RE-THINKING ASSUMPTIONS FOR A 21ST CENTURY MIDDLE EAST

Douglas A. Ollivant
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Summary

American policy in the Middle East is based on outdated assumptions. There are at least four novel elements in or impacting the Middle East that require an adjustment in strategy:

- North American Oil Independence: The United States no longer relies on the Middle East for its supply of energy and could choose to act without that significant tie.

- Rise of China: The People’s Republic of China is now a near-peer to the United States and is taking steps to protect its own interests in the Middle East.

- Diminishing Conventional Threats to Israel: All conceivable regional enemies are now peace signatories, wrestling with internal instability, or both. Unconventional threats continue to challenge Israel’s security, but a ground invasion is now a remote possibility.

- Rise of Sub-State Actors: In addition to widely recognized terror and insurgent groups, other actors, such as financial firms, technology firms, and private military firms, interact with power that rivals that of weak states.

These new factors—alone and in concert—make legacy strategies at least suboptimal, if not unsuitable. Today’s Middle East exhibits very different characteristics than that of the Middle East of the past century. An acceptable and suitable strategy must incorporate these new data points.
American policy in the Middle East is based on outdated assumptions. It is time for U.S. policymakers to cease their old ways of thinking and take a fresh look at the region to determine how new realities might demand new approaches.

New approaches to the region need to take place across the whole of government. The Defense Department should examine basing and force deployment. The State Department should fundamentally re-evaluate the priorities, missions, and infrastructure of its diplomatic presence throughout the Middle East. Foreign aid—through State and United States Agency for International Development (USAID)—should be reconsidered with a serious eye towards new priorities. The innate tendency of government is to continue to do what is familiar, but it now must accommodate a new and changed reality. The U.S. government is trapped in its past experiences, which are long and intense and must be examined to move past.

U.S. involvement in the Middle East begins more or less with President Franklin D. Roosevelt’s meeting King Abdul Aziz ibn Saud of Saudi Arabia in 1945. The Central Intelligence Agency’s (CIA) participation in the British-sponsored Iranian coup in 1953 would further enmesh U.S. interests there. In subsequent decades, the United States began to take a more central part in the litany of events that unfolded. President Dwight Eisenhower would largely sit out, and then resolve, the 1956 Suez Crisis. Later, the United States became a major player in supporting Israel in the 1967 and 1973 wars, the last sparking the 1973 oil embargo and crisis. The late 1970s would then kick off a rapid succession of shifts in the Middle East: the Soviet invasion of Afghanistan (technically outside the Middle East, but very much impacting it), the siege of the Mecca Grand Mosque, and the Iranian Revolution and hostage crisis. The Iran-Iraq War began in 1980, and the Israeli invasion of Lebanon would follow in 1982, leading to the 1983 bombing of the American mission in Beirut. In 1990-91, Iraq invaded Kuwait, sparking the Gulf War and a continued American focus on Iraq through the 1990s. This attention culminated in the 2003 invasion and occupation. In 2014, the United States intervened in Iraq and Syria after the rise of the Islamic State. Today, U.S. policy is preoccupied with countering the Islamic Republic of Iran, most dramatically illustrated by the January 2020 killing of Iranian Revolutionary Guard Corps (IRGC) Quds Force Commander Qasem Suleimani and Iraqi Commander of the Popular Mobilization Forces Abu Mahdi Muhandis.
The common factors of U.S. engagement are oil, Israel, Iran, and terrorist groups like al Qaeda and ISIS. These operations and events drive current U.S. strategic thinking. This timeline omits several key trends that impact U.S. interests in the Middle East. Without a full accounting of all relevant facts, it is difficult to make clear choices about how the United States should interact with—and prioritize its assets in—the Middle East. There are at least four underweighted elements relevant to a U.S. strategy for the Middle East: oil independence, the rise of the People’s Republic of China, Israel’s increased security, and the rise of sub-state powers. Each of these four factors complicate the traditional narrative. Taking them into account might lead Washington to a new and better strategy.

First, the recent movement towards North American oil independence, based on the “shale revolution,” has not only restored the United States as a major oil exporter, but also built a natural gas industry. The dependence on Middle East oil that characterized the past several decades of U.S. geopolitics no longer exists. While market and production shocks in one place reverberate throughout the system, the United States is largely able to care for itself (after some adjustments). Energy self-sufficiency has had a huge impact on geopolitics, but this sea change in the politics of energy seems not to have permeated throughout the U.S. government. The United States, having transformed from net importer to net exporter, needs to start thinking about the Middle East—its competitor in terms of energy supply—differently.

Second, China’s emergence on the global stage has become a major factor for U.S. policy. When the United States invaded Iraq in 2003, China was not a major concern for U.S. interests. Washington was still enjoying the post-Cold War “unipolar moment” in which it was the sole great power, and most believed that China could evolve into a partner in the “liberal international order.” Today, with an economy rapidly challenging that of the United States in real terms, China looms large on every stage. America is competing with China for influence throughout the world across a broad spectrum of spheres, and the Middle East is no exception—though Washington has been slow to that realization, both for China generally and the Middle East in particular. The Middle East must be considered as a theater of competition with China, with decisions oriented around implications for China and the United States. Examples abound, but China’s evolving relationships with Iran alone ought to raise hackles in Washington. The Middle East could be an occasion for cooperation—potentially in energy security—between Washington and Beijing, but any type of cooperation is not likely to happen without a strategy, deliberate planning, and careful execution. And the stakes are even higher should U.S.-China interactions in the Middle East be less friendly, whether by accident or design.
Third, events of the past decade, most notably the “Arab Spring,” have provided a remarkable amount of existential security to Israel. Put simply, Egypt and Syria—the two nations that presented the greatest threat and provided the bulk of the manpower during the 1967 and 1973 wars that threatened Israel’s very existence—have been torn apart. Both Egypt and Syria are consumed by internal events and the idea of them putting together organized formations, moving them to their borders, and supplying them for a conventional push into Israel is simply risible. More importantly, Egypt has a peace agreement with Israel (albeit for over 40 years, so hardly novel), and Syria is engaged in a full-fledged civil war. It is difficult to picture any other state in the region being able to raise and sustain an army and push it over the distances required to get to an Israeli border. This is not to say that Israel does not still have security threats, and its population does live under the threat of significant missile bombardment, from Iran and its proxies. In the past decade, any remaining possibility of invasion conclusively ended. So long as the threat of a nuclear Iran is averted, the United States can now start to think about Israel differently, as a permanent feature of the region, even absent U.S. intervention. The integration of Israel by the Pentagon into Central Command, with the surrounding Arab states, does illustrate at least a modest acknowledgment of this change.

Fourth, sub-state actors remain a stubborn fact for the entire world. Private actors have increased their power and can—in certain circumstances—challenge the power of states. Whether we are discussing the Islamic State’s seizure of vast amounts of land in Iraq and Syria or Twitter “deplatforming” former President Donald Trump, sub-state actors have repeatedly demonstrated their ability to challenge state power in ways not previously experienced. Financial networks, terrorist groups, technology companies, criminal networks, private military companies, and major non-governmental organizations (NGO) can influence strong states and challenge weak ones. Reassessing the expectations of the fragile states of the Middle East requires, as a first step, understanding this reality.

These four factors each require a serious rethink of what the United States needs and wants from the region. In addition, there are interaction effects between these four factors (see, for example, a brief treatment of ISIS’ public comments on China). This report will lay out these four factors and hint at what incorporating them might mean for a U.S. strategy in the Middle East.

North American Oil and Energy Independence

U.S. policy in the Middle East is driven by oil and protecting the international shipping of oil. U.S. foreign policy towards the region is grounded in a time when oil tankers leaving the Strait of Hormuz would make a “right turn” and head toward the United States. Today, most oil tankers make a “left turn” and head toward Asia. A very broad set of U.S. elites who either wish to keep the policy frozen, or simply cannot envision an alternative, have substituted the last century’s very real national interest of ensuring a U.S. oil supply with today’s “free flow to the global economy,” a much less pressing interest. Washington may be able to rethink its approach to the region, absent the tether of existential oil dependence. The “shale revolution” of the United States has made such a rethinking very possible.

In his book *The New Map*, 2 energy expert Daniel Yergin dates the beginning of the “shale revolution” to 2007. According to Yergin, “Using 2007 as the baseline comparison, the U.S. trade deficit in 2019 was $309 billion lower than it would have been if there had been no shale revolution.” 3

It is difficult to overstate how this increase in production capacity has changed the United States’ energy posture and outlook. In some ways, this development is new enough—and downplayed enough—that it is not surprising that it has taken time to ripple through the policy world. As late as 2007 and 2008, a key worry in policy circles was “peak oil,” a concern that the world was close to maximizing its ability to produce oil and that the world would have to learn how to manage oil shortages. In the United States, crude oil production fell from a high of 10 million barrels per day (in 1970) to about 5 million in 2008, forcing very high levels of importation. Vulnerability of oil imports was a major concern, particularly the security of supply lines to (and in) the Middle East, which was a national security priority.

A decade later, the United States overtook Saudi Arabia and the Russian Federation to become the world’s largest oil producer. 4 In 2020, just before the COVID-19 pandemic crashed world demand, U.S.

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3 Oil statistics are surprisingly variable, but this report will use Yergin’s throughout. Yergin, *The New Map*, p. 29.


The limitations on U.S. production appear to be related to infrastructure and financial and legal issues, not geology. Expanding U.S. production is possible, but it would require the construction of additional infrastructure throughout the sector—not just wells, but pipelines, storage facilities, and additional port capacity. Further, the expansive development of shale oil has been accompanied by a parallel shale gas boom. The cheaper natural gas has partially displaced the use of oil in many sectors—notably in power generation and heating—reducing domestic oil demand as the more ubiquitous gas fills more and more energy needs.

At one level, the sea change produced by an abundance of energy is obvious. Again, to quote Yergin:

> For four decades, U.S. energy policy was dominated—and its foreign policy hobbled—by the specter of shortage and vulnerability, going back to the 1973 oil embargoes and then the 1979 Iranian Revolution, which toppled the shah and brought the Ayatollah Khomeini to power. But no longer. The shale revolution ‘affords Washington,’ observed Thomas Donilon, national security advisor to President Obama, ‘a
stronger hand in pursuing and implementing its international security goals.\(^6\)

At the same time, there seems to be a reluctance to embrace the geopolitical implications of North American (if not purely U.S.) energy independence. When coupled with production from Mexico and Canada, North America could—with retooling of its refineries and other infrastructure—be energy independent in a time of crisis. The idea of “energy independence” is one that is much dismissed by mainstream economists. A typical response to the concept comes from a Canadian economist in 2019: “I’m puzzled by it,” said David Detomasi, an associate professor at Queen’s University. Canada has the oil and gas resources to be self-sufficient, but the notion of building a separate energy market “kind of flies in the face of pretty much everything that we’ve done economically for the past 50 years.”\(^7\)

Fifty years, of course, dates roughly to the oil embargoes of 1967 and 1973. The oil markets have also required the presence of the U.S. Navy securing sea lines as a given in their calculations. This assumption has taken markets to the point where the seemingly obvious conclusion—that one ought to use natural resources on one’s own continent, rather than rely on those

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pushed across an ocean—becomes puzzling in its own right.

The Fifth Fleet ensures the reliable and free flow of oil cargoes from the region— to China, India, and a host of other South and East Asian states. Absent the U.S. naval presence, these states would likely seek more reliable sources of oil—such as Russia, Canada, Norway, and (especially) Texas. Absent the U.S. security guarantee, the costs of the risk(s) inherent in oil that transits the Strait of Hormuz would be borne by the purchaser nations, rather than by the United States. Purchaser nations could—conceivably—try to replicate the U.S. Naval presence, but would be much more likely to instead diversify supplies and apply diplomatic pressure to reduce tensions.

Other analysts continue to maintain that U.S. national interests reside in “the free flow of energy and commerce to the global economy,” but this interest seems to be stipulated, rather than demonstrated. Why does Washington have a national interest in the free flow of oil (let’s be clear, there’s not much other commerce)? When the economy of the United States was fueled by oil from the region, there was a clear national interest, but the Middle East is no longer a critical resource region for the United States. Yes, U.S. allies (and competitors) source their energy from the region, but absent the U.S. security guarantee for that product, they might find ways to source it elsewhere. In one sense, one could argue that the Fifth Fleet prevents the “free flow” of the economy to a status quo that properly weights geopolitical risk. Put another way, the Fifth Fleet subsidizes Middle East competitors to Texan oil production. If one makes a conscious decision to source one’s economy with, and optimize one’s refineries for, fuel from a conflict-prone region, then one should bear the consequences of that decision when conflict emerges. Nothing is stopping U.S. allies from asking Texas to step up production.

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Another study phrases the interest as “preventing the domination of Persian Gulf oil by a single power.” One must assume the “single power” here is Iran. But again, what is the vital national interest in ensuring that Iran does not “dominate” the flow of Saudi oil to China and other Asian states? Again, why should U.S. taxpayers subsidize Asian energy security, while artificially depressing the price of U.S. produced crude?

So yes, the United States is subsidizing and underwriting, via military presence, the risk associated with the oil produced by one of our (friendly) competitors—and not only oil produced by a competitor, but also oil being sold primarily to a geopolitical rival, China. One doubts this makes sense to Texas or to taxpayers paying the bill to—effectively—guarantee shipment of Saudi oil to China. But again, the United States and its policymakers are not accustomed to thinking as an oil producer, but instead as an importer. There is a faulty assumption underlying strategic thought.


10 Events of 2020 show that even in a time of unprecedented demand drop, due to the COVID crisis, the other two major producers were unable to drive U.S. shale out of the market. See (e.g.) Sam Meredith, “The Losers — and Even Bigger Losers — of an Oil Price War between Saudi Arabia and Russia,” CNBC, March 12, 2020, https://www.cnbc.com/2020/03/12/oil-the-losers-of-the-price-war-between-saudi-arabia-and-russia.html.
China’s Push into the Region

China is expanding its reach in the Middle East slowly but surely. With the identification of China as a competitor, the United States has, belatedly, reoriented all aspects of its security institutions towards this competition, at least nominally.

To date, Washington has really given just lip service to true competition, in a world with peers. Instead, the United States has lived in a world in which unipolarity was forever assumed. For example, the U.S. financial sanctions regime implicitly assumes a world in which the United States controls the entire financial system, rather than one in which a competing pole will eventually emerge and to which sanctioned states, groups, and persons would gravitate. China is taking steps towards creating that competing pole with its bold movement toward a national digital currency, just one of many initiatives to increase Chinese influence and power.\(^1\)

In a security environment now defined by “great power competition,” the entry of China into the Middle East—and into Iran in particular—seems to be incredibly understudied. The recent signing of the Comprehensive Strategic Partnership between China and Iran has codified earlier, less formal initiatives.\(^2\) The much-noted Belt and Road Initiative (BRI) makes the most strategic sense by terminating in Iranian ports such as Bandar Abbas and Chabahar, allowing access to the Gulf of Oman below the Hormuz Strait, and from there to the Indian Ocean. These ports add depth and redundancy to commerce on the BRI to similar terminals in Pakistan and Turkey. China is executing, patiently, a strategy that thinks quite globally, making them a competitor across the world.

In short, all security issues should be looked through—or at least checked against—a China lens. At the United States government level, this means that when, for example, a Deputies Committee meeting is held on a Middle East issue, there should be a “China desk” rep in the room, monitoring for actions that might impact equities with China. The myopic view that competition with China is limited to Asia needs to be quickly dispelled. China is in Asia, but a great deal—perhaps even the majority—of the competition will take place elsewhere.

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As former Deputy National Security Advisor for Strategy Nadia Schadlow put so concisely, “Returning to a set of strategic assumptions designed for the unipolar moment would harm U.S. interests.”\textsuperscript{13} Assumptions designed for another time are anachronisms once the situation that created the assumptions changes. Arguably, much of U.S. foreign policy in the Middle East has featured behavior that assumed a unipolar moment. Discussions of Russian and—especially—Chinese equities seldom enter policy conversations regarding the Middle East, yet Beijing has at least two national interests relevant in the region: energy and trade routes.

First, China imports about half of its oil from Middle Eastern nations. Unlike the post-shale revolution United States, Beijing remains dependent on—and vulnerable to—oil supply fluctuations from the Middle East. China has displaced the United States as the world’s largest oil importer, based on its increasing need and still-growing economy, as well as the growing American energy independence.

China’s need for energy mirrors that of the United States two decades ago. To again quote Yergin, “When it comes to oil, the difference between the two countries is stark. China imports 75 percent of its petroleum, which Beijing sees as a major vulnerability and is one of the drivers of its strategic policy. The United States used to share such concerns when its import levels were high. But owing to shale, no longer.”\textsuperscript{14}

Second, the logic of China’s economic-based foreign policy takes it—however reluctantly—to the crossroads of the Middle East. Despite China reportedly wanting to continue to focus on its own near abroad in and around the South China Sea, its involvement in the Middle East continues to increase, albeit slowly. As one analyst reports, “Measured by Chinese policy outputs such as white papers of level of investment . . . the Middle East and North African region does not emerge as a priority.”\textsuperscript{15} In fact, “China has tried to keep its diplomatic engagement in the Middle East out of the headlines.”\textsuperscript{16} On the other hand, China cannot simply ignore the region, given its economic dependence on Middle East oil. It may be slightly ironic that the

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\item Yergin, \textit{The New Map}, p. 133.
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Chinese cannot help being dragged into the Middle East any more than could the United States. It is quite interesting here to note the varying responses to an equivalent problem. Washington has viewed hard power—the presence of the naval assets—as the answer during periods in which the United States was dependent on Middle East oil and when it is not. While Beijing, conversely, has not seen the need to put any hard power in the region, despite its clear dependence on the free flow of Middle East oil.

China has ramped up its economic interaction with the Middle East in past years. For example, Chinese firms were recently awarded $20 billion in construction projects in Muthana province, Iraq. Iraq could serve as another transit point, as Iran contemplates connecting its rail line originating in Herat, Afghanistan, through Shalamcheh, Iran, to Basra, Iraq. From there, it hopes to connect to the sea and by rail to Syria and (presumably) Jordan. The combination of projects is designed to “facilitate the transfer of goods from China to the Mediterranean.”

As noted above, China and Iran have recently signed a $400 billion energy and military partnership that will deeply knit the two countries together in terms of Iranian oil exports to China and Chinese


technology installed in Iran. This deal can be reported one of two ways: “an extremely serious threat to undisputed US global supremacy” or “a defensive strategy in response to the increasingly hostile measures taken by the [Trump] administration.” Regardless, it promises to be a seismic shift in bringing the multipolar world clearly to the Middle East.

China and Israel have increased their ties in a way that complicates its relations with the United States. The Trump administration expressed two serious concerns despite its close ties to the Israeli government: Chinese investment in Israeli technology firms and Chinese investment in Israeli infrastructure, especially ports, but also railways and power generation. In particular, a proposed Chinese-managed port near Haifa could present a significant concern for U.S. naval assets and could limit naval cooperation with Israel due to Chinese espionage concerns. That Tel Aviv has denied Washington the ability to inspect the port casts a serious pall over potential cooperation.

In terms of Chinese influence, the United States should be concerned most about two items: telecommunications (exemplified in Huawei) and Iran. A Middle East wired on a Huawei backbone would present a hostile environment for any serious U.S. interest in the region. The core U.S. objection to a Huawei-based system is the ability of Chinese engineers to read any data passed along the system. Further, it is widely accepted in American circles that there is no functional separation between Huawei and the Chinese Ministry of State Security. In short, Chinese security interests can—and would—read all mail passed over these networks.

While Huawei and Chinese telecommunications pose a threat to U.S. interests in the region, Iran remains the greatest concern. The antipathy between Tehran and Washington has made Iran a state of intense interest for Beijing. In addition to being a source of much-needed oil, Iran provides strategic competitors with an opportunity to push back against


the United States and its interests, and the country could give China a willing, subordinate regional partner—or at least one perversely coerced by an unforgiving U.S. policy.

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As scholars Jamsheed K. Choksy and Carole E.B. Choskey put it, “China has styled itself a defender of national sovereignty.” The deep division between the United States and its partners on Iran, especially since the U.S. withdrawal from the Joint Comprehensive Plan of Action (JCPOA) in 2018, gives the Chinese government an opportunity to push back against the U.S. sanctions regime that is focused on Iran, but which is also seen as a threat to national sovereignty by Beijing. The secondary sanctions on Iran have primarily threatened U.S. allies in Europe, creating a wedge issue on sanctions policy more widely. When Beijing accuses Washington of “having ‘repeatedly violated international law’” at least on secondary sanctions, the statement receives a sympathetic ear in Berlin and Paris. Beijing can then successfully use Iran to attack the sanctions weapon directly and U.S. alliances indirectly.

Iran is deprived of significant external partners by U.S. secondary sanctions, making China the sole (large) buyer of Iranian opportunities. One thinks of French Total leaving Iran’s oil sector and the Indians leaving the port of Chabahar as prime opportunities for Chinese investment, snapping up assets at bargain prices.

China will find in Iran a willing consumer of its vast array of surveillance and monitoring technologies. Given social instability since the 2009 Green Movement, it is not hard to imagine Tehran being interested in some version of China’s social credit score system, imposing social penalties to those not on board with the principles of the Islamic Revolution. It is not difficult to picture a world in which the Belt and Road Initiative terminates in an Iran that has totally adopted the Digital Silk Road (DSR).


25 Choksy and Choksy, “China and Russia have Iran’s Back.”

26 Choksy and Choksy, “China and Russia have Iran’s Back.”
Digital Silk Road would be to: (1) open up new markets for Chinese technology, (2) expand the database to improve China’s technological development, (3) create digital infrastructure to support the expansion of the BRI and (4) increase positive perceptions in the recipient countries about China’s contributions and good will.”  

While Chinese rhetoric has tended to exaggerate the success of the BRI, it is not difficult to see at least the first two—particularly an expansion of the DSR into Iran and therefore to the border of the Arabic world—as a feasible goal.

Israel: More Secure than Ever

Israel no longer faces an existential threat since there is no credible, or even plausible, force that could threaten a ground invasion to seize the Israeli heartland. As the Israelis themselves admit, “The conventional and nonconventional threats in the first circle are on the decline while there has been an increase in nonconventional threats.”

The defining moments in the public imagination for Israel's security are the 1967 and 1973 wars. In each of these wars, a ground force comprised primarily of Egyptian and Syrian forces (Jordanian and Iraqi troops also participated) presented an existential threat to Israel. While their war aims may not have included the elimination of the Israeli state, that goal was certainly a live possibility should the Arab coalition have had overwhelming success. Preventing this outcome became a U.S. national security interest.

However, Egypt signed a surprisingly durable peace treaty at the Camp David Accords in 1978. Jordan signed a peace treaty in 1994. Certainly, the Syrian army would be hard-pressed to move an invasion-ready battalion to the Israeli border, let alone actually get into combat. Iraq has other more pressing concerns and a robust U.S. presence embedded in its Ministry of Defense. Lebanon’s deeply divided polity is too close to collapse to threaten anyone. In short, there is no real candidate for a force to invade. In fact, even bracketing the peace agreements between Israel and many of its neighbors, it is still hard to visualize any serious threat appearing to violate its borders.

This is not to say that Israel is without security concerns—a critical caveat. Hezbollah has a robust missile capability as well as a paramilitary force that could inflict significant casualties. Iran also has missiles capable of targeting Israel with precision. These are threats to inflict serious casualties—mostly civilian—on Israel, but they do not constitute a threat to eliminate the Israeli state, as were the 1948, 1967, and 1973 wars. There is no reasonable scenario in which Israel disappears as a political entity in the way that Russia has done to Crimea, that Iraq (temporarily) did to Kuwait in 1990, or what failed against Israel. Of course, the presence of a nuclear-armed neighbor could present an existential threat, but such a contingency enters an entirely different game of deterrent strategy, in which conventional military power is of limited utility.

Israel itself clearly recognizes this change. In its 2016 defense strategy, the Israeli Defense Forces (IDF) provided a comprehensive list of threats. Only two states, Iran and Lebanon, make the list. Syria is listed, but only as a failed and disintegrating state, not a conventional threat. Otherwise, Israel recognizes only the sub-state groups of Hezbollah, Hamas, Islamic Jihad, Palestinian Islamic Jihad, ISIS, and others. Similarly, in discussing “Protecting the home front (defense),” the discussion focuses completely around defending “the civilian home front and the military rear against high trajectory weapons attack.”

While Israel may still require and be deserving of U.S. assistance, what Israel now requires is utterly different. Capabilities such as missile defense, counter-unmanned aircraft systems (anti-drone), electronic warfare, and border security seem the most relevant requirements. However, Israeli firms now export these capabilities (and others) to the United States and the world market, so it is not clear why these would be provided as assistance, rather than just commercially sold.

In a larger sense, it is difficult to see large-scale ground combat between any states in the region. Israel could set up a security zone in Lebanon, or Turkey could move into Syria and Iraq, but such incursions—while still problematic—are of a different character than previous conventional conflicts.

In the absence of a conventional invasion threat, the purposes of conventional deterrence in the region become an open question. One must ask what are the purposes of U.S. air and naval assets in the region when a conventional ground war is difficult to picture.

29 “Deterring Terror: How Israel Confronts the Next Generation of Threats.”
30 “Deterring Terror: How Israel Confronts the Next Generation of Threats.”
The Rising Threat of Sub-State Actors

As Ambassador Ramon Blecua and I argued in an earlier essay, the rise of sub-state actors is a worldwide trend with particular salience in the Middle East. Financial firms, religious-based terrorism, organized crime, data technology, tribes, private military firms, and major NGOs are all now able to challenge state power in a way unthinkable in previous decades. While this phenomenon is not a new one—consider the historic power of the Jesuits, British East India Company, and Freemasons—the gap between the power of states and that of sub-state actors is a recent historic low. Sub-state actors are forging new pathways to power, and, while they may not be able to challenge the most powerful nation states in their core interests, they can have an effect on the periphery; they can act with more impunity against weaker states.

The first systematic notion of this new reality was probably by two Chinese military officials, Qiao Liang and Wang Xiangsui, in their controversial 1999 book *Unrestricted Warfare*. In the text, they identified—by name—George Soros (for his attacks on Asian currencies as a trader in the late 1990s); Osama bin Laden (before 9/11); drug lord Pablo Escobar; Chizuo Matsumoto (the founder of the Aum Shinrykyo movement); and Kevin Mittnick (a prominent 1990s computer hacker). If this book were written today, none of these individuals would be on the list, or at least not for the activities that originally made them notable, but the categories they represent—financial power, religious terrorism, organized crime, and data technology—seem quite prescient, if slightly incomplete.

If the Chinese colonels wrote this book today, then they would probably use similar categories, but different names. ISIS, al Qaeda, Hezbollah, and associated groups remain power actors. Unlike in the 1990s, the power of individual hackers has now been more than eclipsed by major tech firms, such as Google, Apple, Amazon, Facebook, and Twitter. The drug cartels and other organized crime rings remain notable powers. Journalist Steve Coll has made a powerful case that Exxon should be considered a “private empire.” Similarly, major financial firms—Goldman Sachs, KKR, Black Rock, Deutschbank,
and HSBC—wield power in ways both subtle and not. It is interesting that Qiao and Wang did not see in the early private security firms—Executive Outcomes and Sandline International—the eventual emergence of Blackwater and its Russian counterparts, Wagner Group and Moran Group. Finally, private NGOs, such as Open Society (bringing Soros back in a very different role), Human Rights Watch, International Crisis Group, and the Gates Foundation, are global players that can influence the international agenda in significant ways.  

In the Middle East, there has obviously been a recognition of the power of terrorist groups. U.S. foreign policy reacted strongly to the threats presented by al Qaeda and ISIS. Recently, that focus has largely reoriented to the IRGC (itself not sub-state, but deeply entangled with them), Hezbollah, and their epigones. The Global War on Terror, or “Forever Wars,” against these terrorist groups attests to at least a partial understanding of this change. The terror attacks of September 11, 2001, did focus the mind.

While individual sub-state groups or categories may get attention—an essay may take on terrorism, social media, or “mercenaries”—the larger trend of sub-state power as a category has been largely ignored. And this despite the far weaker state structures of the Middle East, which have much less capability to resist these sub-state actors. Middle East states, with much weaker institutions and capabilities, stand in sharp contrast to their Western and Asian counterparts.

34 It must be noted that the armed “security” firms are generally seen as agents of the “right,” while the NGOs tend to be clustered on the “left,” at least in American terms.
This inability of a state to resist is clearest in ISIS’ capture of major cities in Iraq and Syria. That a group previously only known to regional experts could seize territory in two states and set up de facto governance structures certainly made this plain. The rise of ISIS was an unmistakable demonstration of the power of sub-state groups.

**SOCIAL MEDIA HAS INCREDIBLE POWER IN THE MIDDLE EAST, AS BOTH FACEBOOK AND TWITTER HAVE DEVOTED BASES OF USERS IN THE REGION.**

Sub-state power goes far beyond armed groups. Social media has incredible power in the Middle East, as both Facebook and Twitter have devoted bases of users in the region. In Iraq, for example, Facebook is the only site that many Iraqis use. At least a significant minority of Iraqis buy smartphones, use the default email to register a Facebook account, and then never directly interact with the rest of the internet again, using only the Facebook interface. This gives the platform a different social space—and greater power—than in the United States. Sub-state groups—most notably, but by no means exclusively, the political wings of the “Hashd” militias—are able to organize on Facebook as well. Running incredibly popular Facebook pages, they give their own alternative interpretation of world events, contouring these events for large public audiences who consume their news through Facebook, though the messages are often first refined on apps such as Telegram and Twitter. While penetration is hard to measure, many observers now believe that the Iranian-aligned “factions” now impose their interpretation on the majority of Iraq’s citizens. Given these interpretations of reality presented to audiences, political factions are able to develop and expand loyal followings. Activists in Iraq have had little luck getting Facebook executives to take their complaints about the abuse of these pages seriously. Activists note the irony of the American-headquartered platform countering American interests in Iraq. Sub-state groups are not just a threat to state power; one sub-state actor (Hashd) can use another sub-state actor (Facebook) to further amplify its challenge to the state.


36 Author interviews, 2016-2019.

Another angle of sub-state power is the ability of the Houthi Ansar Allah movement to resist the combined efforts of not just the Yemeni state, but also Saudi and Emirati military might. In fact, this non-state actor succeeded in threatening military and (more importantly) oil infrastructure deep inside Saudi territory by launching drones—estimated to cost only $15,000—against Saudi oil infrastructure that processes oil worth tens of billions of dollars.\(^3^8\) This example shows a sub-state group challenging not only its host state, but also adjacent states. As Blecua and I wrote, “Despite the fiction of [United Nations talks] being a negotiation between the legitimate government and the rebels, it is well known that the resolution of the main conflict will depend on negotiations between Saudi Arabia and Ansar Allah.”\(^3^9\) A sub-state actor negotiating as a de facto equal with a full-fledged state further complicates the state-centric system.

The presence of this myriad of sub-state actors means that if one is looking only at states, one is missing a good part of the picture. Only by integrating these actors into analysis can a complete mosaic be constructed. Admittedly, it is often difficult to determine who is a legitimate sub-state actor that should be accommodated and who is a malign force that has nothing to offer in terms of stability. ISIS is not a group to be negotiated with, but other groups may be.

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39 Blecua and Ollivant, “A More Crowded Stage.”
The Middle East of 2021 differs in important ways from the Middle East of 1945, 1973, 1979, 2003, and 2014 that so dominates American thinking. This report has identified a number of strategy-altering trends that should cause a fundamental rethink of U.S. regional strategy.

At the most basic level, two of the changes—North American oil independence and the lack of a serious existential threat to Israel—would indicate that Washington now has a reduced national interest in the Middle East as a whole. This does not mean that the United States does not care about oil (whether for itself or its “free flow”), and it does not mean the United States does not care about Israel. Nevertheless, the United States now self-sources the majority of its oil, and Israel is now relatively safe from invasion. Put simply: If you don’t need the oil nearly as badly and if your friend isn’t in as much danger, then you have a wider range of policy options.

However, the other two factors—great power competition with China and the power of sub-state powers—would indicate that the United States needs to prioritize a different set of interests in the Middle East. There is another great game afoot in the world, but the cast of characters is more diverse, and some are new. As the United States develops its regional policies, it needs to consider what a policy might mean for the U.S. relationship with China and how sub-state actors might complicate (or on occasion, supplement) a contemplated U.S. action.

These four trends suggest that a fundamental relook of U.S. policy in the Middle East is overdue. Traditional approaches cannot be simply shelved, but the very real psychological effects of making major changes in the American approach—most especially when it involves the presence of military forces—must be considered. It is not as if one can take a blank sheet of paper to the region. Previous policies, their effects, and current “legacy” foreign policy infrastructure—military bases and forces, embassies and consulates, as well as development projects—must all be taken into consideration. After all, withdrawing a military force is significantly different than never having placed it there in the first place.40 To use a recent diplomatic example, closing Consulate Basra gives an entirely different message than never having placed a consulate in Basra at all.

Conclusion

Even with certain legacy infrastructure and sunk costs, it is useful to envision what a “blank sheet” strategy would look like if designed today. It may be helpful to think “what would our relationship with X look like if designed from scratch today” before assigning the weight of that relationship’s true history. Indeed, such an exercise may help to shape how one could transition from the current relationship to a more appropriate one. To use a metaphor, it would be rude to just dump old friends—but you may want to call them a little less often.

This initial look at updating assumptions for a Middle East strategy will hopefully help transform the way the United States looks at the region. The region is no longer dominated by an Israeli-Arab conflict. U.S. oil supplies are only nominally linked to the region. Non-state actors proliferate, have a more prominent role, and are more powerful than in past decades. Washington cannot afford not to think about how Beijing engages and will continue to engage with countries in the Middle East, both for its own reasons and in response to any United States action.

A modern, properly scoped strategy will need to encompass all of these factors.
About the Author

**Douglas A. Ollivant** is a Senior Fellow in the Middle East Program at the Foreign Policy Research Institute. He is a Managing Partner of Mantid International, LLC, a global strategic consulting firm focusing on compliance and anti-corruption, with offices in Washington D.C., Guam, Beirut, and Baghdad. He also holds an appointment as a senior fellow at New America. A retired Army officer (Lieutenant Colonel), his last position in government was as Director for Iraq at the National Security Council during both the George W. Bush and Obama administrations. He served two tours in uniform in Iraq, spent a year as a contractor/advisor in Afghanistan and taught politics at West Point.

An Oregon native and graduate of Wheaton College in Illinois, Ollivant holds a Ph.D. in Political Science from Indiana University, and is a graduate of the U.S. Army's School of Advanced Military Studies. He is a frequent television commentator on defense and Middle East issues. A life member of the Council on Foreign Relations, the Veterans of Foreign Wars and American Political Science Association, he also serves in various advisory capacities to a wide range of firms. He is a widely published essayist and is a contributing editor of War on the Rocks. He is presently researching the topics of Hybrid and Proxy Warrior/Warfare, and Grand Strategy in the Middle East, as well as writing on the Iraq conflict and reconstruction, 2003-present.
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1528 Walnut Street, Suite 610
Philadelphia, PA 19102

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