment, especially if that state’s regime makes much of its connection to China, thus giving the regime’s opponents incentive to oppose Beijing. Similarly, if servicing Chinese loans begins to absorb much of a country’s economy, or if new China-centered trading patterns disrupt large sections of that state’s economy, opposition to China may grow further. Actors, including the United States, which fear potential Chinese hegemony could work to exacerbate these dynamics. And, if Chinese power becomes closely aligned with a particular regime, the fall of that regime could see China excluded by the new rulers, just as America was driven out of Iran by the Islamic Revolution.

The true test of Chinese power would be a Chinese military intervention to assert authority in the region: perhaps to protect interests put at risk by a political upheaval, to support one state or regime against another, to seize key oil infrastructure, or to force repayment of debts. China would have to project power over great distances—whether over land via the new Belt or from the sea aided by the new maritime Road. This would come at significant cost if done over land, costs that could increase if outsiders attempted to foment instability or divert partners along the way. And it would face great difficulty if done by sea because China’s nascent maritime power-projection capability would need to mature. As T.X. Hammes has contended, the waters between the Chinese mainland and the Middle East present many opportunities for those that would interfere with or cut off China’s lines of communication. If the United States were to pursue this option, Barry Posen’s scholarship has assessed that a robust force of nuclear-powered attack submarines would enable interdiction around the world, even in hostile environments. This would be particularly effective if the United States targeted Chinese trade and naval fleets near strategic chokepoints. India, given its longtime fears of Chinese influence, may be a useful partner in any such efforts—and, indeed, may take some of them up without American prompting. Chinese control of the Middle East would be a serious threat to India.

Yet rather than seeking regional dominance through a military presence, China will more likely leverage its economic ties to gain political influence at the expense of the United States. The lure of Chinese investment is appealing to many developing (and developed) nations, and the countries of the Middle East are no exception. Middle Eastern efforts to develop renewable and nuclear energy sources, combat high youth unemployment rates, and construct new infrastructure will require billions in foreign and domestic investment. China could increase its influence over a nation’s foreign policy if Beijing continues its practice of providing investment to governments in

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exchange for political promises to repay generous loans. Although it is uncertain whether additional Chinese influence will necessarily undermine the United States’ regional foreign policy initiatives and security objectives, a relative loss of political clout could epitomize a broader regional shift away from American priorities, and thus a reduced ability to shape regional events.

Even so, Chinese investment in the region highlights a tension between different concepts of how to promote U.S. national security interests in the Middle East. If economic growth creates preferable alternatives to terrorism, then Chinese investment has benefits. If the political transformation of societies is necessary for American security, and Chinese investment enables autocracy, then Chinese investment is more negative. On the surface, realism would also counsel resistance to expanded Chinese influence in the Middle East. Yet if China contributes to the expansion of regional economies, but remains a peripheral player in regional security, its impact on the regional balance is what matters. Further, more defensive styles of realism suggest that Chinese security involvement in the Middle East would not necessarily make China stronger, and could instead be costly. Since the Middle East’s strategic importance is largely tied to the economic and military importance of its oil, the discovery of new sources of energy and extraction methods may reduce global demand for its hydrocarbons over time. This could result in even significant Chinese regional gains having reduced global impact.

**India**

India has tried to extend its historical non-aligned status to its relationships in the Middle East while working to uphold its interests in the region. Ongoing rivalries with China and Pakistan and growing competitions over resources and regional dominance are major motivating factors driving India’s strategic change, but they are not the only factors motivating an adjustment in strategy. The Indian diaspora and security in the Middle East also are gaining importance for the Indian government. However, independent of regional competitors and Middle Eastern dynamics, there is a strong desire within the Indian government to project greater international power. In contemplating a new strategy for a rapidly changing Middle East, India’s rising influence should not be ignored.

Throughout its long history, India has played a significant role in the Middle East. The British Empire’s expansion and influence in the Middle East after the dissolution of the Ottoman Empire brought its Indian subjects into the region in various capacities, including into the various conflicts Britain entered into in the Middle East. When Britain was successfully pressured to abandon the Indian subcontinent in 1947, it left behind India and Pakistan—two warring, weak states divided by ethnoreligious animosities. Immediately, the two countries became preoccupied with their own massive domestic security and economic challenges and took many years before they began to look abroad and engage in regional and international affairs. Since its independence, the Indian government has consistently attempted to avoid regional conflicts and maximize economic gains in the Middle East, focusing on exporting labor and importing oil. However, in recent years, India has begun to show signs that it is reevaluating its approach to the Middle East.

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India has come to view the Middle East as a strategically important region for several reasons. As with most developing nations, large and reliable energy resources are critical to India’s continued growth, necessitating New Delhi’s transformation into an outward-looking strategic power to secure access to imports. Second, a large Indian expatriate population has developed in many Middle Eastern nations where cheap labor is required; today India leads the world in remittance income, with $65 billion being added to the Indian economy in 2017. Lastly, a rising middle class in the Middle East has created an emerging market for manufactured Indian goods, such as the large gemstone and jewelry industry whose products are highly sought after in the Gulf states. India’s continued growth towards becoming the world’s second, if not first, largest economy is dependent on it entrenching its interests in strategically important trading centers, with the Middle East being a top priority.

The Indian government has long been focused on securing reliable energy supplies, and has diversified its investments among parties on both sides of regional conflicts. India is severely dependent on imported oil. Clearly recognizing the importance of working with all Middle Eastern states, Prime Minister Narendra Modi has signed energy deals with Saudi Arabia, Iran, Iraq, and Qatar, and has made several trips to the region in recent years even as past administrations have largely avoided the region diplomatically. This has produced dividends for the Indian government from large infrastructure projects, such as a $5 billion deepwater pipeline connecting Oman and Iran to India while bypassing Pakistan’s exclusive economic zone, and port investments including $500 million given for the development of Chabahar Port in Iran. The Trump administration’s desire to improve U.S. relations with India and to strengthen New Delhi as a potential partner against China is in tension with its desire to renew sanctions against Iran.

India’s people are part of its interests in the Middle East. There are currently 8.5 million Indian nationals living in the Middle East, working and sending home remittances. Instability in the Middle East has and will continue to threaten these people and this income, along with potentially interrupting the flow of energy imports.

Protecting and expanding trade is also a key interest for the Indian government. Indian trade with, and investments in, the region have continually expanded alongside the growth of political and security ties. Indian food and gemstone exports to the Middle East are extensive, with up to 16 percent of its annual exports coming from precious metals, and combine to make the UAE

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266 Dudley, via the Energy Information Administration.
267 Ibid.
270 Dudley, “India Starts to Move Cautiously.”
India’s leading export destination.\textsuperscript{271} India also buys around one billion dollars’ worth of weapons every year from Israel, making it India’s second largest supplier of arms.\textsuperscript{272}

India has been mindful of competition from China in its efforts to secure relationships with Middle Eastern nations, and has sought to pushback on what it views as steadily growing Chinese encirclement. Despite that these two powers have traditionally assumed a neutral stance in the Middle East, their geopolitical and economic competition is increasingly being seen as zero-sum. India’s trade policies in the Middle East are being directly impacted by the implications of China’s new Silk Road enterprise, referred to as the Belt and Road Initiative (BRI). New Delhi has countered the Chinese project with its own North-South Transport Corridor (NSTC)—a fourteen-country project that connects India to Russia and Europe, and envisions facilitating 20-30 million metric tons of goods annually.\textsuperscript{273} Although India and China would greatly benefit from bilateral cooperation on ambitious economic projects, both countries continue to view one another’s initiatives with strategic mistrust, and competition over limited resources often places them at odds.

India’s primary concern with the BRI is that China will use the project to enhance its regional power and strategically encircle New Delhi with nations dependent on Beijing for their economic stability. Likewise, India has been perturbed by Chinese plans to develop land corridors directly through Pakistani-controlled Kashmir, providing Islamabad with increased legitimacy over territory that is also claimed by New Delhi. Indian government officials have cited this conflict to explain their reluctance to cooperate with Chinese investments into prospective Indian portions of the BRI, stating that sovereignty and territorial integrity must take precedence over economic opportunity.\textsuperscript{274} Such territorial disputes, and especially China’s friendly relationship with Indian archrival Pakistan, have driven the two neighboring powers farther apart. The longer such disputes persist, the less likely it will be for India to receive the benefits that may come with linking to the BRI; China has indicated that it may invest anywhere from $84 billion to $126 billion into India by 2021; despite that, no specific project proposals have been offered.\textsuperscript{275} Since the overall effectiveness of China’s initiative will be reduced if Indian ports and railroads remain unconnected,\textsuperscript{276} both countries will be worse off if mutual suspicion hinders bilateral cooperation.

India has sought to maintain its nonaligned status in the Middle East even as its influence has grown, negotiating various security, defense, and commercial agreements with countries

\textsuperscript{276} “India is Building a ‘New Silk Road’ to Counter China’s Silk Road,” \textit{Agenda Invest}, September 14, 2017, https://www.agendainvest.com/2017/09/14/india-building-new-silk-road-counter-chinas-silk-road/
across the Sunni-Shia divide and with Israel. New Delhi’s efforts in balancing oil imports and foreign worker remittances in Arab Gulf states with plans to invest in Iranian ports and oil infrastructure shows a continued effort to refrain from picking sides in contentious rivalries. Likewise, India’s success in attaining permission from Saudi Arabia to run direct flights from Delhi to Tel Aviv through Saudi airspace, which had been closed to Israel-bound commercial flights for over decades, reflects how India has maintained good relations with all parties as its regional clout has grown. \(^\text{277}\) Additionally, while Indian-Israeli relations continue to deepen on topics such as water, defensive armaments, and agricultural and industrial policy, India has provided tacit support for the Assad regime in an attempt to secure economic interests, \(^\text{278}\) and Palestinian president Mahmoud Abbas visited India a month before Modi’s trip to Israel. The growth in ties between India and Israel may suggest that India’s historically neutral stance on the Israeli-Palestinian conflict will falter, but for the time being it is likely to remain firm.

India will continue to pragmatically expand its influence in the Middle East to protect its strategic interests. As New Delhi’s concerns about Chinese-Pakistani cooperation and strategic encirclement grow, India will continue pursuing trade and diplomatic relationships with Middle Eastern powers. India’s rapid growth depends on expanding and protecting economic and trade relationships, and the millions of Indians working abroad increase its need for greater security and power projection.


Issues for American Policy

Regional Imbalance

The Middle East’s lack of a stable strategic balance among its many players is at the core of the regional troubles the Trump administration confronts. Crises around the region have become infected by the geopolitical ambitions of third parties. Sometimes, this has reflected competition among the Arab Gulf states over the Islamist question (with Qatar teaming up with Turkey against the Emiratis and Saudis). Yet the nastiest fights—in Syria, Yemen, and Iraq—are caught in the Gulf-Iran rivalry. The Arab Gulf states feel that they must act forcefully if they are to keep Iran at bay. There is talk that Iran could be seeking to establish regional hegemony. Iran’s ambitions are less transparent; despite its leaders’ rhetoric, its foreign policy is not as radical as it had been in the early days of the revolution. It is even possible to view Iran’s approach to the region as reactive, with tools like proxy forces simply being the ones it knows best as it works to keep the United States, its allies, and Sunni jihadists away from its frontiers and strategic strongholds.

Even so, Iranian leaders have sought a Gulf area free of outside powers—i.e., one in which the United States leaves its many forward bases in the region. This is consistent with the desire of major powers to seek security dominance in their home regions.279 When attained, regional dominance is a great security asset: after all, this is what America did in its own backyard, and we are now one of the most secure powers in history. Iran has made gains in recent years: America removed unfriendly regimes from Iran’s east (the Afghan Taliban) and its west (Saddam’s Iraq), destroying the traditional balance of power and creating new avenues for Iranian influence. Meanwhile, the collapse of Assad’s Syria created new vulnerabilities for Iran, but gave Iran greater influence over what remains of Syria. The balance of power in Lebanese politics has swung towards Iran’s proxy Hezbollah. The regional balance, and Iran’s role in it, is changing. Does Iran want hegemony? Can it achieve it? What price would Tehran be willing to pay?

The United States will have to decide how to address the imbalance. The current policy of guarded support to the Sunni states, interventions in Iraq and Syria, and maintaining a very limited rapprochement with Iran may well continue producing the current results—violent stalemates

279 See John M. Mearsheimer, The Tragedy of Great Power Politics.
across the Middle East. In this approach, the United States is a heavy thumb on the Arab-Israeli side of the scale.

Some analyses call for eschewing large-scale U.S. military operations in the region while being prepared to use force to ensure the security of local allies. Other specialists successfully advocated for renegotiating or abrogating the Iran deal, the impacts of which are still developing. Yet most experts envision America as an active, shaping force in the Middle East, with Iranian influence a key target. They see Iranian influence as a source of instability that American policy should actively oppose and argue that in the absence of American exertions, Iranian power will grow significantly, leading to either a plausible Iranian bid for regional hegemony or a serious increase in sectarian tensions driven by more intense competition among regional powers. This increase in sectarianism, they suggest, would contribute to greater extremism that targets the United States.

But would an increase in regional competition heighten sectarianism? Quite probably. Still, many of the drivers of sectarianism stem as much from regime weaknesses as from external competitions: Iraq’s reliance on sectarian militias in the early stages of the ISIS fight, for example, or the breakdown of political order along sectarian lines in Syria. In the former case, sect was a powerful store of energy for social mobilization; in the latter, it paralleled divisions between winners and losers under Assad’s regime. Neither of these was fundamentally driven by external powers.

Expanding U.S. engagement and involvement in regional affairs has produced few positive outcomes, as evidenced by American efforts to develop a nonsectarian government in Iraq which have floundered for years without an Iraqi restoration as a balance to Iran. The lack of stable coalitions and even less compromise amongst potential partners who share mutual interests is hard to ignore, but does this failing actually indicate that an American retrenchment would lead to an Iranian-controlled Middle East? Unlikely. Whatever Iran’s desires may be, its regional rivals are no pushovers and are highly likely to respond to U.S. retrenchment with greater cooperation against Iran.

The other potential challenge in reducing America’s role with a view to restoring balance would be the threat of a major Iranian advance that would enable it to dominate the region’s oil supplies—analagous to Saddam Hussein’s seizure of Kuwait in 1990 and threat to Saudi Arabia’s oil regions.280 This could come via a conventional Iranian military assault, or by Iran gaining control of neighbor’s political systems. Iran may be capable of posing such a threat. However, what would stop the United States and other powers from intervening directly to expel Iran in such a case, just as they expelled Saddam? Washington would certainly enjoy the vigorous support of Saudi Arabia and the UAE; access to their bases would reduce the salience of concerns about Iran’s

280 Gholz and Press identify Gulf hegemony as one of the few plausible threats of a fundamental disruption in the global oil supply, and as a threat against which American force might be useful, but argue that this mission can be readily fulfilled in an offshore role.
advancing anti-access/area denial capabilities, and the United States could help them attain A2/AD capabilities in parallel with Iran.281

And there may be other options in restoring balance to the region. Former U.S. ambassador to Saudi Arabia Charles W. Freeman, for example, has warned that though “with Iraq having fallen into the Iranian sphere of influence, there is no apparent way to return to offshore balancing,” the United States can try “to reenlist Iraq in support of a restored balance of power in the Gulf.”282 This would require “tough love” from the United States, he says, to push the Gulf states to “make common cause with the Shi’ite Iraqis as Arabs rather than castigate them as heretics.” Yet this would depend on “a turn away from sectarianism,” a tall order in states like Saudi Arabia that use sectarian animus to keep their domestic politics in order.283 While it would be a mistake to treat Sunni-Shia antagonism as a fundamental, unchanging reality of the region, that tension is particularly intense for now, and is being stoked by local actors for internal and external reasons. A change here may be impossible, although Saudi overtures to Iraq, including meetings between Saudi Crown Prince Mohammad bin Salman and Iraqi Shia cleric Moqtada al-Sadr, have increased. It is also worth noting that the United States has been trying to create a less sectarian government in Iraq, and persuade Iraq’s Sunni neighbors to support it, for more than a decade, and with very little success. Iraq’s restoration as a balance to Iran may not occur in this generation, let alone this administration.

Sizing Up the Competitors

The balance of power on paper does not readily support the notion that Iran is a potential hegemon or even the leader of a potentially hegemonic bloc. Suppose that the region coalesces into a bipolar system. On one side, we have the “Shia Crescent,” consisting of Iran, Iraq, Syria, Lebanon, and Yemen. On the other, we have the emerging nexus of the Gulf Cooperation Council and Israel. The Shia Crescent has only one clear advantage: its population, with 2.7 people for every one in the GCC-Israel bloc.284 Every other core indicator of ability to generate military power favors the Gulf-Israel bloc, which has two and a half times the nominal GDP, one and a half times the purchasing power parity GDP, and nearly five times the military expenditure as the Shia bloc.285

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283 It will be even harder as the Gulf states try to discipline their budgets.

284 This does not include Shia populations in Afghanistan and Pakistan, which Iran has been able to mobilize to support its war effort in Syria, but it does include the large non-Shia populations in Iraq, Syria, Lebanon, and Yemen, none of whom might be highly enthusiastic to fight for Iran. And it does not count the large Sunni populations in GCC-friendly states like Egypt, populations that might be recruitable for service in anti-Shia militias. It does include Qatar, but Qatar’s impact on the balance of power is negligible. This is, in other words, a pessimistic scenario, in which Iran consolidates more effectively than the Gulf-Israeli bloc, and the Gulf-Israeli block fails to mobilize other publics. And it does not count Turkey in the Gulf camp either.

285 These figures were taken from the IMF’s 2016 World Economic Outlook Database, the Stockholm International Peace Research Institute’s Military Expenditure Database, and the most recent data (as of 2018) from the CIA World Factbook.
Neither side would appear to have an overwhelming geographic advantage, either. Iran’s logistical chain to Israel is long and crosses through heavily Sunni areas that have long resented central government control. Iran would need to be able to use Iraqi territory to project land power against the Saudis, too. Iran and Yemen have fairly secure geography, but this is not necessarily an advantage in going on offense, especially since Iranian oil still flows right by the GCC states when shipped via the Gulf. Even if Iran gains nuclear weapons, Israel already has a sizable nuclear arsenal. Nuclear weapons are also far more useful for preventing conquest than for compelling others to do your bidding, making it unlikely that they will be the decisive factor in reshaping the regional balance.

The greatest risk may be underbalancing: that is, that all of the region’s key players agree that Iran presents a threat, but they each expect someone else to bear the costs of confronting Iran. Thus, for example, the Soviet Union miscalculated in thinking that France and Britain could handle Germany with Moscow on the sidelines, leaving Moscow to face an even stronger Germany once France fell. Israel and the United States would look foolish if Saudi Arabia collapsed and the oil-rich Eastern Province fell under Iranian authority; Iran could then be an oil hegemon. The territorial separation between the region’s anti-Iran states, and between Iran and each state, could further enable regional players to feel they have a buffer insulating them from others’ troubles.

The sectarian divisions in many states on each side, but particularly in the Arab members of the Shia Crescent, would allow outside actors to stir up trouble and raise internal security costs to either side, further complicating a bid for regional superiority. Unless the Gulf states face a serious economic collapse, it is difficult to see either bloc being in a position to dominate the other. And this analysis totally ignores the presence of Turkey, the well-armed Sunni power on the northern flank of the Shia Crescent, which has a large economy, a highly capable military, and roughly the same population as Iran.

The prospects for any local power or coalition to attain dominance in the Middle East are thus quite limited, meaning a U.S. effort to contain or roll back Iran is likely unnecessary. Additionally, friendly states in the region appear to be actively balancing against the Iranian threat, rather than aligning with it or merely ignoring it. This all runs counter to the strategic assumptions that have shaped our Gulf policy for many years. Accordingly, the U.S. should conduct a comprehensive review of American strategy in the region. All options should be seriously considered, not only the deeper involvement that most in Washington policy circles have proposed, but possibly reduced or adjusted involvement.

Internal Instability

The other source of regional imbalance is the weakness afflicting many of the region’s governments. From Egypt and Libya, to Iraq and Syria, to Yemen and Bahrain, central governments are struggling. In some cases, they do not enjoy the support of a significant share of the population. In others, they have lost the monopoly on violence or even the control of much of

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287 See Mearsheimer, *Tragedy*.
288 See Mearsheimer’s *Tragedy* on the importance of separation in failed balancing.
their territory to their opponents. The latter create immediate concerns for regional security—war, insurgency, and terror. But the former is also troubling: fragile systems can fall into deeper crisis.

Defending American interests under these circumstances can be complicated. Autocrats present a challenge for American policymakers that only grows as their situation worsens. When things are relatively stable, Washington has usually either compromised on its concerns or pressed for reforms. The latter option can strain the relationship, and does not always produce results—witness Freedom Agenda–era Egypt (2004-06), where pressure on President Hosni Mubarak’s government did not produce enough change to stave off revolution half a decade later. Autocrats can often point to elements of their opposition that threaten security and American interests.

Similar dilemmas may apply with adversaries, as the Obama administration discovered with Iran in 2009. Because Washington’s relations with Tehran are very weak, there is not much leverage to directly press for reforms; if anything, such pressures can increase the government’s enmity. When instability increases, the costs and benefits again sharpen. Backing the opposition may potentially increase their hope for success, but at the same time risks their being tainted for working as American agents. However, failing to offer rhetorical or material support may alienate the opposition, while earning little credit from a suspicious government. In the United States, the Obama administration was criticized for its tepid support for the 2009 protests; while in Iran, the official line is that those protests were a U.S.-supported attempt to overthrow the Islamic Republic.

No matter what, the rise of an opposition can create challenges. They might pursue policies that are less friendly to American interests. They may themselves be just as unable to control their country, as has been the case in Libya. And, if supported by the United States, they might prove to be a more embarrassing or less useful ally than expected.

This leads to an interesting theory of the impact of U.S. support for troubled friendly regimes in the Middle East developed by Temple University scholar Sean L. Yom. Yom observes that some Middle Eastern states have had deep political weaknesses, with the regimes enjoying only limited support and legitimacy. This can inspire foreign powers (typically the United States) to provide assistance in order to further their own interests. This, he says, enables governments to avoid broadening their ruling coalitions to create organically sustainable politics. These regimes are able to avoid tough internal compromises, instead leaning on their external backers and on temporary measures or repression.

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289 They can also ignore American requests, betting that deeper U.S. interests elsewhere in the relationship will prevail. They can even threaten those interests directly, such as by withholding cooperation in key areas like counterterrorism or by supporting radical currents. For a deeper theoretical and case-study examination of this phenomenon, see Yom’s From Resilience to Revolution.

290 The Syrian opposition, with its significant radical Islamist presence, is one example; the Bashar al-Assad regime cultivated this dilemma by releasing radicals from prison as the opposition was taking shape. And the Syrian opposition poses another sort of challenge: it is strong enough to avoid defeat but not strong enough to gain control over the entire country. For further information on the prisoner issue in Syria, see Phil Sands, Justin Vela, and Suha Maayeh, “Assad Regime Set Free Extremists from Prison to Fire Up Trouble During Peaceful Uprising,” National, January 24, 2014, http://www.thenational.ae/world/syria/assad-regime-set-free-extremists-from-prison-to-fire-up-trouble-during-peaceful-uprising#full.

291 Sean L. Yom, From Resilience to Revolution.
On the other hand, governments without sufficient support cannot resist their citizens’ desires for reforms without risking the stability and continuity of the regime, and must make compromises with the opposition. In the long run, this natural give and take enables the development of more responsive and stable government. That, in turn, can reduce the salience of the dilemmas discussed above. When the United States allows internal pressures to work as a natural compromise-inducing mechanism, preferable long-term consequences usually play out. Conversely, repression abetted by the outside backer securitizes the country’s politics and only addresses short-term issues, making compromise even harder and deepening the dilemma at the next round of unrest. Yom’s insight implies hard choices for U.S. policymakers. Regional governments will inevitably make mistakes and sometimes they may even collapse.

For both the regional balance and the balance within states, policymakers need a clear strategic vision attuned to long-term incentive structures, instead of short-term gains. This is not how America’s policy process is built (it tends to focus on the immediate, and tends to lack a specific, clear strategic framework that can be applied across crises and in novel situations), and short-term challenges could also create openings for the administration’s political rivals that may create pressure on policy sustainability. Still, patience and self-restraint will lend to an enduring order.

Environmental Challenges

A factor that may contribute to the fragility of Middle Eastern states is the region’s worsening environmental conditions, which have the potential to spark civil strife as they place pressures on economies, energy resources, water, and food supplies. Syria’s catastrophic civil war was preceded by a prolonged drought that lasted from 2006 to 2011. The resulting crop failures devastated Syrian society: 800,000 Syrians lost their livelihoods, one million were left extremely food insecure, and two to three million landed in extreme poverty. Syrians migrated en masse from rural areas to the cities, where they placed additional strains on municipalities already coping with an influx of Iraqi refugees. Such social stresses left Syria primed for conflict in 2011.292

Increasing aridity due to climate change is having an impact across the Middle East, from Yemen, where aquifers supplying the capital city of Sana’a are expected to run dry this year,293 to Iran, which has experienced twenty-three consecutive years of reduced rainfall.294 While the Gulf states and Israel have made progress in addressing these environmental and climatic threats, due to their financial and technological advantages, other states of the region have given them scant attention. The problems of desertification and shrinking arable acreage, the desiccation of fresh water sources, and saltwater intrusion due to sea level rise will only grow more severe over time. If left unaddressed, states of the region will be more prone to humanitarian crises and liable to be confronted by mass civil unrest.

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Coping with the decreasing availability of fresh water will spur many of these countries to invest in desalination technology, but such systems are expensive, they require advanced technical knowhow to maintain, and require significant amounts of energy to operate. Yet many of the countries most likely to be severely affected by shortages of fresh water in the future are embroiled in chronic armed conflict, poor, or both. It is hard to envision major desalination infrastructure being erected in places like Iran, Syria, Egypt, Iraq, or Yemen in the near future, or that such systems, once running, would be capable of meeting the vast and growing demand for fresh water.

The Fight Against ISIS

Together, regional imbalance and internal instability explain the challenges of the anti-ISIS struggle, in which nearly everyone hates ISIS, yet virtually every actor other than the United States has some priority greater than fighting ISIS. Thus, for example, the Russians and the Assad regime have focused more effort on fighting Syria’s non-ISIS rebels than on fighting ISIS. Iran has similar anti-rebel goals, but also focuses on building militias that give it influence. The Gulf states cooperate less with Iraq and less with each other due to imbalance-driven fears of Iran and internal disputes; Iraq cooperates less with the Kurds. Israel, with plenty of concerns in Palestine, a fear of Iran and Hezbollah, and an inability to find reliable Arab partners, contributes little to the fight against ISIS in Syria and focuses more on the fight against ISIS in Egypt. Internal instability has severely limited the ability of states like Libya, Egypt, Lebanon, Syria, Yemen, and Iraq to do much at all in shaping the regional balance or fighting ISIS beyond their own borders. Improvements in stability and balance could thus ultimately help degrade ISIS by freeing local actors to take a greater role, and may ultimately prove more effective than direct American action.

The nature of the ISIS threat to the United States is not identical to the ISIS threat to the Middle East. The group has been largely ineffective at organizing attacks within the United States relying instead on inspiration via social networks. This places an upper bound on the need for deep and lasting U.S. anti-ISIS efforts.

Alternative Solutions to Regional Imbalances: Rollback and Containment

The more measured American role in the Middle East sketched out above is not the popular position in the analytic community. Instead, there has been much argument that the United States is adopting, or should adopt, a strategy of containing or rolling back Iranian regional influence. The details of such strategies are rarely sketched out. However, each deserves careful examination before being implemented, as each has its own structure, endgame, requirements, and risks. Containment and rollback are each potentially costly, and accordingly should not be undertaken by the United States unless there is no alternative for preserving vital American interests in the region.

First, containing Iran and rolling back Iran are distinct strategies that should not be confused with one another. Containment is more passive: it denies new gains to Iran. Rollback is more active: it not only denies gains, but seeks to reduce Iranian influence in places where influence already exists. And rollback can be pursued by more passive means: containment, paired with indirect tools like empowering rival forces or applying sanctions that aim to weaken Iran’s power in areas it has gained. Containment succeeds if Iranian influence doesn’t expand. Rollback succeeds if Iranian influence shrinks. Both strategies have serious drawbacks: containment risks lasting indefinitely, and requires a willingness to risk war with Iran in a broad range of locations which are of little strategic value to the United States, while rollback could result in escalation in many places.

For instance, rolling back Iran in the Syrian Golan risks the long-feared Hezbollah bombardment of Israel—and a devastating reply. Rolling back Iran in Latin America, if done seriously, requires progress in the War on Drugs. Rolling back Iran in Yemen would require making real gains in Yemen, which Saudi Arabia has failed for years to achieve. Aid packages might enable the U.S. to “buy” downgraded ties with Iran in poorer countries, but the value of denying Iran access to poorer countries is usually limited, too. And rolling back Iran in more valuable places like Iraq would require big investments, including ground forces. Hitting Iran where it hurts would create a serious war risk, and would likely lead to Iran-backed terrorism. And if policymakers wish to be confident that they will deliver actual rollback (as opposed to a more muscular variety of containment), they can only do so with ground troops.

Constraints on America

Finally, changes in the United States may also begin to change the balance of power in the Middle East. For a host of reasons, Washington is likely to face new headwinds in projecting and sustaining power in the region.

Geopolitically, the unipolar moment has come to an end. In Europe, the U.S.-led NATO alliance appears to have reached its maximum expansion, and Russia has pushed back Western-aligned border states Ukraine and Georgia. Vulnerability in NATO frontier states is a constant worry. Russia’s Syrian expedition shows that it is back in the power-projecting business. And Russian subversion campaigns, boosted by existing grievances, challenge internal support for the European Union, open trade, and neoliberal centrist politics across the West. In Asia, North Korea has acquired a nuclear deterrent, and China is emerging as a peer competitor. China’s economy is larger than America’s at purchasing power parity; if present trends hold, China’s economy will be larger in real terms in a decade or so. China emits more carbon, consumes more energy, and has more broadband subscribers than America. It has the world’s largest education system and twenty-four million college students.296 And, of course, China has more people: more than four for every American. These trends should not be overstated: Russia and China are both suffering demographic crunches, and China in particular has many problems, including flagging growth, severe pollution, and worries about the integrity of its financial system. Its aircraft carriers are small (displacing about 60-70 percent as much as America’s) and its carrier aviation program is

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new. But China and Russia seem to be making relative gains against America, and to be increasingly capable of pressuring it, thwarting its initiatives, and squeezing its alliances. U.S. leaders may thus feel they have less power to spare for the Middle East.

Internal trends could amplify this. America’s domestic oil production has surged from around 5 million barrels per day in the early 2000s to 9 million per day in recent years; net fossil fuel imports have fallen steadily, and renewable energy production, while small, has grown. And skepticism of U.S. global commitments has been on the rise, manifested not only in the ascendancy of Donald Trump, but in the Obama administration’s reduction of the U.S. role in Iraq and Afghanistan and its criticism of NATO allies’ unwillingness to defend themselves. Congress declined in 2013 to authorize strikes on Syria, and last voted to authorize a new war in 2002. These trends should also not be overstated - America still consumes large amounts of oil, sends many thousands of troops abroad, and takes on new defense commitments (even adding a treaty ally, Montenegro, in 2017). But support for a major expedition abroad - especially if it is costly and is not in response to an attack on the United States - may be harder to mobilize.

Fiscally, America’s ability to sustain an expansive foreign policy faces troubles of its own. Both the federal debt and the federal budget deficit are on track to surge. In 2047, America may have a federal debt of 150 percent of GDP, and interest costs of 6.2 percent of GDP. Waves of retirees will cause spending on major healthcare programs to nearly double as a share of GDP, even as the number of workers per retiree falls. Growing indebtedness will push up interest rates, squeezing investment. All of this will make it much harder for America to sustain high defense spending in general, and large military mobilizations in particular. Revenue-slashing tax measures may amplify the deficit.

We may already be getting a foretaste of the defense impact of the troubled public budget. Congress has allowed the Budget Control Act’s caps on defense spending to persist for more than half a decade, despite constant complaints from both senior defense leaders and Congressional defense hawks. This was, in other words, a revealed preference: U.S. leaders’ behavior favored lower defense spending under the BCA rather than a tough renegotiation that could fundamentally boost it. Barring a major realignment in American politics, it appears likely that revenue levels, spending levels, and the balance between defense and nondefense discretionary spending will be a source of constant, gridlock-inducing controversy. This would be a difficult context for major international adventures, including in the Middle East. (This difficulty would be greater in the

event of a war with partisan overtones. Combined with a rising challenge in Europe and East Asia, there will be much pressure for America to economize in the Middle East.

Finally, advanced military technologies that can raise the cost and risk of U.S. operations are proliferating. This may shift the military balance to make power projection more difficult. So-called “anti-access/area denial (A2/AD)” weapons, like anti-ship ballistic missiles and advanced air-defense systems, are being developed around the world, with China and Russia leading the field. Great powers possessing these weapons could require America to hold more of its forces in reserve to confront them if the United States hopes to sustain its current strategy of global primacy; this would reduce these forces’ availability for the Middle East or at least raise the opportunity cost of campaigns there. And the proliferation of these weapons to the Middle East would directly increase the challenge to America there. Iran’s acquisition of S-300 family surface-to-air missiles is one example of this; Iran has also experimented with anti-ship ballistic missiles.

Several of these trends may reinforce one another: adversaries’ new military technologies may require America to spend more to compete, even as a difficult fiscal position makes it harder for America to even spend what it does. An increasingly capable China can accelerate the development and proliferation of these technologies as a strategy to weaken America. The growing costs of power projection could further increase skepticism of an expansive U.S. global role.

**Policy Options**

Is this the right moment for an American strategic shift toward a more modest role? Should the many shifts in the regional order, the many states changing their approaches, inspire us, too, to rethink our role in the region? What indicators should American policymakers use to determine whether the time is right to return to the offshore balancing pursued with success by the (later) Carter, Reagan, and Bush administrations, and to abandon the onshore approach favored by the Clinton, Bush, and Obama administrations? And, if policymakers do not wish to pursue a return to offshore balancing, how can they right-size America’s role after the collapse of the Islamic State group?

Analysts should consider several factors in determining the future of U.S. strategy in the Middle East.

- First, is there a plausible country or coalition that could seize control of the Gulf’s core oil region?
- Second, is there a local balancer sufficient to thwart this threat?
- Third, if a local balancer has not emerged due to local disunity, is this disunity enabled by America’s role, or would it continue if the United States reduced its role?
- Fourth, is the scale of our role leading to destructive behavior by local states? What destructive behavior might emerge at other scales?
- Fifth, in the absence of a local balancer, does America need to be onshore to thwart the plausible hegemon, or is an offshore role sufficient?

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303 Some scenarios for war with Iran, such as an unprovoked U.S. breach of the deal leading to a nuclear crisis and war, would fit this description.

304 But U.S. A2/AD systems can help allies impose costs on others.
• Sixth, what impact will a significant onshore presence have on the risk of terrorist attacks against America, especially major ones?
• Seventh, what is the impact of our role on the threat of nuclear weapons being used against U.S. targets, whether by a regional actor’s direct attack or by increased proliferation increasing the risk of a “loose nuke”?
• Eighth, is the scale of our role jeopardizing other vital U.S. interests outside the Middle East?

There are several potential threats worth examining. Russia and the Soviet Union, both under the czars and under the commissars, were consistently seen as a significant threat to U.S. and European interests in the Gulf; Soviet advances in the greater Middle East and Central Asia inspired both Nixon’s Twin Pillars strategy and the Carter Doctrine as ways of countering this threat. However, Putin’s Russia is a shadow of the Soviet Union; it could only reassert a major Gulf role with a powerful and pliant local partner, which would also provoke balancing behavior. Iran seems unlikely to fill the latter role due to its strong nationalist tradition.

China could become a potential threat due to its growing economic role in the Middle East and rapidly expanding ability to project power throughout the region. However, it is geographically distant from the region, dependent for access on long sea lines and long land routes. The land routes pass through unstable areas, meaning China’s rivals would find many potential partners in interrupting its access. The sea routes pass through straits and vast stretches of open ocean far from Chinese shores. As long as the United States has a world-beating navy, or even one merely capable of robust long-range interdiction, this is also quite vulnerable.

Iran may be the most likely candidate to aim for hegemony. As geopolitical expert George Friedman has written, “Iran is a fortress. Surrounded on three sides by mountains and on the fourth by the ocean, with a wasteland at its center, Iran is extremely difficult to conquer.” This firm defensive position could serve as a base for expansion, as in past Persian empires. Iran’s military is slowly growing in conventional strength, although, as Gholz and Press have noted, its abundant oil resources and the significant wealth they bring must be shared among a large population. It also has a relatively diverse population, with violent opposition movements in its northwestern and southeastern corners. The stability of its political system is always unclear, but it has withstood several crucibles, like the chaotic aftermath of the Revolution, the war with Iraq, heavy sanctions, and the 2009 protests. Iran’s military is built for defensive missions (although this may be changing), and it lacks a modern air force.

305 Again, Barry Posen’s scholarship has noted the significant role that nuclear-powered attack submarines (SSNs) play in such long-range interdiction; T.X. Hammes has argued for a U.S. strategy of “Offshore Control” in a conflict with China; this strategy centers on cutting off China’s sea lines of communication with places like the Middle East. Many of the methods used in Hammes’ strategy could be repurposed to challenge any Chinese bid for hegemony in the Middle East, since Beijing would rely on the same lines of communication.
307 Gholz and Press, “Protecting ‘The Prize’: Oil and the U.S. National Interest.”
American Policy and Changing Alignments in the Middle East

However, Iran’s proxy militias are major players in Lebanon’s, Syria’s, and Iraq’s internal politics; efforts to limit the influence and spread of these forces have been met with only mixed success. Growing integration and connectedness between Iran and Lebanon may see Iranian influence increase in the longer term. These states are not the pivotal core oil regions of the Gulf, and all have both serious internal challenges, a measure of resistance to foreign domination, and externally backed efforts to restrain militia influence.

One of the greatest concerns is the potential of closer relations between Iran and Russia leading to a more capable and assertive Iranian military. However, even this alignment would face significant headwinds: Iran’s own nationalism has tended to constrain foreign partnerships, and the two nations do not always agree on foreign policy.

The greatest threat Iran could pose to vital American interests would be a nuclear breakout. The United States’ response to such a development would need to be calculated and consider a number of factors. War to prevent Iranian nuclear acquisition would have to be based on a bet that striking Iran would not encourage it all the more to pursue nuclear weapons, or that it would delay that pursuit enough for the Iranian regime to fall, or that future iterations of the war would be worth it, too. Further, the United States would need to believe that an Iran with a nuclear weapon will present an unmanageable threat: that it cannot be deterred from using nuclear weapons against the United States, or that it will use nuclear blackmail to achieve regional hegemony, or that the United States cannot secure itself without the ability to pose an unanswered existential threat to Iran’s regime.

These beliefs do not match up with the historical behavior of states that acquire nuclear weapons. Maoist China, a radical regime that killed tens of millions, did not use its nuclear weapons. Yet its leader had even spoken in the past of nuclear war as survivable. Deterrence has yet to fail around the world, even though it has come close. Nuclear blackmail is an overstated threat, too: new scholarship by Todd Sechser and Matthew Fuhrmann suggests that nuclear weapons are useful for deterrence, but don’t have a good track record of compelling other states to make concessions. And the ability to make unanswered existential threats, while preferable to most alternatives, is not essential to blocking regional hegemons, which is America’s true interest in the region. Even if having nuclear weapons made Iran feel emboldened, and facilitated its implementation of a more assertive foreign policy in the region, potential hegemons can still be balanced or contained, and Iran is no exception.

These concepts are relevant to the question of extending America’s nuclear umbrella to friendly states in the Middle East in the event of an Iranian bomb. Such an extension would reflect

309 Note that this is a threat to vital interests, rather than a vital interest itself. Iran would still have to develop the ability to use its nuclear weapons effectively against the United States, and none of this takes into account possible American responses.
310 Israel had luck like this at Osirak and Deir ez-Zor, but it is difficult to predict with certainty that a regime will either fall (like Iraq in 2003) or suffer a debilitating blow (like Iraq in 1991 and Syria in 2011).
312 Former Iranian president Akbar Hashemi Rafsanjani made similar statements in 2001 about a nuclear war by Islamic countries against Israel.
313 See Sechser and Fuhrmann, Nuclear Weapons and Coercive Diplomacy.
a belief that an increased risk of direct U.S.-Iranian nuclear war would be preferable to what friendly states might do in response to Iran being the only native nuclear power in the Persian Gulf region. Because nuclear weapons are not likely to enable Iran to become a hegemon for the reasons stated above, the yardstick in evaluating any decision about extension must be whether it reduces or increases the likelihood that a nuclear weapon will be used against the United States or against U.S. targets. This is a difficult standard, as it is logical to expect Iran to put more effort into seeking nuclear options against the United States if the United States extends nuclear guarantees to Iran’s neighbors. Iran currently does not possess missiles capable of hitting the United States, which may create a window for a nuclear guarantee to be extended while only exposing U.S. bases in the region to nuclear attack. However, this could incentivize Iran to acquire missiles that can hit America, which would close the window. And, of course, extended deterrence is famously difficult to make credible. Would the United States feel the need to place “tripwire” forces near likely targets of attack, as it has done in the past in South Korea and West Berlin?

Friendly nuclear weapons programs would create challenges and opportunities for the United States. One challenge would be to the nonproliferation regime: looking the other way for a friend would reduce its credibility. Prior experiences with India, Pakistan, Israel, and other states suggest such a program would be an obstacle in bilateral relations. A soft line on a Saudi bomb would not compare well with America’s hard line on an Iranian bomb. The opportunities would be in making the most of the time between the nuclear program’s beginning and its successful production of usable weapons. America could use this time to more closely evaluate expanding the nuclear umbrella, which might avert proliferation. The time would also allow the chance to interrupt the friendly nuclear program, whether by an arrangement with the United States or by regional diplomacy.

On the other side of the equation, if the absence of an umbrella leads to proliferation, fears of war and terrorism could be sharper. A Saudi nuclear weapon might increase the likelihood and cost of nuclear war in the region, although these costs would fall primarily on the combatants, rather than the United States; the principal concern for America would be the use of nuclear weapons to devastate oil fields or that an exchange would reshape the balance of power. Because the GCC bloc already has a significantly smaller population than Iran and its friends, equal population losses on both sides could amount to relative gains for Iran. The presence of a nuclear arsenal in a state like Saudi Arabia that has historically been home to a significant radical Islamist current would also be concerning, in the same way Pakistan’s nuclear arsenal is concerning today. In the event of an internal crisis, could radicals acquire a nuclear weapon that they might turn against America? States have a strong incentive to retain control over their nuclear arsenals, since lost nuclear weapons threaten their former owners, and unsecured nuclear weapons could be seized by the enemy to support a first-strike strategy. That incentive, however, is not the only incentive: Pakistan’s famously loose handling of its nuclear arms is a product of its other fears.

314 These bases might appear on future Iranian nuclear targeting lists regardless of U.S. nuclear policy, which would reduce the immediate cost to the United States of expansion.
315 The heavy GCC dependence on migrant labor would also be impacted by nuclear threats and nuclear war, as these would reduce the region’s attractiveness to migrants. An Iranian nuclear strike on the Gulf could kill millions of South Asians, putting Iran in a very bad position with their states or origin.
Accordingly, any expansion of the nuclear umbrella requires a calculation balancing the added risks to the United States of extended deterrence against the risks of a friendly state acquiring nuclear arms. Furthermore, the United States is not the only nuclear-armed state capable of deploying its weapons against Iran. The possibility that states with strong interests in the region, like Israel, might be willing to extend their nuclear umbrellas to the Gulf monarchies instead of America ought to be closely evaluated before any U.S. guarantees are extended.

The most plausible Iranian threat for hegemony is by subversion, not outright conquest: for example, it could scale up its support for Shia forces in places like Saudi Arabia’s Eastern Province or harass or obstruct international shipping in the Persian Gulf or Red Sea. However, Iran’s record in rallying Shia Arabs to its cause is mixed, and it would have to accept severe consequences to fundamentally disrupt the flow of oil from the region. Iran could threaten maritime traffic and oil exports through harassment, cyber attacks, or mining operations in the Strait of Hormuz or the Bab al-Mandab,316 two strategic chokepoints through which much of the Middle East’s oil flows. Considering that Iran has threatened at multiple occasions to close the Strait of Hormuz and maintains the capabilities to do so, this threat should be taken seriously. (The threat to the Bab al-Mandab is less serious, as ships can sail around Africa to get to Europe.) Yet closing Hormuz remains an unlikely prospect because Iran depends on the strait for its own oil exports. A rise in energy prices would harm its relationships with Asian energy consumers, and a prolonged closure that inflated energy prices would almost certainly engender a painful American military response.317 Therefore, the case for Iranian hegemony’s plausibility is uncertain because it hinges as much on Iran’s neighbors’ weakness and disunity as on Iran’s strength, and demands an Iranian acceptance of painful political, economic, and military consequences.

The last potential regional threat is a coalition of Gulf states. Saudi Arabia and its partners have tremendous wealth and advanced military technology at their disposal. Saudi Arabia also enjoys a renowned status for its custody of Islam’s two most holy mosques, and its support for Islamic institutions abroad has increased the number of people sympathetic to its particular brand of Islam. Could this coalition, especially if joined by Israel, pose a regional hegemonic threat? Unlikely—none of the states in this group enjoys a large population, and both Saudi Arabia and Israel have unresolved internal disputes that rivals could exploit. Gulf militaries do have advanced capabilities, large budgets and (thanks to the Yemen war) growing operational knowledge, but there has long been skepticism in Washington that this adds up to decisive military effectiveness.

This brings us to our second question; is there a local balancer capable of thwarting Iran? As we have discussed, a Gulf-Israel coalition may be up to this task. In the near and medium term, the current level of cooperation appears broadly sufficient, although deeper unity would enable much more confidence that whatever sprouts from the roots Iran is putting down now will not be strong enough to overpower the Gulf.

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If a local balancer has not emerged due to local disunity, is this disunity enabled by America’s role, or would it continue in our absence? As discussed earlier, there is growing evidence to support the notion that the overabundance of U.S. support for Gulf states may be encouraging greater disunity, and that additional U.S. support, such as in the days before the Qatar crisis broke out, may further exacerbate this problem.

On the other hand, the perceived decrease in U.S. support for the Gulf states in the later Obama administration may have led to the disastrous Yemen intervention, an apparent example of decreased support yielding increased destructive behavior. Additionally, internal divisions in Libya and the coup in Egypt may have also played a role in Gulf disunity, as well as the fallout from the Arab Spring. How can we then come to terms with this conflicting evidence? Have recent periods of both increased and decreased American support for Gulf states led to greater disunity and greater instability in the region, and if so, how should that inform future U.S. strategy in the region?

If a gradual Iranian ascent in Iraq, followed by subversion in Shia areas of the Gulf, is indeed the most plausible scenario for the pursuit of Iranian regional power, U.S. presence in the Gulf may not be helpful beyond efforts to support the Iraqi military’s continued subordination to the Iraqi state. As Gholz and Press have argued, a U.S. effort to prevent insurgency in the Gulf would not necessarily be helped by a large onshore presence before the insurgency is in full swing, since foreign forces struggle with counterinsurgency and can foster deeper division. An offshore role thus appears sufficient. Furthermore, Gholz and Press assert that the presence of U.S. forces in Muslim countries can increase instability by energizing radicals and making local rulers appear weak. By this logic, the U.S. presence today may be a source of some terror threat. However, that America no longer bases forces in Saudi Arabia itself may have reduced this threat. Terror groups in Yemen and the Levant have shown an interest in attacking in the West, including in the United States; given that these groups are currently at moments of acute strength—controlling territory—the benefits of U.S. support for efforts against them likely outweigh the risks for now.

On the other hand, direct U.S. involvement at the present scale appears fiscally sustainable, and is not a primary driver of the national debt. However, renewed large-scale conflict, such as by a war with Iran, could seriously damage America’s economic power, just as the Iraq War’s long-term costs appear to run into the trillions. This would also draw resources and effort away from modernization, training, and rebuilding efforts within the U.S. military. With the balance of power in Asia under new question and efforts to improve the military likely to significantly impact that equation, a seriously deepened U.S. role in the Middle East to counter Iran would be highly unwise. It would risk allowing a hegemon in East Asia in return for thwarting an unlikely hegemon in the Middle East. It is time for America to shift much of the burden of Middle Eastern security onto local players, not to recommit itself to regional leadership.

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318 See Brown University’s Costs of War project: http://watson.brown.edu/costsofwar/costs/economic.
Conclusions

America’s Middle East policy must adapt to a changing region. The lack of an overarching theory of U.S. interests in the Middle East and of a strategy narrowly tailored to defending them has rendered U.S. policy reactive and largely incoherent. To the extent that it has coherence, it is driven by a strategy of primacy—by a complex of ideas in which active, armed American management of the region is essential for stability, in which states do not have a strong tendency to seek balance against threats, and in which increasing U.S. involvement will generally increase stability—and do so at costs acceptable to the United States.

The Trump administration, like Barack Obama’s administration before it, has inherited a Middle East plagued with wars it had no role in initiating. The administration has expressed a desire, to “avoid costly, large-scale U.S. military interventions” and to “reduce the costs of American 'blood and treasure' in pursuit of our counterterrorism goals.” Yet in spite of these desires, it has been drawn deeper into Syria and Iraq, and may also risk confrontation with Iran. The United States must reorient its Middle East strategy to fit the altered political conditions of the region. With so many longstanding regional certainties up in the air, America must go back to the basics, prioritizing the threats that require U.S. action in relation to the other international crises that affect vital U.S. interests, especially in East Asia and Europe.

This approach will necessarily find its roots in the realist tradition: eschewing not only grand ideological struggles but also attempts to build a Middle Eastern system that rests on rules out of kilter with the facts on the ground. American policymakers must look first to the interests and abilities of the region’s players and to their struggle to find security amidst regional upheaval. They must be attuned to attempts by local forces to shift their own security burdens onto the United States; humble about the effectiveness of diplomatic, economic, and especially military pressure; and cognizant of unintended consequences. Washington must adopt a new strategy that accepts that the Middle Eastern order has changed and views it within the context of its other international commitments. A deeper U.S. role in the region is not always the best way to vindicate our most

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central national interests; a less ambitious strategy may be more effective for the task. Most of America’s history has seen it pursue its interests in the Middle East via a more offshore role. There is thus merit in reexamining our recent onshore strategy.

In today’s Middle East, America’s two most central and enduring interests are being impacted by two fundamental problems. The first interest is ensuring that local countries do not host terrorist groups that could acquire weapons of mass destruction or intend to attack American targets. It should always be the first priority of any strategy to protect American citizens from any immediate threats to their safety and security, and international terrorism poses a constant threat to that safety. Economic stagnation, a current lack of political legitimacy, and—in states like Libya, Iraq, Yemen, and Syria—an inability to control territory have created environments which encourage non-state actors such as Al Qaeda and ISIS to harm neighbors as well as the United States, Europe, and Russia. Weak states, paradoxically, may also be more likely to rely on harsher, less discriminate repressive measures, which can provoke deeper conflict and accelerate radicalization. The United States’ predisposition to accept the dictator’s opponents as our opponents, provide security support to unstable regimes, and accept repressive measures as necessary and effective can be counterproductive in the long run, as it enables regimes to forgo compromise with internal opponents and encourages them to securitize politics. Open-ended support for authoritarian regimes can create a brittle political environment, in which the system grows increasingly incapable of accommodating new currents and more dependent on force and external support.

The second interest, still a vital interest, is to ensure a stable flow of oil out of the Persian Gulf, which could be threatened by rising regional powers. Herein lies another problem: the shattered balance between Iraq and Iran. There is significant evidence that rebuilding Iraq as a counter to Iran may be beyond America’s means—fifteen years of effort have yet to produce a stable, democratic, and self-reliant Iraq. Regional retrenchment would carry risks, but there is a legitimate argument that America is better suited to play the role of offshore balancer, positioned to intervene in the event of a major threat to oil supplies. Indeed, should such a threat arise, America is better at fighting this kind of war than open-ended counterinsurgency and stabilization missions. An offshore role would shift much of the cost of regional security onto local actors and separate the United States from the “ordinary vicissitudes of [Middle Eastern] politics, or the ordinary combinations and collisions of [Middle Eastern] friendships or enmities,” intervening among the region’s states only when there is an imminent, locally unstoppable threat of oil hegemony. This would leverage states’ well-established tendency to balance against threats and shift burdens when less threatened.

One key question for U.S. policy, then, is whether Iran could become a regional power capable of threatening the region’s oil flow and, if so, whether the Gulf States and Israel are able to form an effective coalition to stop that. Nationalism and resistance to foreign control are strong tendencies in many polities, making it difficult for countries like Iran to maintain control over such subjugates, especially at an affordable price in blood and treasure. Further, states typically prefer

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320 Again, see Gholz and Press, “Protecting ‘the Prize.’”
322 Walt, “Alliance Formation and the Balance of World Power.”
to balance against their aggressive neighbors by forming coalitions to challenge them, rather than jumping on the aggressor’s bandwagon. The balancing policy is safer, since an aggressive state makes for an unpredictable ally, and creates more leverage when the opposing coalition is weak, since their need for allies is greater. All this is particularly true in the Gulf, where no state has both abundant resources and abundant people—the foundations of power.

Ultimately, the goal of U.S. Middle East strategy should be the emergence of meaningful strategic cooperation among the Gulf states with the possible support of Israel. This offers the best hope of establishing a local balancing coalition against Iran that could enable America to take a less prominent regional role. The emergence of such a coalition is far from certain and could carry its own risks, such as increased sectarianism.

However, regardless of what role the United States takes, the situation in Syria is a reminder that local actors, and outside powers like Russia and Iran, are also capable of interventions that destabilize or prevent conflicts from being resolved. Accordingly, any U.S. Middle East policy must include self-confident, open-minded diplomacy with all of the parties to a conflict, even unsavory ones like Russia and Iran; approaches that exclude parties capable of spoiling peace must explain how those parties will be prevented from playing spoiler. The justification for this approach is simple: the costs of continued, indefinite conflict are higher than the costs of unfavorable peace settlements in places like Syria, especially given the lack of U.S. leverage over the conditions aggravating tensions between Israel, Iran, and Hezbollah. This dangerous situation must be monitored closely to prevent it from spilling over into other theaters.

If Syria does achieve peace, even if only in some parts of the country, economic redevelopment will become an urgent need. Recovery could take decades considering that economic damage has been estimated in the hundreds of billions of dollars—several times Syria’s prewar GDP and beyond the financial means of its friends and allies. To alleviate the instability that lends itself to encouraging tomorrow’s terrorists, Washington should be a key player in a global effort that includes rival parties to the conflict to prepare to rebuild Syria, but American financial resources should not be expended, as aid now will only benefit the Assad regime without leading to political reform.

The Trump administration will, like all previous ones, be tempted to push Israel hard on peace, but a renewed Israeli-Palestinian peace process is no longer a high U.S. priority. The United States has no interest in the emergence of a binational Israel, which may eventually occur if no progress is made towards a two-state solution. The perception that peace with the Palestinians would unlock the Middle East is certainly wrong now, if it had ever been right, although it could help the emergence of the Israeli-Sunni Arab axis. Beyond that, the United States should ensure that Israel maintains its qualitative military edge, but that aid should be leveraged to achieve important policy goals like seeing Israel avoid steps that would increase Israeli-Palestinian tensions, as these could hinder Israel’s integration into a regional balancing coalition. It is far from clear that there is space for lasting peace between Israel and Palestine, but such peace, or reduced tensions, would reduce the challenges inherent in forming a Gulf-Israeli axis.

323 Ibid.
That said, there are areas where U.S.-Israeli relations can go deeper. America should examine the possibility that the Israeli-Sunni axis could represent a viable, self-sufficient balancing coalition to Iran—in other words, one that would allow the United States to take a less forward role in regional stability. Washington should take advantage of Jerusalem’s friendships with Moscow and Beijing to ease its own relations with those key global players. Cooperation on missile defense, especially if it makes Israel feel less need to take offensive action against Iran, should continue. But, above all, the United States should press Israel to avoid actions that could hinder Israel’s formation of strategic partnerships with regional states.

The total collapse of the nuclear deal with Iran may see the nuclear issue—and the prospect of a high-risk preventive war—return to prominence; they may also create severe friction between the United States and other world powers party to the deal, undermining U.S. initiatives elsewhere, such as negotiations with North Korea. Any renegotiation effort that relies on unilateral use of sanctions as its primary source of leverage without European support will be a wasted effort, especially if the United States is unwilling to severely sanction European companies. The Trump administration’s proposal to have broader negotiations with Iran needs to present the Iranians with a deal they can accept.

With the United States outside the nuclear deal, a grand bargain may be the only viable path. On the U.S. side, this will require offering the sanctions relief from the JCPOA, plus some other sweeteners to both offset distrust and, at a minimum, avoid the Iranian side claiming it will not sell twice for the same set of goods. Possible sweeteners include environmental cooperation (including in water infrastructure, antipollution measures, habitat protection, and wildfire management), assistance in developing indigenous industries (a priority for Khamenei), student visas, technical assistance and equipment for firefighting, and disaster preparedness/emergency management assistance (due to Iran’s frequent earthquakes). A grand bargain should also include a long, careful pathway to diplomatic normalization.

Above all, the two sides will need to reach a shared understanding of each other’s interests in the region, even if only in particular places. Each side needs to make clear what influence and what behavior from the other it can accept. The baseline for such an understanding must be the region as it currently exists, not idealistic visions of a Middle East free of American or Iranian influence. This will require frankness by the Iranians in discussing activities that are usually denied—such as operations by the IRGC-Quds Force. Finally, America should reach some understanding with Iran on the Iranian nuclear program and the JCPOA. The Iranians will want assurances against military attack and against U.S. measures that press JCPOA parties to violate their commitments to Iran; the United States will want assurances of limits on Iran’s nuclear weapons breakout potential.

But more importantly, America must use whatever time remains with other parties implementing the current nuclear deal to bypass the Iranian nuclear threat through efforts that encourage both the formation of regional nonproliferation norms and a security architecture that can balance Tehran. The United States should work to improve global and regional nuclear norms so that Iran will face pressure to retain parts of the deal—like enrichment restrictions—that go above and beyond the current global nonproliferation regime and preempt regional justifications for proliferation. The spread of nuclear power in the region must not become a pretext for regional
actors to weaponize. On this note, the United States must monitor Saudi Arabia’s efforts to master the nuclear fuel cycle and develop a latent technical breakout capability, as well as its efforts to obtain a nuclear weapon through other illicit means. If the Kingdom desires nuclear reactors for energy purposes, it should be encouraged to sign a “123 Agreement” with the United States or to cooperate with the International Atomic Energy Agency over all matters related to power generation, enrichment, reprocessing, and weaponization. An American agreement with the Kingdom that does not live up to this standard could bring into question existing nuclear agreements that the United States maintains with other nations, such as Egypt and the UAE. Integrating the Kingdom into the international nonproliferation regime will further isolate Iran if it refuses to cooperate with similar steps.

A more case-by-case approach to Iran’s regional proxy network would be appropriate: while some groups are too small and marginal to effectively interfere in political settlements (like the various alternatives to Hamas that Tehran has sought in Gaza), others (like Lebanon’s Hezbollah and Iraq’s Popular Mobilization Units) cannot be excluded without a major confrontation. Where exclusion is impossible or too pricey, a willingness to consider negotiation must be on the table. And as the circumstances in the region evolve, so may these groups. Regular policy reviews would be wise, as would incentives, both positive and negative, for the groups to abandon terrorist methods. And, of course, not everything these groups do is terrorism; if a group ceases to engage in terrorism, that should be recognized. A policy that treats all Iran-backed groups as terrorist groups simply because of their connection to Iran would give those groups no incentive against practicing terrorism; a policy tied to behavior would not have this problem.

If Iran ends arms supplies and military assistance to anti-American groups such as Hezbollah as a means of exercising regional power, Washington should offer a path to more normal relations; Tehran’s rejection of this approach will only improve Washington’s position. At the same time, a U.S. policy of overt regime change in Tehran would likely have the opposite effect, isolating the United States from its partners, incentivizing Iranian nuclear acquisition and proxy attacks, and risking even deeper instability than that which followed the failed U.S. intervention in Iraq. A public, standing offer to move toward normalization would show the world which side is extending an open hand, and which side is being unreasonable.

But the failure of this approach must not prevent effective communication with Iran, even when relations are hostile. The United States had diplomatic relations with the Soviet Union throughout the Cold war. Track II diplomacy may be the only hope for real contact with Tehran, and even then, it would need to be pursued with discretion. Dispatching permanent envoys to a third country may be a viable option, as would other options for lower-level contacts: discrete legislative exchanges; technical cooperation on areas of importance to Iran like firefighting, pollution and water supplies; or reestablishing regular flights between the two countries could all make progress towards confidence building. While the current political climate is unfavorable for a diplomatic détente, future conditions surrounding the nuclear deal may be more conducive to diplomatic outreach. The moment of opportunity for diplomacy, whether for a grand bargain or for mere trust-building, is not now, but likely in the December 2018-May 2019 range. By then, all U.S. sanctions will have snapped back into place, and some time will have elapsed since the U.S. withdrawal. The Trump administration’s bold diplomacy with North Korea should serve as a
model, with a willingness to strike big deals and speak directly to key players. America needs to be ready to engage more relevant actors in the Iranian system—not just the Foreign Minister.

At the same time, America should also not sleepwalk into a policy of containing or rolling back Iran; each of these would require significant, open-ended commitments and could increase the odds of war and Iran-backed terrorism. Rollback would likely require ground troops to have good odds of achieving truly strategic change, and there is little indication that the U.S. public desires this or sees it as necessary. Encouraging Gulf missile defense and pressing for a region-wide compact restricting missile ranges would be a more effective and realistic goal to pursue, as Iranian neighbors like Israel and Saudi Arabia are capable of balancing Iranian influence in the region, making costly strategies like containment and rollback appear unnecessary.

The United States must not panic over Russian moves in the Middle East, as Moscow has played a historic role in the region and its pursuit of influence, international standing, and economic benefits is natural. Yet countries that side with Russia to undermine U.S. interests should not be appeased: Moscow has far less to offer its partners than Washington. In places like Syria, Russian intervention is not the worst possible outcome, because Russia has more of an interest in stability there than does Iran. It is appropriate to include Russia in regional negotiations, even though Russia’s goals do not always line up with our own, and even though some of its methods are appalling. Moscow has the ability to influence outcomes in the region, and so a realistic policy will deal with Russia and maintain a respectful dialogue that limits the risks of conflict while not conceding to threatening Russian behavior.

Relations with Turkey are likely to remain strained, particularly since Ankara’s handling of the Gülen extradition affair suggests a willingness to damage ties with Washington for domestic gains. However, as the second largest Sunni Muslim country in the Middle East after Egypt, Turkish membership in NATO and its location as a bridge between Central Asia and Europe continue to be strategic security and energy assets. It is also the temporary home to the largest number of Syrian refugees, many of whom wish to immigrate to Europe, giving Turkey great leverage over their future—and the European Union’s.

Kurdish moves towards independence without the backing of their regional neighbors only exacerbates tensions between the U.S. and Turkey, and America’s affection for the Kurds cannot be unconditional—the Kurdish referendum was held over American objections, and hence the Kurds cannot claim a breach of loyalty when the United States does not rush to their aid in dealing with the referendum’s consequences. The current U.S. policy of working with all players, including the Kurds, encouraging diplomacy, and yet not formally recognizing Kurdish independence remains the best of all bad options.

Rather than continuing to lock horns with Ankara on the same issues—the Kurds, Syria, human rights—Washington should apply B. H. Liddell Hart’s famous “indirect approach,” advancing along the lines of least resistance and thus reshaping a stalemated battlefield. In this case, the line of least resistance is energy. Turkey’s transformation into a regional hub for energy coming from sources in the Caucasus, Central Asia, and even Iran would weaken Russia’s grip on
the European energy market. Launching new diplomatic initiatives to these regions—especially on disputes between Azerbaijan and Armenia, and also between Turkey and Armenia—to aid stability would make its energy development more lucrative and attractive to investors.

Europe’s role in the Middle East has grown more complex, and U.S. policymakers would be wise to integrate its Western partners into their regional approach. America should pay close attention to European military assistance in the region and coordinate efforts to reduce the potential for moral hazard. London and Washington, together, could speak with a louder voice to press Bahrain, dividing portfolios between them as one addresses human rights and political reform, and the other on security and stability near the bases hosted there. And on Syria, the clear negative effect that the conflict has had on Europe must be recognized as a powerful incentive for a greater European role, and the United States should press Europe to play a greater responsibility in stabilizing and rebuilding Syria in the event of peace. Brussels is thousands of miles closer to Aleppo and Raqqa than Washington, and accordingly, is more directly affected by terrorism, extremism, migrants, and refugees than the United States. Thus, European states and EU governing bodies should be doing much more heavy lifting in resolving the Syrian situation.

On the Iran nuclear challenge, working with the Europeans will be key even though the Trump administration has walked away from the deal, just as getting them on board was decisive in crafting the effective sanctions that made the deal possible. Facilitating multilateral intelligence sharing, U.S.-European legislative exchanges, and institutionalization related to monitoring Iran’s nuclear programming would be very wise, as would making sure that implementation is on the agenda at high-level meetings between officials with relevant portfolios for as long as the Europeans remain in the deal. Efforts to make oversight of the Iranian nuclear program permanent should, for this reason, incorporate European structures as well. Any attempts to renegotiate the deal should not be made without European support, as European buy-in was crucial in getting Iran to negotiate seriously. Conversely, an attempt to renegotiate the nuclear deal without European backing would risk the situation devolving into a confrontation with Europe before things even got started with Iran—a situation Iranian negotiators would try to exploit. The Iranian side will never believe America is acting in good faith in negotiations; the European side must never be allowed to believe anything else. The road to any effective push for new Iranian concessions begins in Europe, and support must be secured from Europe’s key players before any major diplomatic campaign.

In the Middle East and across Asia, the United States should work closely with India and cautiously with China as the region’s increasing multipolarity has provided more room for other external powers to solidify their developing strategic alignments. India’s rapid growth and more assertive foreign policy provide an opportunity for U.S. policymakers to balance China, both generally and in the Middle East. India’s interests in the Middle East are primarily three-fold: (1) protecting the more than 8.5 million Indian nationals living in the region, (2) avoiding encirclement by China and Pakistan, (3) and securing energy imports. To serve these objectives, India has sought cordial relations and strategic investments on both sides of the Gulf as well as with Israel, but may have to start choosing its friends more carefully in the future. Pursuing a closer relationship with

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This isn’t to say that Washington should encourage Iranian gas flows toward Europe, or even that Iran’s potential will ever be realized. Instead, the geopolitical opportunity costs of the status quo should be up for discussion. At a minimum, it should not be taken for granted that Washington needs to abet Moscow’s monopolies.
friendly rising powers like India and reaching a strategic understanding that achieves greater harmony between the two states’ regional efforts may be the most effective way to protect U.S. interests in the region. India’s sectarian challenges parallel ongoing struggles in the Middle East, and its experience in engaging with such groups may help encourage future stability.

In the event that Chinese influence threatens American or India interests in the region, coordination on the interception of Chinese naval vessels moving across the open sea or near key chokepoints like the gaps between the island chains, through straits like Malacca or Hormuz, and canals like the Suez will be essential for success. Likewise, as the Indian economy experiences addition growth, the United States should seek to leverage its economic power against China’s regional investment. Providing alternatives to Chinese financial investment will be critical to avoiding Beijing’s unitary accumulation of political influence in the region.

In the long term, the United States must recognize that any additional regional engagement by China—whether economic, diplomatic, or military—presents reforming Middle Eastern states with an alternative to the Western model of democratic liberalism. Considering that conservative elements in some Middle Eastern societies are pushing back against Western-led liberalization campaigns, China may increasingly be seen as an attractive regional partner. It is currently unclear whether China’s economic and diplomatic outreach to the Middle East is part of Beijing’s efforts to assert its economic interests or to become a contender that capitalizes on America’s recklessness and reticent leadership. As exemplified by Chinese president Xi Jinping’s Belt and Road Initiative, Beijing’s investment into the Middle East is seeking trade and investment opportunities, but its bilateral ventures are also yielding strategic military benefits. The new Chinese naval base in Djibouti and the potential for additional military facilities in Pakistan and cooperation with Iran are pertinent examples. China’s efforts to establish long standing economic ties will also benefit the United States’ largest regional trading partners—Saudi Arabia, the UAE, and Israel—and affect its relationship with key allies like Turkey. Likewise, China and India’s growing purchases of Iranian oil will decrease the effectiveness of either unilateral or coordinated Western sanctions, undermining efforts to force Iran to negotiate on nuclear or regional issues. China, in particular, is well-positioned to weaken all dimensions of the Iran sanctions and to possibly even use any serious U.S. sanctions enforcement campaign to reduce the dollar’s importance in the global economy. These complications do not preclude the United States and China from cooperating over areas of shared interest; U.S.-Chinese cooperation over energy, infrastructure, development, trade, and solving regional disputes should be pursued as a proving ground for the broader bilateral relationship.

Finally, it must be noted that the backdrop to ongoing conflicts in the Middle East is the increasing pressures of population growth, youth unemployment, energy and food shortages, and an environment rendered increasingly unpredictable and inhospitable by climate change. Fresh water shortages are growing across the Middle East and Asia, including decreases in glacial runoff, overextraction of aquifers, and prolonged droughts. In addition, rising sea levels threaten agricultural regions such as the Nile Basin. Massive dust storms plague Iraq and Iran; many Iranian cities suffer from terrible air quality. Severe problems like these are one driver of the massive migrations that have destabilized European politics. Meeting such challenges requires three essential components: cooperation between countries and government institutions; innovative technologies and techniques to increase material supplies and prevent waste; and constructive
support from outside powers who have the resources and skills to assist with economic and environmental management. The Gulf States and Israel have made extensive progress on these matters, but for many other regional countries the challenges are life-threatening and potential contributors to new conflicts. American, European, and international institutions have a great deal to offer and should do more to publicly explain the magnitude of the coming crises.

The Trump administration should resist the urge to deal with the Middle East on a purely tactical basis. Strategically, America needs less from the region than is often presumed. A generally stable Middle East that exports oil, and not anti-American violence, is enough. America’s military remains the best in the world at fighting conventional wars, such as the war that would be required to turn back a threat by any power to physically monopolize or disrupt the flow of the Gulf’s oil whether by force or cyber attack. A policy that keeps this in sight should not be distracted by proposed “police actions,” calls for “humanitarian” wars that too often end with inhumane consequences, and threat inflation. A policy that loses sight of this risks another decade of expensive quagmires. With growing national debt, the proliferation of advanced military technologies, and increasing challenges to American power in Asia, the direct costs and opportunity costs of unnecessary entanglement in the Middle East could be very high. A strategy of balance that leverages local actors’ interest in self-preservation offers a way out.

Careful plans and strategies are an essential feature of good national security policy, but the reality remains that major powers, even super powers, do not control the uncertainties that will occur in the region. A new war between Israel and Hezbollah is one such possibility—which today would be far bloodier and more dangerous than their last war in 2006, and would involve all of Lebanon and Israel. Any war of this magnitude will drag in the United States, at a minimum to evacuate American citizens, and will change the strategic landscape of the Middle East in profound ways that cannot be predicted at this time. Like it or not, these are contingencies that the United States cannot prepare for, irrespective of the perceived strategic wisdom of the time.

Such uncertainty must not prevent U.S. national security officials from developing realistic and achievable goals in the Middle East. A reframing of United States policy as suggested in this paper will give America a chance at fostering more stability in the region, while reducing entanglement in day-to-day instability and the region’s drag on Washington’s global initiatives. An administration that follows this approach would have more freedom of action elsewhere, would conserve increasingly scarce military and financial resources, would better embody U.S. values, and, most importantly, would keep America safer.

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325 For an excellent discussion of the oil security issue, see Gholz and Press, “Protecting ‘The Prize’: Oil and the U.S. National Interest.”
The Middle East is changing in profound ways. Rapid population growth, high youth unemployment, and a gradual, but inevitable global shift toward renewable energy is undermining the stability of regional states.

Meanwhile, new pressures for political and socio-economic change are weakening the legitimacy of Middle Eastern governments. The region’s greatest challenge is one of governance, which, in addition to interventions by outside powers, has led to turmoil, civil war, and terrorism. At the same time, the region has become less susceptible to the unitary influence of the United States, indicating a major shift from the last half-century of Middle Eastern geopolitics.

The United States needs to adjust outdated policies to this transformed region. If strategic interests and goals are not kept in the foreground, there is a risk that the United States will become more involved in the region without making it more stable. Local actors may be able to enlist America in their private disputes, which often involve disagreements related to sectarian and ethnic quarrels. America may see its scarce resources diverted to diplomatic and military efforts in the Middle East, even as challenges for U.S. national security in Europe and Asia grow more salient. A fresh examination of America’s vital interests in the region and the balance of power among Middle Eastern states is timely. This monograph reviews the new complex regional dynamics at play, offering a critical examination of American strategy thus far, and arguing for an approach to the region that identifies vital national interests and seeks to protect them at an acceptable cost.