

# Strategic Analysis Paper

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## **Evolving US Strategic Interests in the Middle East: Saudi Arabia and Iran**

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### **Key Points**

- The interest of the United States in the Middle East was initially predicated on the region's energy resources.
- That interest later diversified into keeping Soviet influence out of the region during the Cold War.
- The Iranian Revolution in 1979 saw attitudes towards the US change in that country because of perceptions that it had worked with the Shah to subjugate Iranians.
- The current perception of the US in Saudi Arabia is a complex one: the US remains an ally but it is, in some ways, being replaced by China.

### **Summary**

The United States has had a close relationship with the Middle East region since the Second World War. Since it was perceived as the main agent of the Allied victory in that war, many Arab countries that had previously had strong affiliations with Great Britain instead associated their primary interests, including their security interests, with the US while continuing to have a strong association with Great Britain. The relationship worked well for a while and was mutually beneficial. Washington sought to maintain a stable environment in the region and developed strong relationships with individual countries, such as Saudi Arabia and Persia, as well as the smaller states.

Poor administration, authoritarianism and poor policy decisions on the part of several regional leaders, notably the Shah of Iran, Mohammed Reza Pahlavi, coupled with a perceived willingness on the part of the US to ignore that state of affairs and the suffering of the people, saw a change in the attitude of many people in the region towards the US. The Islamic Revolution in Iran in 1979 was a watershed in Washington's relationship with the region as well as for the region itself. The US was forced out of Iran, apart from a number of Americans who were taken hostage at the US Embassy in Tehran, and declared to be a "Great Satan" by Iran's Supreme Leader, the Ayatollah Khomeini. The Islamic Revolution also created a schism between Iran and other Shi'ite-majority countries in the region and the Sunni-majority ones, led by Saudi Arabia. Since that time, neither situation has been resolved.

### **Analysis**

Since the 1950s, when the US developed an abiding interest in the Middle East, the region has remained stable for sustained periods, with brief interludes of conflict or political change. That interest derived from the recognition in Washington that influence over the Middle East's energy resources would assist it in also influencing post-war reconstruction efforts in Europe and the region and in its ideological competition with Communism. Washington's Middle East policies aimed to balance competing priorities while emphasising a secure and stable environment. Some observers and policymakers have argued that US interests in protecting the political rights and improving the socio-economic conditions of the inhabitants of the region are worthy aims only to the extent that they do not interfere with other goals. This argument assumed that citizens in many Arab states would not be swayed by US advocacy and assistance and/or that those citizens had minimal opportunities to express dissent in ways that could challenge their governments' co-operation with the United States. Other analysts and US officials argued that US investments in the advancement of political rights and the development of societies in the Middle East could serve as potential instruments of strategic policy; in effect, a down payment on regional stability and a safety valve against popular demands for swift or disruptive change. This argument assumed that US engagement, advocacy, and assistance could build a broad basis for bilateral co-operation and/or that failure to respond to popular dissent or to disassociate the United States from abuses by partner governments could produce a harmful backlash. The latter approach rarely prevailed.

The United States had little interest in Middle Eastern oil or the region's geopolitics when, in 1914, British soldiers landed at Basra, in southern Iraq, to protect oil supplies from Persia; Washington's attention was then turned to Latin America and East Asia. When Britain offered to share the spoils of the Ottoman Empire after the First World War, President Woodrow Wilson declined. During the Second World War, British, Soviet and US forces were stationed in Iran to help transfer military supplies to the Soviet Union and protect Iranian oil. Josef Stalin withdrew his troops after the war only after President Truman protested their presence there. Truman also strengthened ties with Reza Shah Pahlavi, the Shah of Iran, and made Turkey a member of the North Atlantic Treaty Organisation, thus turning the region

into a potential front in the Cold War against the Soviet Union. In 1953, Eisenhower ordered the CIA to depose Mohammad Mossadegh, the elected leader of Iran, who opposed British and American influence in his country. The coup tarnished the reputation of the US among Iranians, who lost trust in its claim to be a protector of democracy. That trust was further diminished by the growing perception among Iranians that the US-backed Shah was little more than Washington's puppet. That perception, coupled with his administration's rampant corruption, eventually gave rise to theocratic rule in Iran.

By then, however, the US was well-integrated into the politics of the Middle East. Washington also backed the House of Saud in Saudi Arabia, and the regimes in Kuwait and Bahrain, where it stationed its naval Fifth Fleet in 1995. Prior to that, Washington had developed extensive economic and political links with those countries; centred, for the most part, on its energy imports. By 2005, the US imported around 60 per cent of the oil it consumed, most of that from the Middle East, which contains around 55 per cent of the world's known oil reserves. It also walked a fine line in maintaining simultaneously its relations with both Israel and the Arab states. The US made the security of Israel its top regional priority, bringing that about through military aid, technology transfers, diplomatic efforts aimed at either coercing Arab states into accepting the fact of Israel's existence despite their public claims not to do so, and by making Israel the military hegemon in the region. In so doing, however, it has polarised Arab common opinion and, to a degree, furthered ideological radicalisation in the region.

That antipathy is further fuelled by Israel's ongoing threat to wage war against Iran, no matter that Shi'ite-majority Iran is disliked almost as intensely by the Arab street as the US. The regional security ambitions of the US are conflated with those of Israel; it is perceived, as a consequence, to encourage Israel to threaten war against Iran, a war that no Arab state wants. Washington, therefore, finds itself being uniformly disliked by Sunni and Shi'a alike.

In a May 2011 address on US policy in the Middle East, then President Obama noted that:

For decades, the United States has pursued a set of core interests in the region: countering terrorism and stopping the spread of nuclear weapons; securing the free flow of commerce, and safe-guarding the security of the region; standing up for Israel's security and pursuing Arab-Israeli peace. We will continue to do these things, with the firm belief that America's interests are not hostile to peoples' hopes; they are essential to them. We believe that no one benefits from a nuclear arms race in the region, or al Qaeda's brutal attacks. People everywhere would see their economies crippled by a cut off in energy supplies. As we did in the Gulf War, we will not tolerate aggression across borders, and we will keep our commitments to friends and partners.

That outlook sat well with the overall aims of US regional policy, which were to ensure the continued flow of the energy products upon which the US depended (both directly and indirectly), to promote economic growth and democracy, to ensure that transit and access to US military bases in the region were maintained, and to discourage any conflict that might threaten its allies in the region.

Events and circumstances often combined, however, to thwart those policy goals. A prime example is the Arab Spring, a series of anti-government protests and armed uprisings that began in 2011 with the suicide of a pushcart vendor in Tunis in protest against government repression and which then spread across North Africa and the Middle East. The Tunisian leader, Zine El Abidine Ben Ali, was ousted from office, leading the protestors in other countries to believe that they could accomplish similar results. But, as with many such endeavours in the region, events transpired in not quite positive ways. Tunisia, Egypt and Yemen entered a period of turmoil, Libya and Syria devolved into civil wars, and the monarchies of the Gulf States, notably Saudi Arabia, had to expend vast sums of money as largesse to resist regional events and ensure their stability.

Iran was not immune to civilian unrest, either. The theocracy there appeared to have lost all interest in ensuring the welfare of its people and to be more concerned with denouncing the US, threatening to drive the Israelis into the sea and to annihilate Israel itself, while using its Lebanese proxy, Hezbollah, to foment unrest and instigate guerrilla attacks against the theocracy's perceived enemies. Given his desire to ensure a positive historical legacy, President Obama did little to address the underlying causes of the Arab Spring or the ill-advised policies of the theocrats in Iran. On the contrary, as the events of [Project Cassandra](#) demonstrate, President Obama virtually assisted Hezbollah in its drug-smuggling operations in order to ensure that Iran entered into a flawed and time-bound agreement not to continue with its nuclear programme. On 16 January 2016, the same day that four US citizens who were detained in Iran were released, President Obama authorised the shipment of US\$400 million (\$563 million) in euros, Swiss francs and other currencies in an aircraft to Tehran. A second shipment of US\$1.3 billion (\$1.8 billion) in cash soon followed. He was, essentially, [paying a ransom](#) to Iran in contravention of long-standing US norms of not dealing with terrorists.

Iranian citizens saw little of that money, however, because the theocrats allegedly used it to prop up their soldiers and proxy fighters in Yemen and Syria. Matters came to a head in 2017-18, when [civilian uprisings](#) spread across Iran, leading to violent repressions. The Arab Spring had reached Iran, albeit later than it did other countries.

Iran and Hezbollah have sought to counter the US and Israel in Syria and elsewhere in the Middle East. That has led the current occupant of the White House, President Trump, to take a hard line against it. His withdrawal from Obama's nuclear deal with Iran – the Joint Comprehensive Plan of Action (JCPOA) – has led some observers to conclude that he has embarked upon a course of action that aims to isolate Iran and its current leaders. While the current US administration has not made any specific statements to that end, it remains clear that the US will keep all its options vis-à-vis Iran on the table.

The US relationship with Saudi Arabia appears to resemble that with Iran. Although the relationship began well, US recriminations against Saudi Arabia began in the 1970s, when the oil embargo saw oil prices soar, availability diminish and trust between the two countries erode. The Saudis had weaponised oil in order to force the US to terminate its support for Israel. While it achieved some secondary goals, that stratagem did not work.

The lesson was obviously not lost on President Trump, whose “America First” policy has caused the Arab élite to doubt Washington’s intentions and interest in maintaining regional security. While President Obama posed a particular set of security risks to Riyadh with his JCPOA, President Trump poses a different, but equally dangerous, one with his energy policy. With its new-found capability to extract oil from shale deposits, the US will likely become a net exporter of oil sooner rather than later. Its energy imports could fall to as low as ten per cent of its total consumption, thus causing its dependence on Middle Eastern imports to decline. That decline, coupled with the current administration’s apparent lack of interest in the region, leads the ruling élites there to fear that Washington’s involvement in their area could wane, leaving them at risk. In such a case, they fear, Washington’s continued involvement in the Middle East could rest almost entirely on its aspirations for global economic hegemony, rather than the need to ensure the region’s security due to its dependence on the region’s energy resources. That will, almost inevitably, raise questions in Washington about whether the costs of remaining in the region are proportionate to the benefits derived from maintaining a presence there. For regional states, that line of thought leads to an elevated degree of uncertainty about Washington’s desire to remain in the Middle East. These states are, for the most part, underdeveloped in terms of infrastructure and militarily, even though several are extremely wealthy. Having had their security underwritten by the US since the Second World War, they now find themselves in unfamiliar waters.

Given those circumstances, it is not surprising that Saudi Arabia has turned increasingly to China for military systems, such as armed drones, that Washington, fearing that it would upset the region’s security balance were it to do so, refuses to sell to it. It is likely that Riyadh has also acquired the technology to construct a ballistic missile facility from China.

Finally, given the emphasis of the current US administration on transactional equivalence – in this case, pressuring regional states into sharing the costs of maintaining a US security presence there – those regional states likely believe that a significant proportion of their energy income could be spent on ensuring that the US remains in the region. Those states, including Saudi Arabia, would essentially be paying the US to retain its regional hegemony.

The relationship of the United States with the Middle East continues to be relatively strong but is diminishing compared to its heyday. As the current US administration continues to withdraw from the region, its position will continue to erode and it could possibly be replaced by China. Such a change would have major consequences for future developments throughout the twenty-first century.

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