

MIDDLE EAST SECURITY

Policymakers should

- recognize the limited relevance of the Middle East to U.S. national security;
- create distance between the United States and its client states in the region;
- support a diplomatic agreement that limits the potential of nuclear proliferation in Iran; and
- withdraw all U.S. ground forces from the region over the next five years and enter into agreements to maintain naval access in Bahrain and elsewhere, should those governments agree to terms favorable to the United States.

The Middle East is a poor, militarily weak region beset by an array of problems that mostly do not affect Americans—and that U.S. forces cannot fix. Put more bluntly, the region is a strategic backwater. Its gross domestic product constitutes between 3 and 4 percent of world GDP, compared with roughly 33 percent in the Western Hemisphere and 25 percent each in Europe and East Asia. The Middle East's population is between 3.5 and 5.0 percent of the world total, depending on how one defines "Middle East." No Middle Eastern state can project military power outside the region, and none has the ability to project much power in its immediate neighborhood. These facts make U.S. focus on the Middle East a puzzle.

Three main fears have propped up U.S. interest in the Middle East over the years. These fears center on oil, Israel, and terrorism. But none of these problems constitute a grave threat to U.S. interests, much less one that requires a costly and risky forward-deployed military presence in the region.

Oil

On oil, policymakers worry either that instability will jeopardize the flow of Middle Eastern oil onto world markets, or that if a regional hegemon were

to emerge, it would control enough of the world supply to give it outsized influence over production decisions. But energy markets do not work the way that makers of U.S. foreign policy seem to believe they do. As a leading oil economist explained in 2004, “U.S. oil policies are based on fantasies not facts.”

Oil is a fungible commodity sold on world markets. What that means for discussions of “energy security” is that the question is not who imports oil from the Middle East or any other region. Rather it is which countries are net importers versus net exporters and how price volatility would affect their economies.

When the price of oil in one country rises, it rises in all countries—even those that claim to have achieved the Shangri-La of “energy independence.” There is no way to make a country independent from the world price of oil. When supply decreases, price goes up, and producers have an incentive to produce more oil to reap the higher profits.

In his examination of price shocks through history, Eugene Gholz demonstrates that in five of the six major oil supply shocks since 1978, prices fell quickly because price incentives led nonaffected suppliers to ramp up production.

Moreover, most major oil price fluctuations in history have been the result of changing demand, not military or political tensions. Given that this was true both before and during the modern era (with tens of thousands of U.S. troops in the Middle East), it suggests that the presence of U.S. troops in the region is not preventing major oil price volatility today.

As to the other fear about oil, that a regional hegemon would gain a dangerous level of influence over world prices, that is conceptually defensible but empirically fantastic. No Middle Eastern country has a shot at regional hegemony. The regional balance of power, in particular the defensive capabilities of the major states, prevents it. Power in the region is divided among Egypt, Iran, Israel, Saudi Arabia (and its Gulf allies), and Turkey. Successful conquest of even a smaller, weaker state like Lebanon or Yemen would likely inflame local identity politics, which would inhibit further expansion.

Similarly, for China or Russia to dominate the Middle East, it would need to displace the governments of (at least) Iran and Saudi Arabia, then put down rebellions, establish a new, reasonably stable political order, and then usurp the vanquished states’ oil supply for its own gain, impoverishing the locals. Any such effort would likely be destructive to those aggressor countries, not beneficial. Both Russia and China have been opportunistic in the region, but trying to run a remote Middle East empire from Moscow or Beijing seems unlikely to appeal to two countries that appear to have their hands full today.

American policymakers should withdraw all forward-deployed ground troops from the Middle East in the next five years, because they are costly and do not serve U.S. interests. Maintaining naval access in Bahrain and possibly

elsewhere would be a useful and low-cost (possibly no-cost) hedge against the extremely unlikely threat of a regional hegemon. Oil producers have stronger incentives to get their product to market than the United States has in getting it to market for them. Policymakers should tell Saudi Arabia and other players in the region that their economies are their problem, not ours.

Israel

One also hears concerns regarding the safety and power position of American partners in the region, especially Israel. For example, President Donald Trump claimed in 2020, “We don’t have to be in the Middle East, other than we want to protect Israel.”

While Trump’s statement was characteristically blunt, amorphous concerns over Israel’s well-being have been an enduring anchor of U.S. policy in the region. But since the Israel Defense Forces shellacked the Egyptians, Jordanians, and Syrians in the Six-Day War in 1967, Israel has aggressively pursued its interests throughout the region without losing a conventional conflict. Israel suffers from terrorism, but a forward U.S. military presence in the region does nothing to help the Jewish state with its terrorism problem.

Israel today enjoys an enormous qualitative military edge over any combination of potential regional rivals in conventional military terms. It also has at least 90 nuclear weapons deployed on an array of platforms, including submarines, that give it a secure second-strike capability against any state that might threaten its survival. No other state in the region has nuclear weapons.

The one problem that could pose significant military challenges for Israel is the advent of an Iranian nuclear weapon. Perversely, the administration of then Israeli prime minister Benjamin Netanyahu did everything in his power to prevent, and later to unravel, the Joint Comprehensive Plan of Action, the 2015 nuclear deal that eliminated the risk of an Iranian nuclear weapon for a generation.

Other recent Israeli governments have opposed a U.S. return to a nuclear deal with Iran, preferring, with Netanyahu, a confrontational policy toward Iran that views the Iranian regime, rather than its nuclear program, as the problem to be solved. This approach is extremely counterproductive from the U.S. point of view, and even from Israel’s point of view raises the prospect of a dire scenario: Iranian nuclear weapons. American policymakers should rejoin the nuclear deal and work with their negotiating partners and Iran to expand on its restrictions on proliferation. Making the perfect the enemy of the good puts Israel in greater, not less, danger.

Terrorism

Especially since 9/11, policymakers have invoked fears about terrorism to justify U.S. policies in the region. But given that the basic contours of American policy in the region predate 9/11 by decades, it is strange to think that a concern that emerged after a policy began explains the policy.

There is no evidence that terrorism is a threat that warrants an effort to manage the Middle East militarily. The chance of an American being killed by terrorism outside a war zone from 1970 to 2012 was roughly 1 in 4 million. By any conventional risk analysis, that is an extraordinarily low risk. As early as 2002, smart risk analysts were asking questions about counterterrorism policy, such as “How much should we be willing to pay for a small reduction in probabilities that are already extremely low?”

Terrorist groups with serious political ambitions—like ISIS—discover that hit-and-run insurgencies are less satisfying than seizing power and governing. Then they discover that behaving like a state makes you supremely vulnerable to American and regional firepower.

The amount Americans pay now to fight Islamist terrorism is absurdly divorced from the risk it chases. If someone ran a hedge fund assessing risk the way the government has responded to terrorism, it would not be long for this world. Moreover, it is difficult to identify how U.S. policy across the region—with the possible exception of some drone strikes and special operations raids—has reduced the extremely low probability of another major terrorist attack in the United States. If anything, our policies may have increased it.

Conclusion

The United States spends more than \$70 billion each year on its military exertions in the Middle East. This policy is at best wasteful and, at worst, counterproductive to its stated goals. The United States has disrupted oil markets, not stabilized them; inflamed the region in a way that endangers Israel; and fanned the flames of grievance that fuel terrorism. Expensive policies hedging against tail risks that produce disastrous results should be discarded.

American policies in the region have received too little scrutiny, and their assumptions have been interrogated too rarely. The policy limps along based on inertia. The murky counterfactuals of swirling chaos and economic disaster are based on bad folk social science. Hearing U.S. foreign policy thinkers discuss the Middle East brings to mind a passage from George Orwell’s *The Road to Wigan Pier*, in which Orwell laments:

The high standard of life we enjoy in England depends upon our keeping a tight hold on the Empire, particularly the tropical portions of it such as India

and Africa . . . an evil state of affairs, but you acquiesce in it every time you step into a taxi or eat a plate of strawberries and cream. The alternative is to throw the Empire overboard and reduce England to a cold and unimportant little island where we should all have to work very hard and live mainly on herrings and potatoes.

Later, of course, England saw the Empire pried from its grip, but became a country that still had affordable taxis and strawberries and cream. Likewise, not only could the United States retain its way of life and prosperity having departed the Middle East, but it would also benefit by shedding the unnecessary costs of attempting to manage the unruly region.

The past 20 years of U.S. foreign policy in the Middle East have been particularly ruinous, but the broader foundations of U.S. policy in the region have been rotten for far longer than that. At a cost north of \$70 billion per year, at a time when the United States faces significant challenges at home and in East Asia, policymakers should cashier our costly and destructive policies in the Middle East.

Suggested Readings

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- Mueller, John, and Mark G. Stewart. "Responsible Counterterrorism Policy." Cato Institute Policy Analysis no. 755, September 10, 2014.

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