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HOW TO RECALIBRATE U.S. POLICY IN THE MIDDLE EAST

Douglas A. Ollivant

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Author: Douglas A. Ollivant

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A nation must think before it acts

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Executive Summary

Changes in the Middle East have not been sufficiently accounted for in U.S. policy towards the region. Instead, policy has lagged, grounded in anachronism. This report provides five policy recommendations to fix this problem: focus Middle East policy on Chinese influence, empower the State Department, re-evaluate the purpose and location of military basing and forces, prioritize business interests, and acknowledge the reality of interacting with authoritarian states. In doing so, the United States can shift resources away from the region and still protect key interests and partners.





Introduction

The Middle East is changing, energy realities are changing, great power competition ripples change throughout, and U.S. interests are morphing along with them. Yet, policy seems to lag, tethered by policy inertia, bureaucratic capture, and “old think.”

While there has been some recognition of these changes, the U.S. government has resisted following the implications of these developments to their logical conclusions or even acknowledging the scope of the change. For example, finding acknowledgment that the United States is now “energy independent” is more commonplace (though hardly universal), but approaches that recognize the United States as an energy exporter that competes for market share against Middle East producers are far rarer.

Five policy recommendations flow from this examination: focus Middle East policy on Chinese influence, empower the State Department, re-evaluate the purpose and location of military basing and forces, prioritize business interests, and acknowledge the reality of interacting with authoritarian states.

First, the United States must clearly account for the People’s Republic of China in its Middle East policy. Washington must recognize where Beijing has interests

and make conscious choices about cooperation vs. confrontation. Absent deliberate choices, U.S. policy will drift, be misunderstood and ineffective, and potentially bring about unwanted and needless conflict.

Second, the United States must truly commit to “putting diplomacy in the lead.” Putting the State Department at the forefront of regional policy will require real changes that will make not only the Department of Defense uncomfortable, but also State itself. There will need to be real reforms in personnel policy, and the State Department must fundamentally reassess the way it looks at and manages risk. Leading in an environment characterized by conflict—as is much of the Middle East—will require acceptance of the possibility of injury, kidnapping, and death; the willingness to assume this risk is essential. Absent that, the Defense Department will continue to lead, rhetoric notwithstanding, simply because of being willing to put its persons in harm’s way.

Third, the United States must reassess its military commitments and associated basing. Legacy infrastructure is a logical consequence of legacy commitments. While force protection against new capabilities should also drive some reconsideration, the Department of Defense—with White House oversight—



U.S. and Turkish soldiers conduct joint patrols, Manbij outskirts, November 1, 2018. (U.S. Army/Wikimedia)

should conduct an honest evaluation of the utility of current missions and facilities in light of new realities. Those vested in the status quo will deeply resist these changes.

Fourth, the United States must learn that its business community remains its most powerful tool. U.S. business ties create bonds with elites and grassroots in a way that no other relationship can. While abuses must be avoided, reputable U.S. firms, complying with both local and U.S. law, can serve as exemplars of democratic capitalism—and present an alternative to Belt and Road Initiative projects. Still, there are things that business cannot accomplish, without a clear profit motive. The U.S. development community,

primarily but not exclusively the U.S. Agency for International Development (USAID), should focus on generating the infrastructure—physical and legal—that permits the entry of the business community. This will require a huge shift in mindset, procedures, and focus and may require a different workforce than currently extant.

Finally, the United States must take an extremely hard look at its relationship with authoritarian governments in the region. This requires balancing not only traditional realist and liberal internationalist outlooks (hard interests vs. a human rights focus), but also balancing current national interests with future ones. The United States has a long history of dealing with



authoritarian governments and then losing influence with successor governments once the authoritarian ally is overthrown—in Iran, Cuba, and Nicaragua, to name a few examples. Short-term thinking is antithetical to genuine strategy, though U.S. electoral cycles make longer-term thinking more difficult.

This report builds on an earlier report, *Re-Thinking Assumptions for a 21st Century Middle East*. That report concluded that American policy in the Middle East is based on outdated assumptions. There are at least four novel elements impacting the Middle East that require an adjustment in strategy: North American

oil independence, the rise of China, diminishing conventional threats to Israel, and the rise of sub-state actors. Updating these core policy assumptions significantly changes U.S. interests in the Middle East and requires a new and different strategy to accommodate these new interests.

A Middle East strategy based around these principles may have the virtue of better aligning U.S. interests with current trends, while permitting a reallocation of military assets from the Middle East to other locations. Properly understood, there may be few—or fewer—hard choices required in the coming force reallocations discussions, as a properly scoped Middle East strategy may require fewer forces, freeing them for other missions. The United States still has interests in the Middle East, but the utility of force in securing them may be less and less relevant in coming years.



Assessing China's Interests

Washington may well be beginning to assess its relationships with a view to Chinese equities. A recent piece by a former State Department official shows that the Trump administration—albeit very late—realized that the relationship between Abu Dhabi and Beijing might be just a little too cozy to permit the technology transfer inherent in participation in the F-35 program.¹ In particular, the recent landing of two Chinese planes, presumably with military hardware, has Western defense analysts deeply concerned.² The United Arab Emirates-China relationship is probably best symbolized by the installation of a Huawei 5G network, and the two states have announced a “comprehensive strategic partnership” that would “consolidate cultural, public and humanitarian relations in addition to the existing strong political and economic relations.”³ This partnership deeply complicates the United States’ relationship with this key Gulf State,

historical ties notwithstanding. The United States views the installation of Huawei networks with deep concern, as these networks are seen as effectively under Chinese government—and therefore Chinese defense and intelligence—control. That Emirati firms are partnering with Huawei simply adds fuel to the fire.⁴

China’s relationship with Saudi Arabia appears to be quite different, perhaps as the Saudis aspire to closer ties with the West in order to finance their various megaprojects, the Neom megacity first among them. Beijing’s relationship with Riyadh is largely limited to oil purchases and appears to be a Saudi “hedge.” A closer commercial relationship—and helping to optimize Chinese refineries to process Saudi grades of crude—insures against both reduced oil demand in the West and Western rejection of Saudi human rights practices.⁵

1 David Schenker, “Want to Sell F-35s to the UAE? Time to Address the China Factor,” *National Interest*, April 23, 2021, <https://nationalinterest.org/feature/want-sell-f-35s-uae-time-address-china-factor-183383>.

2 Warren P. Strobel and Nancy A. Youssef, “F-35 Sale to U.A.E. Imperiled Over U.S. Concerns About Ties to China,” *Wall Street Journal*, May 25, 2021, <https://www.wsj.com/articles/f-35-sale-to-u-a-e-imperiled-over-u-s-concerns-about-ties-to-china-11621949050>.

3 Nick Webster, “UAE and China Declare Deep Strategic Partnership as State Visit Ends,” *The National*, July 21, 2018, <https://www.thenationalnews.com/uae/uae-and-china-declare-deep-strategic-partnership-as-state-visit-ends-1.752515>.

4 Schenker, “Want to Sell F-35s to the UAE? Time to Address the China Factor.”

5 Jon B. Alterman, “China’s Middle East Model,” Center for Strategic and International Studies, May 23, 2019, <https://www.csis.org/analysis/middle-east-notes-and-comment-chinas-middle-east-model>.

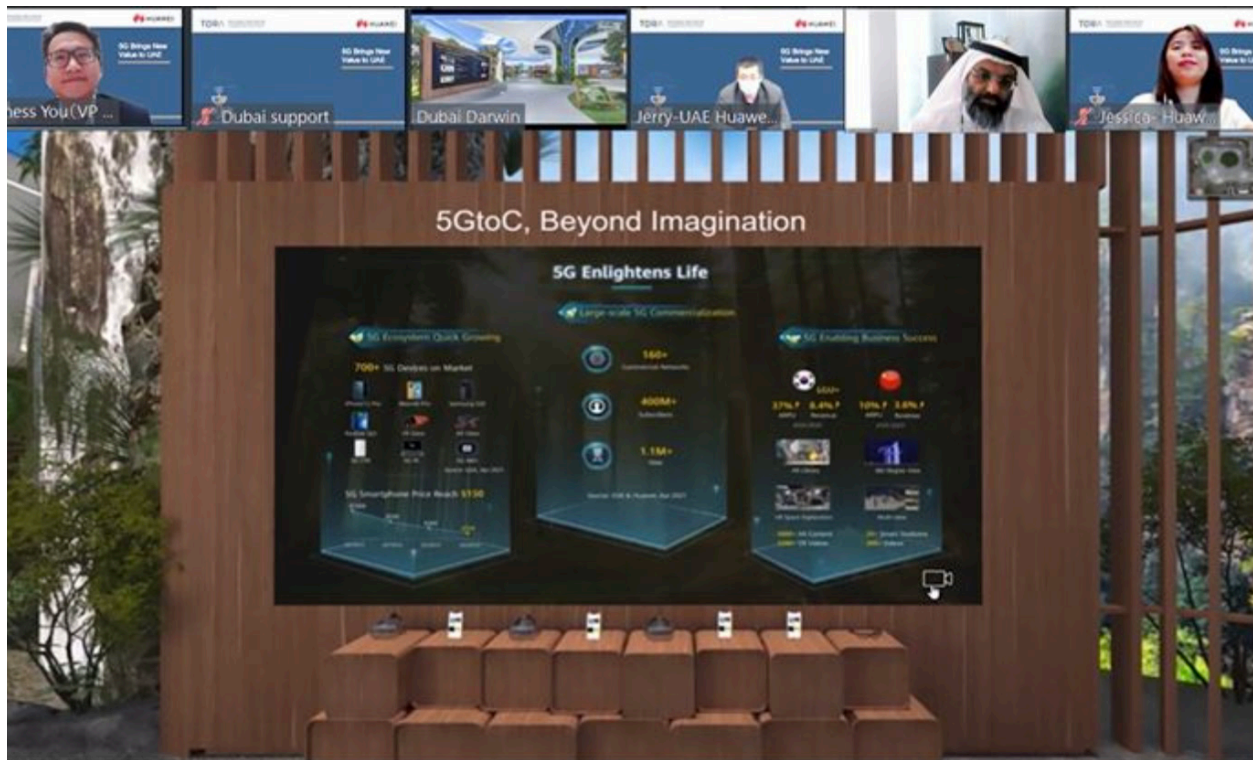


Chinese Foreign Minister Wang Yi and Iranian Foreign Minister Mohammad Javad Zarif on March 27, 2021 after signing a twenty-five year cooperation agreement. (Wikimedia/Ahmad252)

China's relationship with the Islamic Republic of Iran appears to be unique. Beijing does not wish to become a party to Middle East conflicts, so it will avoid a full-throated alliance with Tehran. However, there are obvious attractors to Iran. Cheap oil is the most obvious. China requires large oil imports, and an arrangement with Iran is almost by definition free of potential U.S. political interference. However, there are other interests: numerous business opportunities abandoned by Western firms due to U.S. sanctions and concerns about corruption and the opportunity to push back against perceived American infringements on sovereignty. Iran may also be quite receptive to the value proposition in the Digital Silk Road,

electronically monitoring its citizens for loyalty to the principles of the Islamic Revolution. It remains unclear whether Chinese investment in Iran—and purchase of its oil—could sufficiently support Iran to shrug off the effects of U.S. sanctions. At the very least, it provides a great deal of moral support and mitigates the sanction regime.

China is unlikely to react strongly to any U.S. action in the Middle East that does not touch an existential interest, namely energy security. Otherwise, “[a]lthough important, [the Middle East] is further down the [Chinese Community Party’s] hierarchy of priorities (after the homeland,



UAE government officials attend a June 2021 virtual workshop on 5G technologies with Huawei. (trda.gov.ae)

Taiwan, Tibet, and East Asia).⁶ China will look for opportunities where it thinks it can find them without triggering a significant response, but Beijing does not appear willing to commit significant resources to the region, instead husbanding them for its more critical priorities.

The United States has three layers of choices to make in its relationship with China in the Middle East. First, does it see this relationship as fundamentally cooperative or confrontational? Second, does it intend to try to prevent Chinese encroachment into a traditional U.S. sphere of influence, or does it intend to

let economic and security arrangements evolve naturally? Finally, does the United States intend to continue to use military power as its primary instrument in the Middle East, or does it see a way to further economic engagement?

U.S. policy towards China is now largely one of competition and confrontation.⁷ However, the Middle East does not have to be one of the competitive arenas. The United States has fewer and less compelling interests in the Middle East than in the past. Meanwhile, China is more and more reliant on Middle Eastern oil. Unless Washington intends to use

6 Mercy A. Kuo, "China and the Middle East: Conflict and Cooperation: Insights from Guy Burton," *The Diplomat*, December 1, 2020, <https://thediplomat.com/2020/12/china-and-the-middle-east-conflict-and-cooperation/>.

7 Peter Martin, "Biden's Top Man in Asia Says the Era of Engagement with China is Over," *Bloomberg*, May 26, 2021, <https://www.bloomberg.com/news/articles/2021-05-26/biden-s-asia-czar-says-era-of-engagement-with-xi-s-china-is-over>.

access to energy as a source of leverage against Beijing—a policy that has never been proposed—then both parties could maintain a level of strategic neutrality in the region. The United States has the dominant position, but wishes to commit fewer resources, while China’s commodity vulnerability makes confrontation foolish.

The United States could, then, find ways to gracefully accommodate some Chinese interests, particularly as Washington seeks to off-ramp its own commitments (though perversely often to free up resources to confront China more directly). The United States and China could agree to ensure that the Middle East remains a stable source of energy for all Asian powers, including China and U.S. partners and allies such as South Korea, Japan, and Taiwan. This does not mean that Washington—or private U.S. firms—could not choose to compete more forcefully for Asian energy markets both to increase revenues and to generate dependencies on the United States. Since the United States no longer consumes these resources, and in fact competes with them, Washington can easily acquiesce to their continuing to flow freely to Asia—and assuming some type of accommodation with Iran, there would be no state with an interest in

preventing that free flow.⁸ As has been noted, China appears primarily interested in relationships with resource-rich states and appears to have little interest in the instability that characterizes the Levant.⁹

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However, Chinese telecom encroachment into the infrastructure of traditional partners will cause a significant shift in traditional U.S. relations with Gulf States who adopt this standard. It is difficult to see how a strategic reassessment can now be avoided, as the deal between Huawei and the UAE, in particular, seems difficult to unwind.¹⁰ It may be that to discourage adoption by other Middle Eastern states harsh measures need to be taken against Abu Dhabi, demonstrating that

⁸ Save perhaps the United States itself, if it wanted to increase its own market share for either financial or geopolitical reasons.

⁹ Jesse Marks, “China’s Pursuit of a ‘Strategic Fulcrum’ in the Middle East,” Middle East Institute, September 15, 2020, <https://www.mei.edu/publications/chinas-pursuit-strategic-fulcrum-middle-east>.

¹⁰ “UAE Telecom DU Sees no Evidence of ‘Security Holes’ in Huawei’s 5G technology: CTO,” *Reuters*, October 6, 2019, <https://www.reuters.com/article/us-huawei-tech-emirates-du-idUSKCN1WL0A4>.



even being a traditional partner doesn't spare one from the consequences of adopting Chinese telecom infrastructure. Intelligence sharing and access to high-end technology, such as the F-35 program, may need to be severely curtailed. In this sense, competition may well be extremely confrontational, as the U.S. seeks to maintain its sphere of influence and traditional partnerships against Chinese encroachment.¹¹

It is possible, then, to see a nuanced China policy in the Middle East, in which the United States encourages—but no longer secures—the free flow of oil and competes with China for markets and business partnerships, all while sanctioning and/or disengaging from states that adopt Chinese telecom.

Regardless of the approach taken by the United States, it should be tightly

synchronized across the “interagency,” so all government branches are speaking with a singular voice. Historically, some “tribes” in government have not been as synchronized with mainstream U.S. Middle East policy. As laid out in the earlier report, there should be a representative of the China desk sitting in all significant Middle East interagency meetings to monitor equities. Middle East policy should be subordinate to and reflect the priorities of China policy. Similarly—but more controversially—a flag officer reporting to Indo-Pacific Command should be embedded in Central Command (and receive carte blanche from the Secretary of Defense to attend all meetings) to similarly ensure primacy of the Pacific. Other liaisons may be required in other locations of the U.S. government to ensure synchronization.

¹¹ Simone Ledeen and Morgan Lorraine Vina, “China’s Unconventional Weapons are Winning the Middle East,” *The Hill*, February 4, 2021, <https://thehill.com/opinion/international/537180-chinas-unconventional-weapons-are-winning-the-middle-east>.



Changing American Diplomacy

The State Department—as currently constituted—is incapable of being at the forefront of U.S. interests in the Middle East. In fact, it is unclear whether its culture can be changed on a timeline that permits it to do so in the coming decade.

This is not to downplay the very real talent throughout the ranks of the State Department. While accusations of the human capital being overly white, male, Northeastern, and “stodgy” all have merit, the Foreign Service remains one of the elite institutions of the U.S. government. The problem is one of culture. Further, these cultural issues are particularly toxic when it comes to “hardship” postings, which a significant number of Middle East postings are. The current culture works just fine in more traditional postings, such as major Western European capitals.

The primary problem in State Department culture is an inability to properly manage risk, accepting prudent risk as a cost of doing business. This cultural problem was recognized most recently and powerfully in the Council on Foreign Relations report on “Revitalizing the State Department and American Diplomacy.”¹² The report quite accurately diagnoses “overcoming

a prevailing culture of risk aversion as one of the State Department’s most serious challenges.” The report follows in the wake of a more explicit—and courageously bold—article by retired Ambassador and Assistant Secretary Anne Woods Patterson, who coldly proclaims that “the State Department has become profoundly reluctant to put people in harm’s way, under any circumstances.”¹³ The effect of this risk aversion means, in Patterson’s words, “that we know less—in fact, we are blind in critical countries.”

Certainly, no one wishes that any State Department personnel come to harm, but advancing U.S. interests around the world can be an inherently dangerous undertaking. To be brutally cold, we need to steel ourselves to lose Foreign Service Officers (FSOs), and even ambassadors, just as we do military servicemembers. Service in an embassy is not combat, but there is an inherent level of risk that must be accepted. While the loss of an ambassador is particularly tragic, in some ways, that is the “cost of doing business” for a great power in a multipolar and unstable world.

12 Uzra S. Zeya and Jon Finer, “Revitalizing the State Department and American Diplomacy,” Council on Foreign Relations, Council Special Report #89, November 2020, https://cdn.cfr.org/sites/default/files/report_pdf/csr89_final.pdf.

13 Anne Woods Patterson, “We Have to Be There,” *The Foreign Service Journal*, September 2019, <https://afsa.org/we-have-be-there>.

The possibility of losing an ambassador became incredibly politicized in the wake of the killing of U.S. Ambassador to Libya Chris Stevens at Benghazi. However, risk aversion predates Benghazi. In some ways, events in Libya can be seen as the latest drumbeat in a series of attacks on U.S. diplomatic facilities: the 2004 al Qaeda attack on the Jeddah Consulate, the 1998 al Qaeda bombings in Kenya and Tanzania, the 1983 Beirut Embassy bombing, and the 1979 seizure of Embassy Tehran. Threats to U.S. diplomatic personnel are not imagined. However, effective diplomacy requires working through and despite these threats, not retreating into a defensive crouch. This will require inoculating an administration and the general public to the possibility of diplomatic losses—political theater like that which surrounded the Benghazi investigations is deeply destructive to effective diplomacy.

America's adversaries and competitors have no issue putting people on the ground to advance their agendas and gather local knowledge. When U.S. diplomats are unable to leave the embassy grounds, can communicate only by phone, and are absent from important meetings with local notables, they can only be so effective. From the perspective of the countries in the Middle East, if only a few key personnel can meet in person, then many political actors will not have direct access to understand

U.S. priorities. Just because a few senior individuals at the pinnacle of a foreign government understand what Washington wants does not mean that they will see fit to disseminate that information broadly. Or—again in Patterson's words—U.S. diplomats are “cut off from ministries, NGOs and the business community, and from the country's citizens.”¹⁴

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It is a commonplace to blame Diplomatic Security (DS), the Bureau charged with the physical security of State Department persons and facilities, for this zero-defects, risk-averse culture. In his account of the U.S. effort in Afghanistan, journalist Rajiv Chandrasekaran writes, “The most powerful person on the embassy compound was not the ambassador but the head of the security office. His goal was to ensure that nobody working for the embassy was killed or wounded,

¹⁴ Patterson, “We Have to Be There.”



Ruins after the 1998 terrorist attack on the U.S. Embassy in downtown Nairobi, Kenya. (state.gov)

which resulted in a near-zero-risk policy that kept diplomats and USAID officers from doing their jobs most effectively.”¹⁵ Perhaps, a serious look at the culture of the Diplomatic Security Bureau is in order. However a risk-averse culture did not originate in the DS Bureau, and it could be broken with decisive leadership from State Department’s “seventh floor.”

Putting “the State Department in the lead,” as the phrasing goes, is unfortunately a distant goal, but measures can be taken immediately to put the Department on a path to that level of capability. Putting more FSOs in the field more regularly would be

a good first step. An important corollary to this step is finding a way to stabilize the staffing in more expeditionary embassies. The constant churn—usually on one-year tours—of FSOs and other government personnel in “hardship posts” like Saudi Arabia, Iraq, and Pakistan is a serious detriment to situational awareness and implementation of national policy. The State Department could demand longer terms of service in these hardship posts, making it a de-facto requirement for advancement to the Senior Foreign Service. Alternatively, one-year tours in these posts could be partnered with tours in a highly desirable embassy, so

¹⁵ Rajiv Chandrasekaran, *Little America: The War Within the War for Afghanistan*, (New York: Alfred K. Knopf, 2012), p. 176.

an FSO might do three one-year stints in Embassy Baghdad or Islamabad, but with a one- or two-year position at Embassy Paris or London in between.¹⁶ This would permit stabilization of any family involved, perhaps for almost a decade, at a highly desirable location, while a group of two or three FSOs rotate through the same “billet” in the hardship post.

Of course, personnel and culture changes are necessary but not sufficient. The State Department will need more resources, access to transportation, and perhaps authorities to truly become the lead agency in the Middle East, wresting that title from Central Command (and in some locations, the Central Intelligence Agency) after many decades.

Finally, putting diplomacy “in the lead” will require an acknowledgment of other states’ interests and an acceptance that—absent a military solution—they must be accommodated at least in part. The whole point of diplomacy is to achieve a mutually agreeable understanding. In such a negotiation, neither side departs with nothing. To have a policy based on “mutual respect of each other’s national interests”¹⁷ may be a new phenomenon in the Middle East, but one that might permit a change to emerge.

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The key for the United States will be acceptance of the national interests of another state. Is the United States prepared to sympathetically listen to the interests of regional states and admit that they must be acknowledged and accommodated—at least in part—in order to reach agreement? Is the United States prepared show respect—as part of the process of demanding reciprocal respect—to the national interests of Ankara or Tehran? Such a process inevitably describes compromise, finding mutually agreeable solutions and minimizing the zone of conflict between states. Diplomats understand this intuitively, but compromise with unsavory actors often does not “sell well.”

¹⁶ For example, an FSO moves his/her family to Embassy Paris and spends years one and two there. Then, he/she spends year three at Embassy Baghdad, years four and five in Paris, year six in Baghdad, years seven and eight in Paris, year nine in Baghdad.

¹⁷ Henry Kissinger, *Diplomacy*, (New York: Simon & Schuster, 1994), p. 817.



U.S. Secretary of State Antony Blinken at a June 24, 2021 meeting with Libyan interim Prime Minister Abdulhamid Dabaiba, in Berlin, Germany. (State Department/Flickr)

Particularly given the “maximum pressure” campaign against Iran and the growing congressional hostility to Turkey, it seems unlikely that diplomacy could be “put in the lead” here. Perhaps in terms of a grand bargain, but having everyday matters settled outside of ideological frames seems unlikely.

In addition to a State Department willing to assume risk to create a settlement, a diplomatic lead requires a United States willing to accept negotiated

compromises. This will require a politics less unilateral and uncompromising, to let diplomacy rather than military force be the determinant. The United States can disengage from military primacy in the region, but if Washington intends to empower a bureaucracy that exists to create negotiated settlements, then it will then have to accept—and even embrace—a policy of negotiated settlements.



Reducing Military Missions and Basing

As raised in the previous report, numerous military missions in the Middle East no longer serve any tangible U.S. interest. By its own admission, Israel no longer faces a conventional threat—as recent events have shown, all the U.S. assets in the region cannot deter Hamas. Nor is there any longer a critical national interest for the United States to secure oil tankers in the Persian Gulf and Strait of Hormuz. While Iran remains a regional threat, it is hard to envision a scenario in which it uses large formations of troops which U.S. airpower or ground formations could effectively counter. A serious reassessment is in order.

The United States' key remaining interest with a military component is the deterrence and/or destruction of small, sub-state forces. To date, that has been against al Qaeda and the Islamic State and affiliated groups. The 2001 Authorization for the Use of Military Force (AUMF) is specifically tailored to these groups—and has survived all attempts at repeal. In addition, the United States has struck against militia groups affiliated with the Iranian Revolutionary Guards Corps (IRGC)—using Article II powers, in the absence of an AUMF covering these groups. Strikes against these groups are

intelligence-driven and usually delivered by air, so the legacy basing and force structure currently extant holds little utility against these threats.

Military forces are used to build capacity of regional militaries, most notably the Iraqi Counter Terrorism Service, Army, and Peshmerga, as well as the Syrian Democratic Forces. The numbers involved in these missions are small and could be supplied very unconventionally. The 2,500 troops in Iraq and fewer than 1,000 in Syria do not require a robust basing structure or supply line, given their mission sets.

Legacy bases such as Camp Arifjan in Kuwait and the Fifth Fleet Headquarters in Bahrain appear to be unsuited for these missions. The former—a sprawling military base used to rotate forces in and out of Iraq, Afghanistan, Kuwait, and presumably Syria—has outlived its usefulness with the end of large-scale deployments in Iraq and Afghanistan. The smaller legacy forces in Iraq and Syria can be flow through Baghdad, Al Asad Airbase, and/or Erbil and do not require a major hub. Removing—or at least significantly downsizing—this sprawling land hub will send a clear signal that U.S. intentions are changing. It also removes



F-35 Lightning II aircraft. (State Department)

a key vulnerability, as Becca Wasser and Aaron Stein have forcefully argued, by removing a key potential target for Iranian missile strikes.¹⁸

A similar case can be made for the U.S. naval base in Bahrain, formally known as Naval Support Activity Bahrain. As Katie Wheelbarger and Dustin Walker have convincingly argued, naval assets are remarkably impotent at deterring Iranian activity and provide very limited assets against al Qaeda or ISIS, which could be delivered by other means.¹⁹ Further,

while naval assets can quite ably secure freedom of navigation in the Persian Gulf and Strait of Hormuz—that is, after all, a core naval mission—one begins to wonder why it is in the strategic interest of the United States to secure that freedom for Chinese oil.

The baffling nature of the United States performing this mission—maintaining sea lines of communication for the transportation of oil to East Asia—is multidimensional. First, why is the United States securing the oil supply line for its

¹⁸ Becca Wasser and Aaron Stein, “Small, Distributed, And Secure: A New Basing Architecture for the Middle East,” *War on the Rocks*, December 16, 2020, <https://warontherocks.com/2020/12/small-distributed-and-secure-a-new-basing-architecture-for-the-middle-east/>.

¹⁹ Kathryn Wheelbarger and Dustin Walker, “Iran Isn’t Afraid of B-52s and Aircraft Carriers,” *Wall Street Journal*, December 1, 2020, <https://www.wsj.com/articles/iran-isnt-afraid-of-b-52s-and-aircraft-carriers-11608593380>.

major geopolitical rival? Second, why is the United States using assets that could be deployed to more strategic terrain against that geopolitical rival? Third, why is the United States not forcing its geopolitical rival to secure its own lines of supply, presumably reducing its assets elsewhere? Finally, why is the United States underwriting the political risk inherent in purchasing oil from the region, rather than encouraging buyers to seek risk-free oil from Texas, creating dependence on the United States and increasing the U.S. trade balance? The United States could certainly ramp up production enough—given time and financing—to at least supply allies, such as Japan, South Korea, and India, if perhaps not all of China's energy demands. That the United States is using defense dollars to incentivize friends and enemies alike to not purchase U.S. oil is nonsensical.

Some might claim that letting the Chinese establish sea patrol in the Persian Gulf would be to concede too much influence in the area. However, it is unclear exactly what the United States might want to do with its influence, and this cost seems to be a fairly minimal one, especially as it would come at opportunity cost for Beijing. As the United States is painfully aware, each warship patrolling in the Persian Gulf is one warship not in the

South China Sea. Having the Chinese establish military bases in the Middle East may be painful, but so long as kept in an already established Chinese sphere of influence, this may be a necessary price of disengagement. Is it worth the considerable expense of maintaining a military presence simply to keep the Chinese military out?

Finally, the U.S. presence on Al Udeid Air Base in Qatar should be maintained. While land and sea forces are of limited utility, the ability of the United States to conduct airstrikes in support of partners and to deter Iran should be continued. Maintaining these air assets is a (relatively) low cost means for continuing to project limited military power in the Middle East. Further, the relatively warm relations between Iran and Qatar makes a strike on this base far less likely than on similar installations in other states. Unfortunately, the United States seems confused about the future of Qatar, as it simultaneously closes three bases and moves them to Jordan, but also seeks to establish a base for out-of-country training of Afghan forces.²⁰

20 J.P. Lawrence, "US military Shifts Army Basing from Qatar to Jordan in Move That Could Provide Leverage Against Iran," *Stars and Stripes*, July 1, 2021, <https://www.stripes.com/branches/army/2021-07-01/us-military-closes-qatar-camps-in-move-that-could-play-into-iran-policy-2009140.html>; and Rupam Jain, Alexander Cornwell, and Sabine Siebold, "NATO Approaches Qatar to Seek Training Base for Afghan Forces after Withdrawal," *Reuters*, June 14, 2021, <https://www.reuters.com/world/middle-east/exclusive-nato-approaches-qatar-seek-training-base-afghan-forces-after-2021-06-14/>.



Improving Government-Business Integration

The United States develops deep ties with its major trading partners, absent major geopolitical obstacles. There are many reasons that U.S. economic ties with the Middle East remain fairly anemic, absent oil services and military hardware. However, in the face of an obvious push from Beijing, Washington should debate the continuation of its relatively laissez-faire economic approach to the region or use governmental tools to attempt to blunt an obvious slow but certain Chinese economic encroachment into a traditionally U.S. sphere.

The Chinese have an obvious structural advantage: government control over economic activity. This centralized approach permits a unity of effort in Chinese activity that the United States simply cannot match. For example, it is obvious that every Chinese “development” official understands their mandate to set the groundwork for Chinese firms to gain long-term contracts. It is equally obvious that no U.S. development official thinks this way.

The Chinese also have the luxury of creating “turnkey” solutions that a

centralized government can bundle and offer. Through the Digital Silk Road, China can bundle inside its 5G infrastructure a complete package, “including cloud services, mobile payments, smart cities and social media applications.”²¹ These offerings, built around Chinese market leaders such as Huawei and ZTE, threaten to build a digital Middle East that is both inimical to U.S. standards and that serves as a stalking horse for Chinese intelligence-gathering.

The United States needs a more clear and coherent set of policy options to promote U.S. and other Western firms in establishing a foothold in the Middle East. While telecom is the most urgent need, other sectors can also serve to establish ties. One thinks especially of healthcare in the wake of the COVID-19 pandemic.

The creation of the new Development Finance Corporation, replacing the Overseas Private Investment Corporation (OPIC) and some functions of USAID, is a belated, though welcome, attempt to remedy at least some of these deficiencies and provides debt and equity financing, as well as political risk insurance. However, it

21 Jacob J. Lew and Gary Roughhead, “China’s Belt and Road: Implications for the United States,” Council on Foreign Relations, Independent Task Force Report No. 79, March 2021, p. 70.



Huawei headquarters in Shenzhen, China. (Wikimedia)

is unclear that these programs and levels of financing will be sufficient to energize a new U.S. approach, particularly given that these funds must cover the entire globe, including some higher priority regions.²²

A major obstacle to further integration is the business climate in the Middle East

nations themselves. Only the UAE and Bahrain crack the top 50 countries in terms of “ease of doing business.” Most of the Gulf States and Jordan hover in the next tier, while Lebanon, Iraq, Syria, and Yemen present an overtly hostile climate. Iran, with its U.S. sanctions regime, will be

²² “U.S. International Development Finance Corporation (DFC),” Congressional Research Service, January 20, 2021, <https://crsreports.congress.gov/product/pdf/IF/IF11436>.

off limits to U.S. firms for the foreseeable future.²³

Creating strong business ties will require cultural change in the U.S. government. Change here will be difficult as few U.S. bureaucrats in any organization dealing with foreign policy—defense, diplomacy, or development—have a deep understanding of business culture and how it might be promoted. U.S. officials dealing with the Middle East all receive regular paychecks and live within organizations that have neither profit motive nor bottom line. It is difficult to see how it might be otherwise, but this isolation from the economic mandates (some senior political appointees excepted) does present a huge obstacle to cultural understanding.

CHINA IS PROVIDING AN OBJECT LESSON TO THE UNITED STATES ON HOW SUCCESSFUL COMMERCIAL DIPLOMACY CAN BE.

Nonetheless, strong leadership from senior leadership—particularly in the Departments of State and Defense—could help implement cultural change.

The need is particularly acute at USAID, the frontline development agency. Focusing the agency on promotion of U.S. norms and standards in both physical and intangible infrastructure (law, regulation, processes) will be necessary to maintain U.S. regional influence. Those who know the culture of the development agencies will recognize the degree of difficulty that this change will engender, to the point that wholesale restructuring may need to be entertained. It is not clear that the current USAID workforce would be prepared to execute such a tasking. Rating Foreign Service Officers—at both State and USAID—on their successes in bringing contracts to completion for U.S. firms would be a primitive and problematic metric, but perhaps necessary as a forcing function.

China is providing an object lesson to the United States on how successful commercial diplomacy can be. The United States has large structural obstacles to replicating that success—namely the firewalls between U.S. firms and government, intelligence agencies in particular. Steps must nonetheless be taken to replicate Chinese efforts as best possible.

23 “Doing Business 2020: Ranking of the African and Middle Eastern countries,” *Atlas Magazine*, December 20, 2019, <https://www.atlas-mag.net/en/article/doing-business-2019-ranking-of-the-african-and-middle-eastern-countries>.



Interacting with Authoritarian States

Dealing with the stubborn reality of authoritarian governments will be the most difficult recalibration. The rise of sub-state actors presents an additional difficulty for these states, as the “Arab Spring” demonstrated. Simply put, rule by certain families—to name names, the bin Sauds and bin Salmans in Saudi Arabia, the Hashemites of Jordan, the al Thanis of Qatar, the al Khalifas in Bahrain, the al Nayhans of UAE, and the Barzanis of Iraqi Kurdistan—has been the norm since the modern founding of these states. While this is the only form of government these Middle Eastern states have known, it is important to remember just how young these states are. With lifetimes measured in mere decades, these states can hardly be said to be “stable” in their current configurations.

The instability of these states was highlighted by the emergence of the Arab Spring, putting elected governments into Tunisia and (temporarily) Egypt. Unsuccessful uprisings were crushed in Bahrain and Libya, and Syria and Yemen fell into civil war, with or without the death of the previous ruler.

The nature of these authoritarian states creates a dilemma for the United States

and its policy. First, there is a moral and human rights argument. Most graphically, with Saudi Arabia, the problem can be summed up with names like Raif Badawi, Nimr al Nimr, and Jamal Khashoggi. The Saudis—particularly under Crown Prince Mohammed bin Salman—have been quite notable for imprisoning, executing, and assassinating (respectively) their peaceful dissidents. Other states—and not just in the Arab world, but in Iran, Turkey, and Israel as well—have demonstrated tendencies for serious human rights abuses. The United States has a real tension in terms of human rights issues—most recently demonstrated by concerns about weapon sales to several of these states.

However, even if one makes a purely realist argument for engagement with these states, there is still an issue between the regime that exists today and a non-authoritarian (or at least a different flavor of authoritarian) one that may exist in the future. Put simply, the United States has been down this road before, backing the authoritarian regime out of realist interests. U.S. backing of leaders in Iran, Nicaragua, and Cuba should be cautionary tales about such a realist assessment. Authoritarian regimes are inherently



In October of 2020, then Secretary of State Michael Pompeo announced the establishment of a Strategic Dialogue with the UAE. (State Department)

unstable, even if the means by which transition will occur is underdetermined.

The constellation of existing Middle East states—particularly the bulk of the Arab ones—presents the United States with a dilemma in terms of balancing current and future interests. To use the most striking example, what level of support and engagement should the United States have with Bahrain when the ruling (Arab Sunni) minority regime is accused of repressing the bulk of its (Arab Shia) citizenry?²⁴ Should Bahrain one day

achieve majority rule, what will the new regime think of U.S. support of the previous government? Similar questions could be asked about the Kingdom of Saudi Arabia and its abuse of the Arab Shia citizens of its Eastern Province.²⁵ At the same time, the U.S. must deal with these governments as they exist, though it could choose a more distant approach.

This calculus is made more difficult by the fact that authoritarian states are more able to choose to align with U.S. interests. To use the most obvious example, the

24 “Bahrain: Stop Denying Abuse of Detained Children,” Human Rights Watch, June 7, 2021, <https://www.hrw.org/news/2021/06/07/bahrain-stop-denying-abuse-detained-children#>.

25 Aya Batrawy, “Saudi Man Accused of Participating in Rebellion Executed,” *Associated Press*, June 15, 2021, <https://apnews.com/article/saudi-arabia-middle-east-religion-abb04851c81ae58592fd65db2d6f543d>.



Israeli Alternate Prime Minister and Defense Minister Benjamin “Benny” Gantz signs Secretary Blinken's Guest Book during his June 3, 2021 visit to the U.S. Department of State in Washington. (State Department)

signatories of the “Abraham Accords” are able to join to the extent that they can ignore the opinion of their citizens. The United Arab Emirates and Bahrain are effective police states and can disregard public opinion. Meanwhile, those states with at least limited public accountability have been openly contemptuous of the Accords. One can see this most powerfully in Iraq, which has—for all its flaws—perhaps the most representative government among Arab states. While Iraq works with the United States on many files, no Iraqi government could ever consider “signing on” to

the Abraham Accords due to popular sympathy with the Palestinian cause. Even limited electoral accountability limits the freedom of elites to comply with U.S. preferences. This dynamic puts the United States in a very awkward position of having its agenda in the Middle East tied to—and therefore contingent on—the continuance of authoritarian states. This tension is perhaps at the core of American confusion in the region. Promotion of democracy appears to be correlated with promotion of views opposed to at least some U.S. interests.

Interactions with authoritarian governments will continue to be complicated for the United States. There is likely no “one size fits all” approach. Some states may be sufficiently critical to U.S. interests that they must be dealt with regardless of government—Turkey comes to mind. Other states may be of more limited importance, and the authoritarian government can be isolated. However, the tragedy of Syria also stands as a warning against going too far in this direction. Too much isolation can lead to tragedy—and loss of influence.

The domination by authoritarian states simply makes the region more complicated for the United States. While there are short-term advantages to dealing with friendly authoritarians, the immediate human rights concerns and the possibility of regime change present risks to this approach. The United States cannot live in a world where only concerns of “human security” matter. Conversely, Washington must acknowledge the nature of the states it has to deal with, and weigh responses accordingly.

THE UNITED STATES CANNOT LIVE IN A WORLD WHERE ONLY CONCERNS OF “HUMAN SECURITY” MATTER.

It may be that actual policy approaches may differ little once significant analysis is done. However, it is important that should the United States feel it has to support and work closely with an authoritarian regime that the Faustian bargain is acknowledged. And the United States should always be looking for an alternative. While U.S. interests may require short-term compromises, reduced emphasis on the Middle East—grounded in the U.S. status as an energy exporter—may provide more freedom of maneuver and ability to stand on principle. This freedom could lead to a greater ability to sanction individuals and leaders responsible for significant human rights abuses.



Conclusion

The United States requires a new approach to the Middle East. The changing baseline situation requires adaptation, which the United States has been—to date—reticent to do.

This report recommends that the United States more seriously compete with China in the Middle East. While the other recommendations can stand on their own, they can also be read as supporting recommendations as to how to better compete with China in the Middle East. Arguably, China is executing in the Middle East what earlier U.S. administrations would have called a “smart power” strategy, using the lure of economic advancement and trade deals to build influence.

The United States must learn to compete much more effectively in this arena. All the aircraft carriers and special forces in the region have not prevented the UAE from installing Huawei’s 5G infrastructure, effectively losing that state to Chinese intelligence. Competing effectively will require Washington to put much more emphasis on diplomacy and business/economics and to progressively work to downsize the American military presence—and therefore military primacy—in the Middle East.

**PUTTING DIPLOMACY IN
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Putting diplomacy in the lead will require major cultural change in the State Department, primarily dealing with the acceptance of prudent risk. The Department must end its de facto zero-risk culture and be willing to put FSOs in harm’s way in the furtherance of U.S. national interests. Absent this willingness to be in contact, gather information, and learn the governing culture, there is no hope of ever putting “diplomacy in the lead.” Absent cultural change, no amount of budget increase can make a significant difference.

The American military presence in the region should be downsized. Some of the military assets and basing are superfluous, such as the support facility at Camp Arifjan. Some of the military presence is strategically puzzling, such



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as the significant naval presence that underwrites the political risk inherent in Middle Eastern oil, reducing the attractiveness of Texas crude. A more minimal presence of requested and hosted trainers with key partners, special forces in key locations, and an air presence to overwatch it all should be more than sufficient. In addition, there should be a conscious effort to reduce the influence of the U.S. military's Central Command, permitting diplomatic and economic interests to flower. This may well include tasking military transportation assets to support other agencies.

The United States must overcome cultural, and the occasional legal, barrier to assist its business community. Particularly with regards to technical infrastructure—as the Huawei 5G backbone painfully

illustrates—U.S. national interests are deeply tied to the success of American, or at least friendly Western, firms. While Washington cannot promote one firm over another, it can give a higher priority to its commercial attachés and economic bureaus. Critically, development agencies must be retooled to understand and prioritize how its programs “pave the way” for the entry of U.S. business interests. The whole-of-government must see itself in a public-private partnership with U.S. industry writ large.

Finally, Washington must recognize the particular challenge that the Middle East presents when an overwhelming majority of the states are governed by authoritarians. While the United States must deal with such regimes at one level, at another, it cannot view them as having



President Joe Biden and Russian President Vladimir Putin meet at a June 16, 2021 summit in Geneva. (ShareAmerica.gov)

significant legitimacy, absent some means of representational governance. The United States must concern itself not only with human right issues in these states—and the list of abuses in several is long—but also with the reputational risk of having supported the authoritarian government when and if a new government appears.

The need for change is obvious. A revised U.S. posture that puts a revitalized State Department out in front, that is focused on commercial and business concerns, that has reconfigured and thinned its military posture, and that recognizes the dilemmas of dealing with inherently illegitimate authoritarian states will be best postured to counter—and in rare

cases, cooperate with—Chinese interests in the region. This administration and its successor will need a long-term plan to successfully transform U.S. regional posture and approaches successfully. It will have much more room to maneuver, absent the critical interest in U.S. oil that constrained past administrations. 🦅



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.

A Virginia resident 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
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