Cato Handbook for Policymakers

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52. U.S. Policy in the Middle East

Policymakers should

- embrace a policy of ''constructive disengagement'' from the Middle East by de-emphasizing U.S. alliances in the Middle East, especially with Saudi Arabia and Israel, and by drawing down the American military presence in the region;
- recognize that the current round of peace talks between Israel and Palestine are not expected to yield real results in the short term;
- understand that the Persian Gulf states cannot effectively use the ''oil weapon'' against the American economy; and
- avoid taking a leading role in resolving regional conflicts given that such efforts have produced an anti-American backlash.

For many decades, successive U.S. administrations have defined U.S. national security interests in the Middle East as ensuring access to Middle East oil, containing any aspiring regional hegemonic powers, and limiting the proliferation of weapons of mass destruction. Washington has tried to achieve this complex set of goals primarily through a network of informal security alliances—especially with Israel, Saudi Arabia, and Egypt. Americans have also attempted to broker peace between the Israelis and the Palestinians; Presidents George H. W. Bush and Bill Clinton both viewed resolution of the conflict as a central component of U.S. policy in the Middle East and attempted to expand the American role in the peace process on the assumption that a resolution of the conflict would reduce the appeal of anti-Americanism and contain the radical forces in the region.

After 9/11, U.S. strategy in the Middle East changed dramatically. George W. Bush came into office intending to make a sharp break from his predecessors, and 9/11 facilitated a shift toward using military might to transform the balance of power in the region. The new administration

will likely choose between Bush's example, employing or threatening the use of force to topple obstreperous regimes, or else revert to the policies of his predecessors, cajoling and pleading with the region's leaders to make peace. Given that neither approach has advanced U.S. security and yet has been very costly, the better option would be to chart an entirely new course.

American Security Alliances in the Middle East

Countries in the Middle East receive a disproportionate share of U.S. aid (See Table 52.1). The leading recipient of aid is Israel, but several other countries in the region, including Egypt and Jordan, are awarded hundreds of millions of dollars annually from U.S. taxpayers. The Near East region as a whole, which includes North Africa and the Persian Gulf States, received $5.26 billion in 2008, more than all of Africa ($5.19 billion), and nearly eight times the amount of aid delivered to East Asia.

The costs of U.S. policy in the Middle East are not confined to foreign aid, however. Economists have calculated that the deployment of the U.S.

Table 52.1
Top 10 Recipients of U.S. Foreign Aid in FY08

Country	Total U.S. Aid (millions of U.S. dollars)	Population Mid-2007 (millions)	Average U.S. Aid per Capita (U.S. dollars)
Israel	2,380	7.3	326.02
Egypt	1,706	73.4	23.24
Afghanistan	1,058	31.9	33.16
Pakistan	738	169.3	4.36
Jordan	688	5.7	120.70
Kenya	586	36.9	15.88
South Africa	574	47.9	11.98
Colombia	541	46.2	11.71
Nigeria	491	144.4	3.40
Ethiopia	456	77.1	5.91

SOURCES: U.S. Agency for International Development, ''Congressional Budget Justification for Foreign Operations FY 2009 Budget Request,'' February 29, 2008. Calculations based on FY 2008 estimates and Population Reference Bureau, ''2007 World Population Data Sheet.''

NOTE: According to USAID estimates, Iraq received a total of only $21 million under three different programs in 2008; most reconstruction assistance to Iraq originates elsewhere, including the Iraq Relief and Reconstruction Fund, and the bulk of those monies were disbursed before 2008.

military to safeguard oil supplies from Saudi Arabia and the rest of the Persian Gulf—particularly since the first Gulf War—costs the United States between $30 billion and $60 billion a year. That calculation does not reflect the costs of the war against Iraq and the continuing occupation of that country. And no statistic can capture the high costs America is paying in the form of extreme anti-Americanism among Arabs and Muslims because of Washington's support for Israel and Saudi Arabia. The stationing of U.S. forces in Saudi Arabia after the first Gulf War is known to have stirred such deep hostility that Osama bin Laden made it the initial focus in his campaign to recruit Muslims from around the globe to attack Americans.

Unfortunately, the Bush administration's move to end the deployment of U.S. troops in Saudi Arabia in August 2003 was not part of an American strategy to disengage from the region, but rather was intended to relieve some of the political pressure on the Saudi royal family. As long as Washington continues to cling to the assumption that it must maintain a dominant military posture in the Persian Gulf, it will be unable to resolve the dilemmas it is currently facing. The alliance with the ruling Arab regimes and the U.S. military presence in the region will continue to foster anti-Americanism and may force the United States into more costly military engagements. Meanwhile, an effort to accelerate ''democratization'' would likely fail in the near term and could pose a very serious threat to U.S. security in the medium to long term. Given the virulent anti-American sentiments in Saudi Arabia and throughout the Middle East, a government that represented the wishes of the Saudi people could well choose to support al Qaeda or other anti-American terrorist groups.

Redefining of the U.S. Role in the Israeli-Palestinian Peace Process

The first President Bush convened the Madrid Peace Conference in October 1991, while the Clinton administration backed direct negotiations between Israel and Palestine. These negotiations led to the 1993 Oslo Accord between Israel and the Palestinian Liberation Organization, and to a peace accord between Israel and Jordan. However, President Clinton's attempts at mediating a comprehensive peace accord between Israel and the Palestinians during the 2000 Camp David peace summit failed. The core issues—the future of the Jewish settlements in occupied Arab territories, the fate of Jerusalem and its holy sites, and the ''right of return'' demanded by Palestinian refugees that had left Israel in 1948—remained

unresolved. Furthermore, the breakdown of U.S.-led negotiations produced a backlash in Israel where Ariel Sharon was elected prime minister in 2001, and in the Palestinian territories where Hamas gained ground against the more moderate Fatah. This set the stage for a new Palestinian uprising and the continuance of the vicious circle of anti-Israeli terrorism, accompanied by Israeli military retaliation.

The collapse of the Camp David talks and the start of the second intifada, followed by 9/11, demonstrated the high costs Americans would have to pay to maintain a dominant position in the Middle East, both as a military power and as a promoter of the peace process. Thus, in the aftermath of 9/11, policymakers advanced two alternative approaches.

On the one hand, then–secretary of state Colin Powell argued that by reembracing the activist pro-Mideast peace process diplomacy of his predecessors, and by asserting U.S. leadership in a new international effort to revive Israeli-Palestinian negotiations, Washington could counter anti-Americanism and stabilize its position in the region. In particular, Powell promoted the Roadmap for Peace, presented by the ''quartet'' of the United States, the European Union, Russia, and the United Nations on September 17, 2002. Powell also wanted to provide support for the Arab peace initiative proposed by then–crown prince Abdullah of Saudi Arabia in the Beirut summit on March 28, 2002. The initiative spelled out a ''final-status agreement'' whereby the members of the Arab League would offer full normalization of relations with Israel in exchange for the withdrawal of its forces from all occupied territories to UN borders established before the 1967 war, and a recognition of an independent Palestinian state with East Jerusalem as its capital.

A competing point of view held that the promotion of Israeli-Palestinian peace should be placed on the policy back burner while American military power would be applied against radical players in the region, including Iraq and Iran. Officials in Washington assumed that the establishment of pro-American democratic governments in Baghdad and other Middle Eastern capitals would create conditions conducive to achieving Israeli-Palestinian peace. This alternative approach gained steam after 9/11. Israel was subjected to Palestinian terrorist attacks during the second intifada, and was considered a strategic ally of the United States in the war on terrorism and against rogue Middle Eastern regimes. Meanwhile, the Palestinian leadership, especially Palestinian Liberation Organization leader Yasser Arafat, was tainted with a stigma of terrorism.

The tilt toward Israel was revealed in 2002 when George W. Bush met several times with Israeli Prime Minister Ariel Sharon, whom he called

''a man of peace,'' and repeatedly refused to meet with Arafat. Bush gave Sharon a green light to launch a large-scale Israeli military operation in the West Bank in March 2002, in response to a terrorist attack in the Israeli coastal city of Netanya. He also backed Tel Aviv's decision to construct a security fence in the West Bank and to withdraw its troops from the Gaza Strip.

The Bush administration's approach combined accelerated democratization and peacemaking, but these goals proved incompatible. While Washington wanted new Palestinian leaders who would make peace with Israel under American supervision, several knowledgeable observers predicted that free elections in the Palestinian territories were likely to elevate anti-Israel forces to power.

And indeed that is exactly what happened with the Palestinian parliamentary elections in January 2006. The radical Islamist Hamas movement, bitterly anti-American and unremittingly hostile toward the peace process, defeated the more moderate but corrupt Fatah movement, winning a majority in the Palestinian Legislative Council. Despite the fact that Washington had pushed Palestinian President Mahmoud Abbas to hold the elections, U.S. policymakers belatedly reversed course. Washington refused to recognize the newly elected government and, together with Israel and the European Union, cut off all funds to the Palestinian Authority, insisting that economic aid to the Palestinians would be resumed only after Hamas ended violence and recognized Israel. The American and Israeli governments also encouraged the Fatah leadership to form a separate Palestinian government in the West Bank in June 2007 while Hamas remained in control of the Gaza Strip, a messy divorce that precipitated frequent violent clashes between Hamas and Fatah forces. Israeli forces and Hamas guerrillas, meanwhile, continued to exchange fire through 2008, although Egyptian mediation helped broker a cease-fire between the two sides in June 2008.

Washington's abortive attempt to implant democracy in Palestine as a means of creating conditions for peace in the Middle East reveals how U.S. policies have often worked at cross-purposes. The ousting of Saddam Hussein and the coming to power of a Shiite-controlled government in Baghdad helped tilt the balance of power in the Persian Gulf to Iran, a country that does not recognize Israel and opposes the peace process. In the Levant, in addition to the Hamas victory in the Palestinian elections in early 2006, a series of other developments that were initially welcomed by the Bush administration (for example, the parliamentary elections in

Lebanon and the 2006 Israel-Hezbollah war), helped strengthen the power of Iran's satellite, the Hezbollah movement. In a way, the road from Baghdad did lead to Jerusalem, but not as the Bush administration expected it would. Instead, Bush's policies eroded U.S. power and influence, and Washington's ability to help bring peace to Israel-Palestine waned even further. This was definitively confirmed at the hastily convened conference held in Annapolis, Maryland, in November 2007, when the Bush administration tried, but failed, to use the perceived common threat from Iran as a way to encourage Israelis and Arabs to overcome their wide differences on the core issues of the Palestinian-Israeli conflict.

Given the manifest failures of the Bush administration's policies, the new president will have a strong incentive to reembrace a variation of the Powell approach, consistent with the policies of the first Bush and Clinton administrations. But a truly different approach is warranted. Trying to maintain a diminishing U.S. position in the Middle East by engaging in the mission impossible of resolving the local conflict there is obviously imprudent. Like other subregional conflicts that pose no direct threat to core U.S. national interests, the situation should be left to those local and regional players with direct interest in these conflicts. A U.S. policy of ''benign neglect'' would provide incentives for local and regional actors to assume a larger role. These entities could ''manage'' the situation in the short and medium term, while trying to advance plans for a long-term resolution of the dispute.

That process has already begun. As U.S. diplomatic power has eroded in the region, other regional players have stepped forward. The deals brokered by Egypt for an Israeli-Palestinian cease-fire, Qatar's effort to achieve a compromise between the warring factions in Lebanon, Turkey's mediation between Israel and Syria, and even Iran's aid in mediating between the warring Shiite factions in Iraq should be welcomed. The U.S. government should factor aid from regional actors into the equation as part of a long-term strategy for ''constructive disengagement'' from the Middle East.

Americans who continue to push for a peace settlement should recognize that the pro-peace factions in both Israeli and Palestinian societies are weak and divided; many Palestinians and Israelis are still ready to pay a high price in blood for what they regard as a fight for survival. A settlement can be possible only when the majority of Israelis and Palestinians recognize that their interests would be best served by negotiation and peaceful resolution of the conflict, and when the minority on both sides who vehemently oppose negotiations can no longer derail the peace process.

In the meantime, many Israelis and Palestinians are interested in keeping the United States entangled in the conflict. Few seem prepared to resolve the conflict on their own. However, the U.S. government does not have to sustain the same level of involvement in the conflict that it maintained during the cold war. No Arab regime can present a serious threat to Israel, whose military is unchallenged in the Middle East. Considerable American military aid to Israel might have been justified in the context of the cold war, but is unnecessary and even harmful under present conditions. U.S. policymakers should withdraw financial assistance to the Palestinians, and phase out aid to Israel. The latter step would create an incentive for Israel to reform its economy, which has become far too dependent on financial support from the United States. Removing this support would also encourage Israel to integrate itself politically and economically into the region.

Meanwhile, U.S. direct involvement in the Israeli-Palestinian conflict does not advance American national interests. Washington should reject demands to internationalize the conflict between Israelis and Palestinians, which implicitly assume that the United States must be responsible for resolving it and paying the costs involved. Instead of complaining about the failure of the United States to make peace in the Middle East, and warning Americans of the dire consequences of failure, the Arab states should recognize that it is in their national interests and that of the long-term stability of the region to do something to resolve the Israeli-Palestinian conflict in a regional context. With its geographic proximity to the Middle East, its dependence on Middle Eastern energy resources, and the large number of Arab immigrants living in major European countries, the European Union also has a clear stake in a more peaceful Middle East. U.S. policymakers should encourage the EU to take a more active role in the region.

A decision to adopt a more low-key approach toward the Israeli-Palestinian conflict makes sense in the context of a wider U.S. strategy of ''constructive disengagement'' from the Middle East. Had Washington embraced such a policy at the end of the cold war, it could have slowed or reversed the rise of anti-Americanism. Washington's repeated, high-profile failures to deliver a peace agreement spurred continuing opposition to the U.S. military presence in the region and created the environment that gave rise to the terrorist plots of 9/11.

Change in the Long-Term Strategy in the Middle East

Continuing support for American policies in the Middle East, even in the face of the obvious risks and dubious benefits, stems from the erroneous belief that American military involvement in the Middle East protects U.S. access to ''cheap'' oil. The notion that U.S. policy in the Middle East helps give Americans access to affordable oil makes little sense if one takes account of the military and other costs—including two Gulf Wars—that should be added to the price that U.S. consumers pay for driving.

Many Americans assume that the oil resources in the Persian Gulf would be shut off if American troops were removed from the region. But the U.S. military need not be present in the Persian Gulf to ensure that the region's oil makes it to market. The oil-producing states have few resources other than oil, and if they don't sell it to somebody, they will have little wealth to maintain their power and curb domestic challenges. They need to sell oil more than the United States needs to buy it, and once this oil reaches the market, there is no practical way to somehow punish American consumers. In short, the so-called oil weapon is a dud. Further, if political and military influence were truly required to keep oil flowing, consumers in western Europe and Asia—who are far more likely than Americans to consume oil that originates in the Persian Gulf—should be the ones to bear the cost.

Accordingly, very few economists believe that keeping U.S. troops in the region is a cost-effective strategy. During the cold war, the U.S. policy of actively safeguarding a strategic resource may have made sense with regard to maintaining the unity of the noncommunist alliance under American leadership. At present, however, this policy is badly outdated.

A responsible policy in the Middle East, consistent with American security interests in the region, should be based on de-emphasizing U.S. alliances, especially those with Saudi Arabia and Israel. It should also include a change in popular attitudes toward U.S. dependence on Middle Eastern oil and the necessity for U.S. leadership in the negotiations to end Israeli-Palestinian conflict.

Reshaping U.S. policy in the Middle East would enhance American security and help alter the perception that U.S. policies are guided by double standards. Maintaining a frail balance among all of Washington's commitments in the region is becoming ever more costly, dangerous, and unnecessary. Americans are paying a heavy price to sustain a U.S. military and political presence there. A change is long overdue.

Suggested Readings

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