# >> POLICY BRIEF

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# New tactics, same strategy? US policy towards the Middle East

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The US is changing its policy towards the Middle East and North Africa (MENA) in response to the region's shifting geopolitical realities. Confronted with new political actors and intractable political issues, US President Barack Obama has adopted a more realist approach. A more discrete policy is being played out against the background of a 'pivot' or 'rebalancing' towards Asia. This is not the US turning its back on the Middle East or Europe, but rather a redistribution of resources as it adjusts its tactics towards the region.

With the US forwardly deployed in Asia there is great concern both in and out of the region that Obama has decided to wash his hands of the Middle East. The US president has been reluctant more forcefully to involve his country in the Syrian conflict and to take the lead in the attack on Libya. Such concern was most prominently on display at the Manama Dialogue held in December 2012, where US officials felt compelled to adopt a defensive tone to counter accusations that the US wanted to disengage from its role in the MENA. Administration officials insist that the pivot to Asia will not come at the expense of the Arab world and that the US cannot 'afford to neglect what's at stake in the Middle East'. Middle Eastern oil will remain crucial for the world economy and Asia in particular, notwithstanding the expected increase in US crude output from shale gas and tight oil; non-proliferation issues in relation to Iran cannot be neglected; and counter-terrorism concerns continue to be centred on the region.

#### HIGHLIGHTS

• As the US 'pivots' towards Asia, its MENA policy is also being readjusted.

• Grand gestures and heartfelt speeches have given way to quiet diplomacy, leading from behind and a lighter footprint.

• Europe should become more proactive in the MENA region and sharper in pursuing its priorities for regional stability.

#### **NEW TACTICS, SAME STRATEGY?** US POLICY TOWARDS THE MIDDLE EAST

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# >>>>> A LIGHTER FOOTPRINT

In terms of military resources, the strategic defence guidance released at the beginning of 2012 clearly stated that reductions in defence spending would not come at the expense of the Asia-Pacific or the Middle East. Secretary of Defence Panetta has affirmed that 'the United States is strong enough that we can maintain a strong presence in the Middle East as well as in the Pacific'. Nevertheless, as noted in a March report by the nonpartisan Congressional Research Service, forces might be strained by simultaneous demands in both regions. The Obama administration may be banking on tactical shortcuts, expanding the use of the type of remote tactics prevalent in counter-terrorism policies that have a smaller footprint and require less money. A combination of drone strikes, target lists, special forces, cyber-attacks and cooperation with local governments is now used to counter what the US considers its biggest challenge in the region, the threat of al-Qaeda affiliates. In particular, according to the New America Foundation, the number of drone strikes has increased from 44 under the last Bush mandate to nearly 240, their use has expanded from Afghanistan and Pakistan to Yemen and Somalia, and the number of casualties has guadrupled. In September 2011 the Washington Post reported that a drone base was being erected on the Arabian Peninsula and, in addition to the long-standing drone base in Djibouti since 2007, about a dozen air bases have been established in Africa.

Obama is steadfast in his reluctance to get embroiled in military conflict most noticeably in Syria, where he has resisted getting involved even from the air, as he did in Libya. Instead, the US has attempted to act by proxy prodding (the most palatable) opposition to organise under the umbrella of the National Coalition and providing humanitarian aid and 'non-lethal' assistance to the opposition. The US was unable to secure a Security Council resolution condemning Syria due to Chinese and Russian opposition, but joined the Friends of Syria in a now familiar attempt to act through of a broad support group. Where interventions have been absolutely necessary, the US has been careful to secure the cooperation or acquiescence of the international community and chosen a subsidiary role (as in Libya and Mali). The Obama administration welcomed the Arab League's regional seal of approval to the NATOimposed no fly zone in Libya, as well as the League's suspension of Syria in November 2011. In his 2013 state of the union address, Obama reiterated a less intrusive approach, stating 'we'll need to help countries like Yemen, and Libya, and Somalia provide for their own security, and help allies who take the fight to terrorists, as we have in Mali. And where necessary, through a range of capabilities, we will continue to take direct action against those terrorists who pose the gravest threat to Americans'.

The US will maintain its traditional security deployments in the Gulf region, including the airbase at Qatar's al-Udeid, the Navy's Fifth Fleet patrolling the Gulf, and a sizeable number of troops in Kuwait. This larger presence in the Gulf responds to concerns about Iran and an interest in ensuring the overall accessibility and stability of energy supplies. Dealing with the Iranian nuclear issue remains the dominant regional objective and Obama believes that a show of strength is necessary to make Iran yield. Obama adopted a much more conciliatory tone towards Iran than his predecessors, dropping preconditions and renouncing regime change. He started his presidency in 2009 with diplomatic overtures to Tehran as reflected in a speech he gave on Nowruz (the Iranian New Year) that year. Although no breakthrough was achieved, it helped the administration build a more robust consensus for international sanctions. Policy continues to be based on a combination of multilateral negotiations and sanctions. Sanctions have helped to strengthen the credibility and leverage of those who want to engage Iran and prevent an Israeli attack.

In his 2013 state of the union address, President Obama focused on a diplomatic solution to the Iranian issue as did Secretary of State Kerry a few days before. The administration has also signalled its willingness to hold bilateral talks with Iran, most recently voiced by Vice President Joseph Biden at the Munich Security Conference, but it is less clear that both parties are willing to engage in the quid pro quo necessary for negotiations to succeed.

In terms of energy issues, although the balance seems to be changing, with the International Energy Agency (IEA) projecting that the US will overtake Saudi Arabia as the world's biggest oil producer by 2020, the US will have to remain engaged in the region if it wants to avoid price volatility and keep energy markets stable. The IEA also forecasts that the EU will overtake the US and become the biggest importer of oil in 2015, and that by 2020 China will overtake Europe. To the year 2035, more than 90 per cent of future growth in oil production needed is expected to come from countries in the Middle East and North Africa. While the rebalancing in energy production might

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grant the US some flexibility, and has probably helped to put in place Iranian sanctions without an increase in prices, for the time being the still imports US about 23 per cent of its crude oil and related products from the Arab world. This means that for the

foreseeable future, the US will continue to be engaged in the region to preserve not only the stability of global energy markets but also its energy security.

#### **A LOWER PROFILE**

Over the past two years, the US has adopted a lower profile in the Middle East. While the region's relevance has not diminished, the US approach has changed. This has not been a function of the pivot to Asia but rather of indigenous changes that have led Obama to judge that a more discrete low-key approach would be more useful. Obama's optimistic overtures towards the Middle East at the beginning of his first term, most notably in the 2009 Cairo address where he promised to re-orient

US policy in the region, have since dissipated. In the context of rising nationalism in transition states, the US has taken a step back as distrust of outside actors complicates its efforts to engage with new interlocutors. Grand gestures and heart-felt speeches have given way to quiet diplomacy, leading from behind and a lighter footprint.

Obama's Achilles heel in the Middle East has been raising hopes too high and then failing to deliver. Noble intentions were soon confronted by complicated political realities, and in the end Obama's pragmatism prevailed. This happened early on in his first term with regard to the Middle East peace process, where he quickly got burned by focusing on the demand of a full settlement freeze. His attempt to change Israeli behaviour and achieve historic change collapsed amidst tactical misjudgements. Since then the issue seems to have been sidelined, no longer regarded as the fundamental one that needed to be addressed in order to end regional instabilities. If anything, electoral pressures drew Obama back firmly into the traditional position of unquestioning support for Israel.

Confronted with intractable political issues Obama seems to have taken a more realist and cautious turn. The change in approach also reflects the uncertainty brought about by the Arab uprisings and the increasing difficulty of vocally pushing for liberal reforms while firmly allying with Saudi Arabia and other authoritarian Gulf regimes. In March 2012, a year after the uprisings and notwithstanding continued political repression in most Gulf States, the US launched a US-Gulf Cooperation Council Strategic Cooperation Forum to 'deepen strategic cooperation of policies to advance shared political, military, security and economic interests in the Gulf region'.

Both John Kerry and Chuck Hagel, if confirmed, can be expected to follow this more cautious and realist line and to work towards negotiated solutions to the two main issues: Syria and Iran. Hagel is known for his professed aversion to unnecessary military confrontation and shares Obama's scepticism about the probability of a >>>>>>

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>>>>> military victory of the opposition over the Assad regime. John Kerry has already reached out to Russian Foreign Minister Lavrov and is said to be working on ideas to achieve a political transition. Likewise, Kerry has signalled conciliatory intentions towards Iran by issuing a plea for it to take up the offer of serious negotiations.

## UNDERWHELMING SUPPORT FOR POLITICAL AND ECONOMIC REFORM

Obama set a high bar for the US response to the Arab uprisings in his May 2011 speech where he stated that the US would support democratic principles with 'all of the diplomatic, economic and strategic tools at our disposal'. However, subsequent action has hardly lived up to expectations. As reported by the Project on Middle East Democracy's report on 'The Federal Budget and Appropriations for Fiscal 2013', the response to the Arab uprisings in terms of funding and foreign assistance has been uneven and determined by severe budgetary constraints. Support for democracy and governance programmes has decreased with greater emphasis being placed on non-sensitive economic and technical cooperation. Overall funding levels for the MENA region have moderately increased.

The only country that has witnessed a marked increase in funding is Tunisia, where the US saw an opportunity for success with relatively small resources and unconstrained by conflicting interests. Since 2011, the US has provided approximately \$400 million in additional funds to Tunisia, much of it to bolster the private sector. Other priority countries are Yemen, where funding increased prior to 2011 due to concerns about al-Qaeda militants in the region, and Jordan, where the monarchy can count on the firm support of the US Congress. Some small amounts were mobilised for Libya. In Egypt \$1.3 billion in military aid was complemented by more than \$200 million in annual bilateral economic assistance, which since the uprisings has been topped up with \$250 million in OPIC (Overseas Private Investment Corporation) funds to support small and medium

enterprises and \$60 million for a new EU-Egypt Enterprise Fund. Negotiations for a \$1 billion debt swap have yet to bear fruit. In most other countries, funding levels have remained relatively constant. Assistance to Morocco is modest and has not changed in reaction to the events of 2011 (it is the smallest aid recipient of the seven Arab countries with a United States Agency for International Development, USAID, mission). Approximately \$800 million has been specifically mobilised in support of the political transitions in the region (\$500 million of which were reallocated from other accounts).

For this year, the total amount of foreign assistance requested for the region is \$9 billion, which would represent an 11.6 percent increase over the current levels for the 2012 fiscal year. Most of this increase is attributed to the new assistance initiative proposed by the Obama administration that is still awaiting Congress approval. The Middle East and North Africa Incentive Fund, with a request for \$700 million in new funds, will mainly reward governments in transition by supporting specific political and reform initiatives proposed by them. In addition, it will provide some short-term support to countries undergoing new political transitions and will devote about a tenth of its funds to existing regional initiatives.

### **COOPERATION WITH EUROPE**

Budget constraints and Obama's foreign policy are leading to a change in the division of labour between the US and Europe. While the US is not turning its back on Europe any more than it is on the Middle East, it is inching towards tactical cooperation as opposed to strategic alignment. The appointment of Philip Gordon, the assistant secretary of state for Europe and Eurasian Affairs, to the National Security Staff, in a senior role overseeing the broader Middle East, could bode well for EU-US coordination on Middle East issues. Nevertheless, there is a generalised consensus that Europe will be expected to play a greater role in its own neighbourhood. This challenges Europe, but it also offers it the opportunity to regain its stature and more forcefully push for the solutions and policies that it believes in. Nowhere is this more important than in the MENA region.

Europe should seek greater diplomatic engagement in the MENA region and to break through the straightjacket of the European Neighbourhood Policy in an effort to develop more strategic as opposed to programmatic relationships. A rethink, rather than a re-tweak is in order. Given military and economic constraints, its political and diplomatic engagement will have to be all that more savvy. The EU should develop a strategy that encompasses the whole region and faces head on the difficult task of engaging the Gulf regimes while being firm in its support for reform in the transition states. Encouraging greater economic integration within the MENA region should be part of the answer. Including the Gulf States in region-wide EU policy programmes could also help counter the deadlock in terms of political reform and provide an entry point for European support of civil society in these countries. Resolving the Iranian nuclear issue will be key so that relations with the Gulf cannot be held hostage to tensions with Iran.

Addressing the Iranian issue will also be important in order to break the increasing sectarian tensions in the region. The EU should work with the US to offer incentives appealing enough to induce Iran to suspend its enrichment programme.

In Syria, the US is signalling its preference for negotiations toward a political settlement. The threat of a long-term military confrontation and the fear of spillovers are shifting attitudes not only in the US but also in regional actors such as Turkey and Iraq. All efforts should now be directed towards the unpalatable task of negotiating with the regime. If the EU, US, Russia, Iran and China are able to agree on some parameters this would make it easier for Moaz al-Khatib and the Al Assad regime to engage in negotiations. Any regional diplomatic effort will need the support of all regional actors, including Iran, Iraq and Turkey.

It is unclear whether President Obama is willing to invest more capital in the Arab-Israeli conflict. Secretary of State Kerry's visit to the region in February and Obama's in March could go either way, but congressional and foreign constraints militate against a significant change in policy. Nevertheless, the EU should insist that the issue be brought to the fore again and stand ready to support any new initiatives. Obama tried unsuccessfully during his first term to reign in Israel by demanding a halt to settlements. The EU, despite its criticism of Israeli settlement policies, has continued to upgrade its commercial relations with Israel. If Obama takes a stand again, the EU should be ready to back him up. The US and EU should act as a united front on this pivotal issue for long-term stability in the Middle East.

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