

# Regional dynamics in the New Middle East

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## CHAPTER 2

# Regional dynamics in the New Middle East

*Roland Popp*

Recent turmoil in the Middle East has prompted calls for a better understanding of the driving forces in the region. The divisions between fledging new republics and old authoritarian regimes might develop into the new defining feature of the region. The wave of protests will also reinforce ongoing strategic trends such as the rise in importance of the non-Arab periphery and the weakening of the regional heartland. In the long-term, the Persian Gulf region can be expected to reorient itself towards East and South Asia.



Anti-government demonstrators at Tahrir Square in Cairo, 7 February 2011



DURING THE PAST DECADE, THE WORLD REGION COMMONLY IDENTIFIED AS THE MIDDLE EAST HAS BEEN AT THE CENTRE OF WORLD POLITICS. In the aftermath of the terrorist attacks on the US in September 2001, two wars in Afghanistan and Iraq led to a strong Western presence on the ground. The Arab-Israeli peace process continued to deteriorate, and regional tensions reappeared, culminating in Israel's military campaigns against Hizbollah in Lebanon and Hamas in Gaza. The question of Iran's nuclear ambitions has remained unresolved.

The revolts and revolutions in North Africa and the Arabian Peninsula in 2011 have added a new and potentially game-changing element to the region. With all eyes set on the Middle East once again, this unexpected development calls for a reassessment of how to interpret the region. Some of the trends detected by Western analysts in past years, such as the Islamist-terrorist threat, the growing power of non-state actors, and sectarian divisions, have been superseded by recent events. In retrospect, they seem to be of secondary importance only.

The toppling of the authoritarian governments in Tunisia and Egypt may have been the first instances of what

carries all the hallmarks of a great historical turning point. It should not be assumed, however, that all of the traditional interpretations have lost their validity. For example, the inner Arab core of the Middle East continues to lose influence while, in contrast, the non-Arab periphery perpetuates its ascendancy, if unevenly. There is also the possibility – difficult to forecast at this point – that the new transformations could well be limited to the Western part of the Middle East. In the future, a more progressive and pluralist western part of the Middle East could face an eastern Arab world still adhering to authoritarian forms of government, a division that might develop into the eminent defining element of the structure of regional relations.

Such a development would also strengthen the little noticed trend of the wider Persian Gulf region being separated from its Western Arab outposts on the Levant and along the Mediterranean, as the former region progressively orients itself towards East and South Asia. The continuation of this trend could change the established mental maps of the Middle East. The eastern part of the region – the actual *Middle East* in its original definition – might therefore soon be termed the Eurasian *Middle West*.



### **Misinterpreting the Middle East**

Before identifying the major strategic trends that can be expected to determine regional dynamics in the future, those paradigms that still tend to dominate media coverage as well as academic analysis must be critically assessed. Many observers still view the Middle East through the prism of the transnational terrorist threat, assert the ascendancy of non-state actors in the region at the expense of established states, or emphasise sectarian divisions between Shia and Sunna as a determining feature of regional politics. None of these paradigms, however, really enhances our understanding of the Middle East.

#### *The persistence of terrorism*

During the first half of the past decade, the transnational threat emanating from jihadist terrorist groups or other actors supporting or tolerating them was regarded by many analysts as the main defining feature of the contemporary Middle East. Associated with this perspective is the view that the main danger for regional stability springs from weak or failing states and ungoverned spaces. However, while it is acknowledged as a threat by many Middle Easterners, terrorism has been an (admittedly appalling) ingredient of regional politics for decades. Nevertheless, its perpetrators have not been able

to cause durable political change or coerce states to bow to their demands. Furthermore, evidence for a blanket linkage between weak governance and terrorist threats seems rather sparse. Besides, states in the Arab Middle East tend to be strong – the exceptions being Iraq, which had to weather civil strife between 2006 and 2008, and Sudan and Yemen, whose governments temporarily lost control over parts of their territory.

While terrorism and weak governance cannot explain regional dynamics and their underlying forces, these factors are the lenses through which many Western actors and observers view the region. Of course, terrorism and malfunctioning governance cannot be fully discarded as relevant factors: Over the past decade, the US obsession with terrorism provoked a number of nation-building ventures in various parts of the Middle East, legitimised close counterterrorism liaison with regional security apparatuses, and, in general, informed policies vis-à-vis the prevailing authoritarian regimes. Their main effect, however, has been in prompting and legitimising interventions by external powers.

Given the questionable success of these endeavours and the waning appetite for adventures of a similar



kind on the part of Western policy-makers and publics alike, recalibrations of national security priorities are already underway. The classification of the terrorist threat as a strategic challenge will most likely rescind (see also Chapter 3 in this publication). Remote corners of the globe could soon be viewed again as what they actually are: remote.

#### *Non-state actors vs. de-facto states*

Related to the emphasis on terrorism is the attempt to understand Middle Eastern regional dynamics by pointing to the rising influence of non-state actors, most of whom have an Islamist orientation. As in many other parts of the world, a trend towards the proliferation of armed non-state actors is also discernible in the Middle East. Protracted conflicts, transnational ideologies, political dissatisfaction, and economic frustrations have all contributed to the strengthening of this phenomenon.

However, many of these groups are either dependent on or even acting on behalf of regional states. Though some have an anti-government stance, such groups are seldom powerful enough to challenge states. Of the region's Arab states, only Sudan and Yemen are currently engaged in fighting militant insurgencies that enjoy broad-based

support among at least parts of the populace. Even these movements are hardly comparable to the Afghan insurgency led by the Taliban, which might well succeed at some point in actually taking over control of the central government.

In the context of Middle Eastern non-state armed groups, the growing influence of the Islamist organisations Hamas and Hizbollah is often held up as an example. While both entities are important political actors in their own right, they have also de facto adopted state roles by taking over

#### **Hamas and Hizbollah have de facto adopted state roles**

the administration of the Gaza Strip and by joining the

Lebanese government. Consequently, both of these Islamo-nationalist organisations now carry responsibility for the populations they govern. Being deeply embedded within these societies, they are de-facto exponents of the Western import of the nation-state, a concept thoroughly alien to terrorist organisations in the Middle East. Altogether, the binary of state and non-state actors therefore hardly contributes to an understanding of Middle Eastern dynamics.

#### *Shiites rising?*

In the course of the Iraqi civil war, a conflict plagued by sectarian divisions, a new interpretative approach

# Shia majority areas in the Middle East

## THE NEW MIDDLE EAST



Sources: CIA Factbook; CSS ETH Zurich



was invented to explain the developments in the Middle East. This new interpretation saw the decisive fault line as following the centuries-old divisions within Islam between Shiites and Sunnis. This argument has two main parts: First, as a consequence of the overthrow of Saddam Hussein's dictatorial rule in Baghdad, the Iraqi Shiites had been finally freed from oppression and marginalisation. Thus, the fall of the Baath regime gave Iraq's Shiites a political voice for the first time. Together with the fact that the holiest Shiite sites in Najaf and Karbala could again play their traditional role as centres of attraction for all believers, the conditions were deemed to be ripe for an awakening of Shiite sectarian identity in the whole region.

Second, the regional rise of Iran as *the* main Shiite power in the region and a country with a political system based on religious legitimacy led, in the words of Jordanian King Abdallah II, to the challenge of a 'Shia Crescent' stretching from Iran to Lebanon. Such a vision of a widening regional chasm between the two main Islamic denominations, combined with the rise of the strongly anti-Western Islamic Republic of Iran, certainly is worrying, given the fact that many of these long-deprived Shiite minorities live in the main oil production areas along the Gulf. Some commentators even

predicted a decade-long war between Sunna and Shia, analogous to the religious conflict between Catholics and Protestants in 17<sup>th</sup>-century Europe.

The reality, however, is much more complex. First of all, the idea of a 'Shia Crescent' passes over other – and often more significant – attributes responsible for identity formation, such as ethnicity or nationalist loyalties. Second, the argument overlooks the fact that the Shia is not monolithic. For example, the dominant branch of Shiite Islam in Yemen, the Zaidiyyah, is in many respects closer to Sunni Islam than to Iran's Shia state religion. Therefore, it is hardly susceptible to Tehran's machinations. Indeed, only about 10 to 15 per cent of all Muslims in the world are Shiites, and in the core Middle East, the Iranian variant of Twelver Shia Islam is only predominant in Iraq (ca. 60 per cent) and Bahrain (ca. 70 per cent), while constituting a minority in some other states. Furthermore, it is highly misleading to consider the Shiites in these countries as automatic proxies of the aspiring regional power Iran. Shiites in Iraq are neither a homogenous group, nor do they have any desire for a return of the costly sectarian tensions prevalent during the civil war.

Third, the doctrine of *velayat-e faqih* (Guardianship of the Jurist), on



which clerical power in Iran is based, has hardly any followers amongst Iraqi clerics or most other Shiites in the region, aside from the Iranian-created Lebanese Hizbollah. Iran's attempts to export its own political model would founder now just as they did during the 1980s.

Iran's (rather limited) regional leverage is based not on a com-

mon belief, but on the popularity of its defiant posture towards Israel and the US, an attitude that resonates well with large segments of the Arab public. Its alignment – sometimes referred to as the 'axis of resistance' – with Syria, Hamas, and Hizbollah is based on shared strategic interest, and religion is actually a drawback to this alliance, given Syria's strong secular credentials and Hamas' Sunni-Islamist ideological basis. Nonetheless, pro-Western regional actors like former Egyptian president Hosni Mubarak or the Jordanian king use the alleged rise of the Shia in order to score domestic political points or extort additional Western support. In sum, attempts to explain recent Middle Eastern developments by asserting a quasi-timeless confrontation between the Shiite and Sunni denominations are misguided.

### Revolts and revolutions

Critically assessed, most of the traditional interpretative perspectives only

offer limited insight on the driving forces constituting the present Middle East. There are regional factors which can be identified as having great impact on an emerging new structure in the Middle East. Some of which – such as the rise of the periphery – have

already gained some attention. But at the beginning of 2011 a new factor has

appeared which has the potential to drastically transform the Middle East as we have known it. This factor is the sudden introduction of fundamental change into the Middle East with the 2011 upheavals in North Africa.

The unexpected revolts in Tunisia and Egypt, leading to the ouster of long-reigning autocrats in both countries and the subsequent armed rebellion in Libya, will undoubtedly have far-reaching implications. Ironically, this came at a time when Western observers and academics alike had finally given up hopes of impending democratic revolutions and had stopped interpreting half-hearted reforms by authoritarian regimes as signs of peaceful transitions to greater accountability. The events have shown that the Middle East is not out of step with history, as has often been asserted, and that the Arab-Islamic civilisation is not as exceptional as many had previously thought.



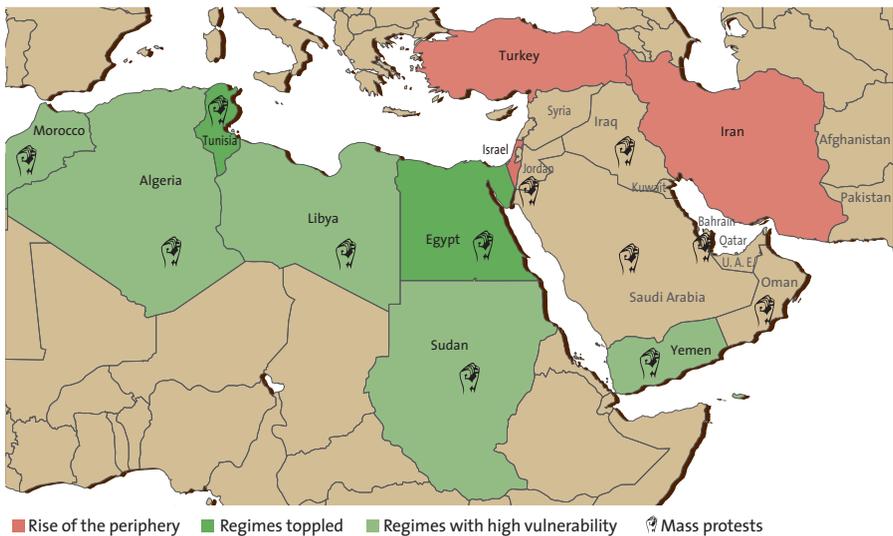
The developments that have been widely hailed as the first appearance of democratic revolutions in the Middle East are, for now at least, not much more than revolts, albeit carried through by genuine people's uprisings. It remains to be seen whether these revolts will manage to morph into authentic revolutions in a literal sense by fundamentally transforming the political and social systems of these societies.

On the one hand, the transition processes just initiated might lead to greater accountability, respect for civil rights, more just and open societies, and, in the long-term, even to economic dynamism, as old crony capitalism is replaced. On the other

hand, there is no guarantee for this. Reforms and transition to democracy could just as well be stopped in their tracks by the countervailing forces that benefited from the old regimes and are loath to lose their spoils. New openness could lead to the polarisation of the new domestic political scenes and even to violence, given the general lack of experience regarding democratic governance. Additionally, the regional and global dimensions of this unexpected cataclysm must not be ignored.

The main effect on the region is indeed that of an ongoing development. Much to the surprise of analysts, the turmoil in Tunisia had a contagious effect on other regimes.

### Changing regional dynamics in the Middle East





While many of the underlying factors generating pre-revolutionary conditions in Tunisia are also detectable in most other Arab countries – be it economic hardship, high unemployment especially for the youth, popular resentment against political repression and a general lack of freedom, abuse by the various security organisations and the omnipresent *Mukhabarat* (the intelligence services), and the flagrant enrichment of the elites – there were also important differences between those states.

Tunisia and Libya suffer(ed) from very repressive regimes. Egypt, however, was more lenient towards the opposition and allowed certain space for criticism. Both the Tunisian and the Libyan regimes neglect(ed) the regular armed forces, instead cultivating alternative security and paramilitary forces. Conversely, the regular army in Egypt has remained the dominant institution since the 1952 revolution. Nevertheless, in all three countries, the majority of the army ultimately decided to side with the people. In socio-economic terms, there are similarities between Tunisia and Egypt, while in contrast, sparsely populated and tribal-dominated Libya possesses large oil wealth. These differences notwithstanding, all three countries experienced popular revolts that brought down or decisively weak-

ened long-standing authoritarian regimes.

To explain the contagion, one probably has to refer to a new transnational Arab public and the enduring bonds between different Arab societies built on common language, cultural heritage, and religion. Indications of an emerging new Arab public replacing old and outlived forms of political Pan-Arabism could be observed for some years now. For example, Arab publics were strongly supportive of both Hizbollah and Hamas during their recent wars against Israel and near-unanimously opposed to the US war against Iraq, thereby debunking official proclamations regarding the menaces from Sunni Islamist and Shi'ite sectarian organisations and forcing numerous regional actors to challenge US actions, at least rhetorically.

Many Western observers have underestimated this dimension and misinterpreted the main sources of opposition. The conviction that the Middle East had experienced the end of ideology save Islamism was prevalent before this crisis, and was consistently used in defence of authoritarian regimes, based on the assertion that their most probable successors would have even less scruples. The recent revolts, however, demonstrate that the perception of a virtual Islamist



monopoly on opposition has been a misjudgement. Only in Libya did they play a more prominent role. There, as well as in Tunisia and Egypt, they seemed to have been as much overtaken by events as the regimes themselves. Should it come to free and fair elections in those countries, the Islamists can nonetheless be expected to fare rather well, given their organisational head start and the overall conservative sentiment in many of these societies. But the fact remains that the bulk of protesters consisted of a new – and overwhelmingly secular – generation representing the entire social stratum, constituting amorphous and networked ad-hoc communities independent of party and organisational affiliations and impossible to decapitate. Long-ignored, but also of great importance in the initiation phase of the revolts, was the role played by organised labour.

#### *Regional dominoes?*

Acknowledging that most Arab countries also contain the social, political, and economic ingredients which together formed the hotbed for the revolts in early 2011, does that mean other dominoes in the region will fall? Given the fact that two regimes have been toppled in a time span of only some weeks, such a scenario is rather likely. But, even if we acknowledge the differences between the cases, there are

some factors that might help forecast which regimes might suffer the same fate. All regimes that have been overthrown so far were late manifestations of the Arab Nationalist republics created during the 1950s and 1960s. None of them was able any more to generate the kind of popular support of the masses as it was possible in the days of former Egyptian leader Gamal Abdel Nasser. As the heirs of the golden days of (pan-)Arab nationalism, they were nonetheless capable to draw from this legitimacy, however non-democratic, for quite some time. But their eventual demise was unstoppable.

The abandonment of old Socialist experiments in favour of neoliberal reforms often translated into regime loyalists and crony capitalists taking over national assets or state monopolies through privatisation measures, while subsidisation of basic goods for the general population was abolished. Arab Nationalist credentials earned through resistance to Western policies during and after the Cold War had long been forfeited in the wake of subservience to US strategic priorities and lukewarm support for the Palestinian cause, despite contrary sentiment in their populations. In their last phase, many of the republics indeed started to resemble the Eastern European gerontocracies of the



## Middle East: Countries in comparison

Country	Population (in mn)	Leader	Date of accession	Human Development Index (rank)*
<b>Egypt</b>	80,5	in transition (previously: Hosni Mubarak)	2011 (1981)	101
<b>Turkey</b>	77,8	Recep Tayyip Erdogan	2003	83
<b>Iran</b>	76,9	Mahmoud Ahmadinejad	2005	70
<b>Sudan</b>	43,9	Omar al-Bashir	1989	154
<b>Algeria</b>	34,6	Abdelaziz Bouteflika	1999	84
<b>Morocco</b>	31,6	King Mohammed VI	1999	114
<b>Iraq</b>	29,7	Nuri al-Maliki	2006	no data
<b>Saudi Arabia</b>	25,7	King Abdullah	2005	55
<b>Yemen</b>	23,5	Ali Abdullah Saleh	1978	133
<b>Syria</b>	22,2	Bashar Assad	2000	111
<b>Tunisia</b>	10,6	in transition (previously: Zine El Abidine Ben Ali)	2011 (1987)	81
<b>Israel</b>	7,4	Benjamin Netanyahu	2009	15
<b>Libya</b>	6,5	Muammar Qaddafi	1969	53
<b>Jordan</b>	6,4	King Abdullah II	1999	82
<b>United Arab Emirates</b>	5	Sheikh Khalifa bin Zayed al-Nahyan	2004	32
<b>Lebanon</b>	4,1	Najib Mikati	2011	no data
<b>Oman</b>	3	Sultan Qaboos	1970	no data
<b>Kuwait</b>	2,8	Sheikh Sabah al-Ahmed al-Sabah	2006	47
<b>Qatar</b>	0,8	Sheikh Hamad bin Khalifa al-Thani	1995	38
<b>Bahrain</b>	0,7	King Hamad bin Isa al-Khalifa	1999	39

\* Ranking 2010, 169 countries

Source: UN Development Programme; CIA Factbook; Economist



late 1980s and some even tried – or in the case of Syria have even succeeded – to turn themselves into hereditary systems by establishing quasi-dynastic succession. All of this contributed to the crisis of legitimacy that found its expression in recent revolts.

If this analysis is correct and the old Arab Nationalist republics are indeed the regimes most threatened by this wave, there will be two main consequences for the region. First, the revolts – and perhaps even revolutions – will continue, and more regimes might well be toppled. Monarchical regimes like Morocco, Jordan, and the Gulf monarchies will also come under pressure, but will most likely be able to weather the storm by relying on their more solid legitimacy, by accommodating protesters' demands – as they already have done in some cases – or by transforming existing mock constitutionalism into something more credible and thereby tread the path of evolutionary change. Smaller vulnerable entities like Bahrain might be forced to rely on intervention by their bigger monarchical neighbours. Second, apart from always volatile Yemen, therefore, most of these revolutionary events might indeed occur along the Mediterranean or could even be confined to the North African littoral as well as, perhaps, Mauretania and Sudan.

### *A new Middle East*

The effect of such a development on the whole region would be cataclysmic. Provided that the transition phase in some of the new republics will bring about more open and pluralistic societies, potentially with a populist foreign-policy orientation, the new Middle East would then consist of traditional authoritarian regimes, most of them of monarchical character, and the new republics. The allure of the various freedoms attainable in the new systems would have a destabilising impact on the governance mechanisms within the traditional autocracies. In combination with the protracted conflicts already prevalent in the region and the possible involvement of external great powers, this situation contains all the ingredients for renewed intra-regional strife. Such a situation might even escalate into an Arab Cold War following the pattern of the 1950s and 1960s, the outcome of which is unpredictable.

Even in the absence of a new Arab Cold War, one can predict that the nascent second Egyptian republic will make changes in the foreign-policy posture inherited from the previous regime. Whatever the eventual changes will look like, taking into account Cairo's historical role as the leading Arab power, this will inevitably lead



to a broader regional realignment. This may well be the first time Arab states are compelled to pursue foreign policies that accord with the sentiments of the majority of their populations. It can be expected that – after a phase of domestic consolidation taking up to several years – this new policy will aim for a restoration of Egypt’s traditional regional role. This would probably also imply the restitution of full Egyptian sovereignty over the Sinai Peninsula and therefore a challenge to the regional order established by the Camp David accords and the Egyptian-Israeli peace treaty in 1978/79.

Together with the more confrontational rhetorical stance that is to be expected, a future estrangement or even divorce between Egypt on the one hand and Israel and the US on the other hand cannot be ruled out. Quite possibly, the future Middle East will expose the idea that democracies do not fight each other as the closest thing to superstition. Western-centric analysts of international relations have invented in the recent past.

### **Implosion of the core**

For now, the unexpected changes in Egypt, Tunisia, and Libya and their likely prioritisation of domestic issues for the foreseeable future will have the effect of amplifying a persistent trend that has been discernible since

the Iraq War of 2003: The weakening, in strategic terms and in regional influence, of the inner Arab core of the Middle East. Beyond the above-mentioned crisis of legitimacy of the old republics, the main reason for this development has been the elimination of Iraq as a significant regional player in the wake of the US invasion and the dissolution of its state institutions.

From the perspective of the Middle Eastern balance, the 2003 occupation of Iraq has finalised a regional power shift that began with the enforced withdrawal from Kuwait in 1991 and the subsequent containment of Iraqi power during the remainder of the decade. The role previously played by Iraq as the ‘citadel’ of the Arab Nation – after Egypt’s ‘desertion’ through the signing of a separate peace with Israel – and as its Eastern outpost vis-à-vis the Persian periphery always overextended Iraq’s capabilities and was actually incompatible with its inner composition. The (final) demise of Iraq as a veritable regional player in its own right, however, has now fundamentally changed the regional balance.

### *Iraq as a playing field*

The transformation of Iraq ‘from a player into a playing field’ (Gregory F. Gause) has indeed been the main



prerequisite of Iran's rise to greater regional ambition. Now that all main Iraqi communities – Sunnis, Shiites, and Kurds – have been empowered in their own right, the domination of one or two of them at the cost of the other(s) seems improbable. The installation of a pluralist system, mainly based on ethnic and sectarian divisions, together with the strong transnational bonds of all main factions, has made the Iraqi domestic system highly 'penetrated', i.e. open to foreign influence. Iraq's new role resembles Syria's stance in the 1950s, when radical Arab nationalists and conservative-monarchical forces competed in a 'Struggle for Syria', a confrontation that shaped the background for an embattled intra-regional contest for dominance.

A reoccurrence of such an intra-regional struggle, this time centred on Iraq, appeared entirely possible for a while after 2003. Some events during the civil war phase after 2006 even seemed to signal that a new regional Cold War had already started. But recent developments seem to suggest that these fears were too alarmist. At present, political power in Iraq is mostly fragmented and localised, and the central government is continuously forced to compromise with alternative power-holders in the provinces. Given the manifold ways in which outside pow-

ers can use their close relationship with groups tied to certain communities, Iraq will be turned into a microcosm of the surrounding state system. This situation could potentially provide the basis for a 'Struggle for Iraq'. But if any such struggle is taking place at all, its concrete manifestations have indeed been rather muted and do not resemble the 'all-or-nothing' antagonisms of the past.

Fears that Iranian influence on the Shiite majority in Iraq would lead to a de-facto takeover of the country have proven ungrounded. Tehran's clout in Iraq is certainly considerable, but it is consistently challenged by other external players such as the United States, the Sunni Arab states, and Turkey. There seems to be a growing awareness by all parties that none will 'control' Iraq. In sum, post-war Iraq's constitutional arrangements, ensuring political fragmentation and extensive decentralisation, but stopping short of an actual division of the country, produces an outcome mirroring the regional system inside Iraq's borders, and leads to a rather peaceful (if often covert) competition between outside powers.

#### *Syria and Saudi Arabia weakened*

With Iraq gone as a regional factor, the responsibility to balance would normally lie on the shoulders of the



other two remaining Sunni Arab states, Syria and Saudi Arabia. The Baathist regime of Bashar al-Asad faces tremendous economic and – in the wake of recent Arab uprisings – probably also political challenges. Strategically, it has positioned itself by cultivating closer relations with the peripheral powers of Iran and, more recently, Turkey. It has regained influence in its Lebanese backyard after the forced withdrawal of Syrian troops from the country in 2005.

With Syria refusing to disassociate itself from its traditional alliance with Tehran, only Saudi Arabia remains a candidate responsible for strategic weightlifting in the Mashreq. Recent arms deals with the US seem to suggest that it has indeed adopted this role. However, regional resentment against a greater Saudi role remains strong. Moreover, Riyadh is aware that it only has the financial clout, but not the demographic or – despite the fancy new equipment – military capabilities to challenge Iran. Therefore, Saudi Arabia is continuing its rapprochement with Tehran, a process dating back to the 1990s. It is a symptom of the weaknesses of the bigger Sunni Arab states that a tiny player like the Emirate of Qatar has been able to punch above its weight and to successfully adopt the role of an active mediator all over the region.

### **The (uneven) rise of the periphery**

The weakening of the Arab heartland has drawn attention to the periphery of the Middle East. A recurring feature of the history of the Middle East is that any weakening of the Arab core leads to a rise of influence of the non-Arab societies and states, normally of Iranian or Turkic origin. In some respects, this pattern has repeated itself since the 1970s. According to Western media and analysts alike, both Iran and Turkey are gaining in stature. In this context, Israel's position is often ignored. It must, however, be included in the periphery as it has never been integrated into the Arab state system. A critical assessment of the claims that the periphery is increasingly important, demonstrates that, while the general trend is undeniable, the three countries follow different trajectories and will face very different challenges.

#### *Iran's challenge...*

With no viable Arab state 'balancer' left, many perceive a rise of Iran to the position of 'regional hegemon'. In a strategic sense, Iran has been the main beneficiary of US regime change policies in Afghanistan and Iraq. These events, together with the disappearance of Russian power from its northern border in 1991, have fundamentally changed Iran's strategic environment to its advan-



tage. Some observers regard Iran as a revisionist power that aims to control the entire Middle East, to destroy Israel, and to replace US power. Such pundits are convinced that Iran's nuclear programme is geared towards the acquisition of a nuclear weapons capability. They also point out that Iran's foreign policy stance has grown more assertive since the US attempts to turn Iraq into a strategic asset have faltered after the 2003 invasion. They note that this change in Iran's outward look has been accompanied by the return of a more ideological stance since the election of Mahmoud Ahmadinejad to the presidency in 2005 and a growing influence of the Islamic Revolutionary Guard Corps in domestic politics.

Several US strategists seem to share the view of a unique challenge by Iran. The 2006 US National Security Strategy went as far as to claim that Washington 'may face no greater challenge from a single country than from Iran'. Such assessments, however, seem rather overblown and alarmist. Claims that Iran will be a 'regional superpower' are fatuous both in expression and in substance. Iran has certainly asserted itself. It quite successfully plays the role of the main antagonist of US-inspired security agendas in the Middle East. For this stance, it has drawn applause from large segments of the Arab public. Its support for anti-Israeli militant

groups in Lebanon and the Palestinian statelets has increased as well. But the limits of Iranian power are remarkable and must not be ignored.

*...and Iran's weaknesses*

As already mentioned, the idea of a 'rise of the Shia' across the region is mostly spurious. Iranian influence has grown in both Iraq and Lebanon, but demographic and political realities make a full take-over of power by Tehran's allies all but impossible. While they still adhere to a revolutionary vocabulary, Iranian leaders abandoned any visions of exporting the revolution about 25 years ago. Iran's mounting involvement in the Levant is most likely an expression of an acute awareness of its own vulnerabilities. Therefore, it should be seen more as an attempt to gain strategic depth and to devise alternative means of deterring an attack on its territory. Iran's patronage for Hamas and Hizbollah generates political rather than military advantages, as those organisations have little incentive to play the role of pure proxies or of a massive retaliatory force for Tehran. At the end of the day, Hamas and Hizbollah, as real players in their own right, will be held accountable by their local constituencies.

Iran's own military capabilities are indeed rather limited – while impres-



sive in size, its army is erratically led, factionalised, poorly equipped, its air force's fighter planes antique and its air defence capabilities limited. Iran possesses practically no power projection capabilities. With about US\$9 bn, Iran still spends less than 3 per cent of its GDP on defence, while Saudi Arabia with its much smaller population, for example, spends over US\$40 bn, about 9 per cent of its GDP. Indeed, over the last decade, all GCC states together spent about 15 times more on weaponry than Iran. Faced with a US attack, Iran would have to rely on asymmetric warfare and guerilla tactics. While it probably could organise a number of retaliatory terrorist acts using proxies and intelligence assets around the world, these would have no military effect. Iran's alleged ability to close the Strait of Hormuz and endanger Western oil supply is also overstated.

In economic terms, Iran is far from being a great power. Its GDP equals that of Greece, and it faces a number of serious economic challenges. Subjected to four rounds of UN sanctions, targeted US and European financial measures, and actions inhibiting gasoline imports, the country's already difficult situation has become worse. From a political point of view, how-

ever, the sanctions have helped the Iranian government to cast the blame on foreign powers and to legitimise the suspension of hugely costly subsidies on electricity, petrol, and basic goods. From a strategic perspective, however, the country has few hallmarks of great power potential. Inter-

**Iranian leaders abandoned visions of exporting the revolution about 25 years ago**

nally disunited and factionalised, Iran's ruling ideology is theologically chal-

lenged by nearly all Shiite religious authorities; it is ethnically heterogeneous (only 51 per cent are ethnic Persians) and now under pressure of a lively and seemingly popular 'Green' opposition movement awakened after the controversial presidential elections of 2009.

#### *Breaking out?*

While international concern is certainly understandable, Iran's nuclear programme is still far removed from an actual weapons capability. US intelligence continues to believe that the programme had been halted in 2003 and not been restarted since. The recently retired Israeli intelligence chief has stated that Iran would need at least until 2015 to develop a weapon, provided that there were no international efforts to constrain it. Nobody knows how far the Iranian leadership is willing to go, and it is rather likely that no



ultimate decision has yet been taken in Tehran.

Even if Iran went all the way rather than being satisfied with a 'break-out capability', it could nevertheless only manufacture a number of crude nuclear devices, would not possess a reliable delivery system, and could not ensure a second-strike capability. In many respects, it would be much more vulnerable than it is nowadays – it would become a legitimate target for nuclear retaliation, could well be confronted with a pre-emptive attack by another nuclear power, and would also encourage a long-term US presence in the Persian Gulf region as the Arab states would likely seek shelter under the US nuclear umbrella. The occasional claims by Western media and analysts that Tehran intends to attack Israel immediately once it possesses a nuclear bomb, insinuate strong suicidal intentions of its leadership. The current policies of Iran's leadership in the Gulf and in Iraq, however, suggest that it is guided by pragmatism rather than ideology.

Iran's rise is predominantly an effect of the changing regional environment in the wake of the Iraq War. Neither (alleged) regional clout, nor its military capabilities, nor its internal condition support the view that Iran can aspire to the role of regional hege-

mon. Even its nuclear weapons programme, from a non-eschatological vantage point, seems neither extremely urgent nor impossible to manage. But given its demographic size and its geographic position, Iran will in the future continue to play an important role in the wider Persian Gulf region, and it would be foolish to ignore its influence altogether. However, it will take some decades until this potential is fully developed.

#### *Israel's Iron Wall*

It was Israel's former prime minister David Ben-Gurion who in the late 1950s developed a theory of the regional periphery in the first place. The idea that newly founded Israel – given the circumstances of its creation – would be faced with intransigence, isolation, and violent opposition from its Arab neighbours for decades was widely believed. As acceptance in the Middle East seemed to be unachievable, Israel would establish its security with an 'Iron Wall' through military strength and deterrence. Any attempt to threaten Israel's existence would be answered by military force up to the point where the Arab neighbours would show a willingness to accept the new state as part of the Middle East and negotiate a peaceful end to the conflict.

Beyond the vital patronage of the US superpower for the young state, the



idea of an alliance with the states of the periphery like Turkey, Iran, and Ethiopia in order to balance against the Arab world took hold. The progress of time, together with a series of decisive military victories over the Arab antagonists, has led to general, if grudging, acceptance of the fact that Israel is here to stay, the fore-

**Israel's strategic elites have overlooked the frailty of the security arrangements with its neighbours**

most expression of which is the Arab Peace Initiative. The last step for Israel's integration would have been a successful conclusion of the peace process negotiations with the Palestinians as initiated by the Oslo Accords in 1993, which would have finalised the division of the territory of former Mandatory Palestine into two states. The formula 'land for peace' includes withdrawal from the territories occupied in 1967 in return for recognition of the state of Israel on 78 per cent of the former Mandate territory.

In retrospect, it is indeed hard to explain how the peace process came to be a failure and, in the future, it might well be regarded as one of the great missed opportunities in history. Instead of looking for culprits for the breakdown, the failure is probably best understood as a consequence of the huge asymmetry between the negotiating partners.

Israel today, quite unlike at the time when the idea of an 'Iron Wall' was conceived, is the dominant Middle Eastern military power and the hegemon in this sphere if one excludes US military power in the region. Israel is the only state possessing

sufficient military capabilities to pose an existential threat to

any of the larger states in the Middle East and is capable of defeating any combination of Arab states and Iran in a conventional war. The often-repeated talk about the Middle Eastern balance is therefore pointless, as in pure military terms, it is a near-total imbalance in favour of Israeli military might, a statement that would even be true if one ignores that Israel is the only nuclear-armed state in the Middle East. Beyond this dominance, Israel has the most modern economy, efficient institutions, integration into the global market and the faithful and unbending support of the sole superpower. In a short-term strategic view, there is no need to make peace with the Palestinians, as they are not and never will be a military factor at all.

#### *A false sense of security*

Even if this view of Israeli power as unassailable seems very convincing, it nonetheless ignores a number of central factors. Despite the current



near-total Israeli military dominance, there is no guarantee that it will be sustainable for decades. Israeli preponderance is, at its core, derivative of global US preponderance. While the special relationship with Washington looks unassailable for the moment and US attachment to Israel is passionate, history tells us that, at the end of the day, states have interests rather than friends. Should the US decide to disengage from the Middle East at one point, the fundament for Israeli preponderance will wane. It is unlikely that another extra-regional hegemon, provided there will be one at all, would be willing to acquire the liability then abandoned by the US.

Regional substitutes are non-existent: Revolutions in 1974 and 1979 removed the 'peripheral' allies of Ethiopia and Iran. The strategic alliance with Turkey has deteriorated, with the recent Gaza flotilla incident widely regarded as a turning point. Israel's own economic base does not suffice as a basis for the preservation of its status as the leading regional power. Nor do demographic realities. In the foreseeable future, Israel could well be dwarfed by its bigger and more populous neighbours. Israel's current military deterrent might indeed prove to be a wasting asset.

While Israel has drawn world attention to the Iranian nuclear threat, its

own strategic elites have consistently overlooked the frailty of its security arrangements with its direct neighbours. It has signed peace treaties only with Egypt and Jordan. In both countries, the peace agreements are based on the consent of detached elites and are quite unpopular with public sentiment. The Egyptian regime has come under intense pressure from the street, which has succeeded in forcing the resignation of President Mubarak. The outcome of the transition process is incalculable; but it is conceivable that a foreign policy more in resonance with public demand will seek revisions to the previous stance vis-à-vis Israel. Recent upheavals in the Arab world make for a worrisome strategic setting from an Israeli point of view.

#### *A one-state solution?*

Despite all these mid- and long-term factors compromising Israel's strategic position, the consensus view among its strategists still holds that military preponderance and US support make painful concessions unnecessary, and that a full integration into the region is neither indispensable nor desirable. It is true that current strategic advantages together with internal Palestinian divisions will, for now, ensure continued effective control of the whole area of the erstwhile Mandate of Palestine. Furthermore, any sincere



attempt to pursue a conflict-ending agreement with the Palestinians will probably prompt intense domestic divisions inside the Israeli polity, as it would involve the relocation of a large share of the about half a million settlers in the occupied West Bank and East Jerusalem into Israel proper. But the status quo is untenable.

Using the Palestinian Authority in the territories as a proxy for this purpose only accelerates the demise of Fatah and will either lead to the dissolution of Palestinian self-administration or a takeover of the West Bank by Hamas. Both would result in the return of direct rule by Israel. While both sides still publicly assert that they strive for a division of the territory into two states for two people, the reality on the ground is moving towards a one-state solution, a bi-national Israeli-Palestinian state. The Palestinian struggle for national self-determination could develop into a struggle for equal rights, which would change the conflict into a civil-rights struggle. Such a development challenges the fundamental *raison d'être* of the Jewish state.

### *A changing Turkey*

The most dynamic member of the Middle Eastern periphery club, at least in economic terms, is certainly Turkey.

Since the election of the moderate Islamist Justice and Development Party (AKP) to power in 2002, Turkey has transformed itself in remarkable ways. Having long been considered as the 'sick man' on the Bosphorus, the Turkish Republic has staged an unlikely comeback. Following a decade of unstable governments, economic volatility, ethnic conflict, and continued manipulation of the political system by the powerful Turkish military, the granting of official candidate status for EU membership in 1999 proved to be a turning point. The implementation of a number of constitutional and liberalising reforms created a political climate in which the AKP single-party government flourished. Turkey's economy grew by about 7 per cent before the financial crisis and has since rebounded, making it one of the fastest-growing economies in the emerging world. And, quite different from resource-rich countries in the Middle East, the Turkish economic miracle is built on self-sustaining, fundamental strengths.

Simultaneously, the political legacy of the military coups of the past has been overcome through reformist laws and a recent constitutional referendum in the autumn of 2010. With its con-

**The most dynamic member  
of the Middle Eastern  
periphery club is Turkey**



solidation of civilian rule and democratic governance and the abolishment of military tutelage over the political system, Turkey has entered its post-Kemalist phase. The political dominance of the AKP sometimes elicits fears that the party led by Turkish Prime Minister Recep Tayyip Erdoğan is aiming for an authoritarian position or, given its ideological roots in political Islam, is trying to introduce a Sharia-based judicial system. While domestic political conflicts between the government and the secular establishment are vitriolic, these accusations seem not to be substantiated by facts. With its economic successes and steps toward genuine liberalisation, Turkey now epitomises a new pluralist democratic system in the Muslim world, secular while in consonance with Islamic values, economically dynamic and more and more independent in its foreign policies – in many ways a model to emulate for other Muslim societies and especially for the post-revolt societies in North Africa.

#### *The world of the Neo-Ottomans*

Turkey's popularity in the Middle East is predominantly derived from its recent foreign policy stance. The adoption of what many in the region perceive as a 'dignified' foreign policy by the AKP government has clearly changed the image of Turkey in the

region – indeed, to a rather surprising extent, given the burden of Ottoman history in the Middle East. An important element of this new stance is Turkey's reserved and often critical attitude towards Western, and foremost US, policies in the region. In retrospect, the decisive turning point was the Turkish parliament's refusal in 2003 to permit the use of US bases in the country for the attack on Iraq. Since then, the formerly close relations with Washington have experienced considerable strains, and Turkey's relationship with NATO has grown more ambivalent. Ankara's disassociation from the US strategic agenda in the Middle East quickly led to denunciations of Turkish foreign policy as an attempt to 'turn East' or even to join the so-called 'axis of resistance'. Some have even interpreted Turkey's new foreign policy as an attempt to recreate the Ottoman Empire.

In fact, Turkey's objectives are much more modest. Its new stance aims at achieving what its main architect, Turkish Foreign Minister Ahmet Davutoğlu, calls 'strategic depth'. In practice, this means that Turkey aims to deepen existing links with the countries in its neighbourhood in order to utilise the opportunities offered by its unique geostrategic location between Europe, the Caucasus, Central Asia, and the Middle East.



The new policy aims at ‘zero problems with neighbours’ and enables Turkey to act as a mediator in conflicts in its regional neighbourhood, from the Balkans to the Caucasus, from Gaza to the Golan, in Iraq, Afghanistan, and over the Iranian nuclear programme, albeit with varying success.

### *Growing stature*

Having neglected its Middle Eastern neighbourhood during the Cold War and the following decade, the return of Turkey as a major player has a tremendous effect on the regional system. Its economic initiatives vis-à-vis its Arab neighbours have fundamentally transformed bilateral relations and might even contain the nucleus of wider multilateral cooperation or even integration. One important achievement has been the creation of a visa-free zone comprising Jordan, Lebanon, Syria, and Turkey. There are also plans to expand the zone into an actual free trade zone of this ‘Middle East Economic Quartet’, and first steps have been undertaken for the creation of multilateral economic mechanisms modelled on the EU. These ideas have been accompanied by new plans for improving regional transportation and infrastructure as well as cooperation in the energy sector.

One of the most impressive examples of the new Turkish flexibility in for-

## **Turkey and the Middle East: New activism**

### *Economic*

Trade with MENA 22% in 2010, doubled since 2004

Fostering regional interdependence as a tool ‘to gain depth’ in the neighbourhood

- Free trade with Syria, Iraq, Jordan, Lebanon
- Aim to triple trade with Iran to US\$30 bn in 5 years
- Visa-free travel: Syria, Jordan, Lebanon, Libya
- Intra-regional infrastructure: Railway reopened with Syria and Iraq 2010

Energy: Oil deals with Sudan, 20% of gas imports from Iran

### *Political*

First strategic partner of GCC outside Gulf 2008

Observer at Arab League

High Level Strategic Cooperation Councils with Syria, Iraq, Jordan, Lebanon, Egypt

Strained relations with Israel over Hamas policy and flotilla raid

Mediation: Iran nuclear crisis (with Brazil); Syria-Israel; Syria-Iraq; Iraq; Lebanon; Israel-Palestinians; Fatah-Hamas; Afghanistan/Pakistan

eign affairs has been its growing role in the new Iraq. The precondition for this success has been a turnaround in Turkey’s relations with the Kurdistan regional government (KRG) in northern Iraq. Previously Turkish central governments had shunned the KRG because they feared that Kurdish



autonomy in Iraq might incite Turkey's own Kurdish minority. The surprising recent embrace of Erbil has led to an already impressive Turkish economic presence in Iraqi Kurdistan and the spreading of Turkish 'soft power' in the region. As a consequence of Turkey's opening, trade with Iraq has doubled in two years and promises to expand even further. Turkey also maintains close relations with Iraq's Sunni and Shiite communities and has positioned itself as a mediator in the talks on forming a new government during 2010. Expanding their networks of influence even to the Iraqi south, the Turks have managed to gain major influence in Iraq in a short amount of time. The close attachment to Erbil might even open a chance to establish wider Turkish-Kurdish reconciliation and collaboration, which could help develop the long-neglected south-eastern regions of Turkey and would also exert a strong gravitational pull on the Kurdish minorities in Syria and Iran, thereby enhancing Ankara's position further.

#### *The zero-sum of 'Zero Problems'*

Despite all the euphoria of Turkey's new activism, there is also suspicion in Arab states regarding Ankara's long-term objectives. Economic overtures have been generally welcomed, but political and military cooperation lags behind. While there has been a

limited number of military cooperation agreements with Jordan, Kuwait, and Saudi Arabia as well as joint exercises with Syria, US dominance in the military sector makes further cooperation difficult, especially in the Gulf monarchies. For now, Turkey's new approach is dominated by the economic sphere.

Despite Turkey's rapid rise to a preeminent position in the region, the sudden change in its foreign policy stance has also created new problems. The 'Zero Problems' policy has enabled much better relations with the neighbouring countries, but it was only made possible by abandoning the previous close alignment with the US strategic agenda in the region. Turkey's new activism has considerably strained relations with Washington. Turkey's attempt together with Brazil to mediate in the Iranian nuclear conflict at a time when the US was looking for support for new UN sanctions was perceived in Washington as unhelpful, and the Turkish subsequent vote in the Security Council against new sanctions was even seen as unfriendly.

There is also criticism directed at Turkey's engagement with Syria. The recent fall-out between Turkey and Israel over the war in Gaza and the Gaza Flotilla affair has considerably



contributed to the divergence between Washington and Ankara. The Obama administration had earlier demonstrated a willingness to accept a more confident and assertive role for Ankara in the Middle East, which previous administrations had repeatedly called for in the past. With the crisis in Israeli-Turkish relations, it has become extremely difficult for the administration to get domestic support for the acceptance of Turkey as a major regional player.

At the same time, Turkey's relationship with the EU has also lately experienced growing strains. Rather ironically, it was the prospect of eventual EU membership that had started the reform project and the democratic transformation in Turkey. More than five years after the start of membership negotiations, however, the accession process has stalled. Domestic opposition foremost in France and Germany, together with the intractable Cyprus question, have led to the 'freezing' of the most important negotiating chapters, and Turkish EU membership now seems rather unlikely in the near future. Turkish domestic support for joining the EU has fallen drastically. Economically, however, Europe is still dominant, as it still purchases more than half of Turkish exports, hosts several millions ethnic Turks, and also supplies the vast majority of foreign

investment. It seems as if trade relations with Europe will intensify irrespective of the accession negotiations.

With its assertive stance, Turkey has reaped substantial benefits in a short amount of time, but this posture has also led to the weakening of Ankara's traditional bonds. While unquestionably on the rise, the honeymoon phase of Turkey's new position in the Middle East will soon be over. A state of the size of Turkey will inevitably be drawn into taking sides in local conflicts, and continuing to maintain the high ground of neutrality will prove to be difficult at some point. Its new independence from Western influence will prove both an asset and a liability.

### **From Middle East to Middle West**

The rise, if uneven, of the periphery promises to fundamentally change the Middle East. The long-term effects of the events on the periphery in combination with political and social upheavals in the Arab world are already discernible. The increasing involvement of the peripheral powers in events at the Arab core has the effect of bringing the region together. At the same time, however, the growing economic drift of the Persian Gulf towards East and South Asia has the opposite effect. In the long term, this will change the way we look at the region.



When talking about the world region named *Middle East*, analysts often forget that the designation in itself presumes a Western vantage point, as the very term 'Middle East' was invented as a function of imperial strategy in the early 19<sup>th</sup> century. When the strategic centre of gravity moved further east during the later Cold War, new designations were invented. *Southwest Asia* referred to the Middle East together with the new focal points of Afghanistan, Pakistan, and the Horn of Africa. Most recently, the wider region has been referred to as the *Central Region*. Thus, the latter term, coined by US strategists, simultaneously illustrates both the geographic gaze of a non-Eurasian onlooker still informed by a Cold War framework and the ongoing strategic centrality of the region in the context of Washington's global grand strategy. The US is still the only relevant power from outside the region and is de facto a Middle Eastern power in its own right.

#### *America on the wane?*

There is an unaltered conviction in Washington that the Middle East is and will, for the time being, remain the central region. But there is also a growing conviction in both Washington and Middle Eastern capitals that US influence in the region is waning fast. The loss of US influence since the heyday of the early 1990s is undeni-

able. Its actual causes, however, are more difficult to identify. One important factor is that regional powers in the Middle East have grown bigger and therefore less reliant on US protection. US aid to Egypt, second only to Israel's in size, used to equal about 10 per cent of Egypt's GDP in 1980 – it now stands at about 1 per cent. Saudi Arabia has distanced itself – at least ostensibly – from its patron by convincing Washington to withdraw most of its troops from its territory in 2003. The strong pressure exerted on Israel by the George H.W. Bush administration ahead of the Madrid Peace Conference in 1991 seems inconceivable nowadays.

This general trend has been forcefully expedited by Washington's own strategic and tactical mistakes. As described above, the invasion of Iraq has irrevocably changed the strategic balance in the region. Antagonistic Iran has been emboldened, previously close allies such as Turkey have distanced themselves from Washington, and an isolated Israel is doing everything in its power to sabotage US attempts to engage unfriendly powers. US actions in Iraq and the massive military footprint in the region have tarnished the US image, and even Obama's popularity after his 2009 Cairo Speech has drastically suffered, as it has not been followed by concrete political steps.



Apparent successes, such as the 2005 ‘Cedar Revolution’ in Lebanon, have proven to be rather limited. In the meantime, US attempts to reinvigorate the Arab-Israeli peace process have failed.

Despite all these setbacks, the US should not be written off too hastily. While it is not indispensable any more, it is still the only relevant extra-regional player at the moment. The Obama administration has managed since 2009 to stabilise the US position in the region. It has managed to continue the drawdown of US troops from Iraq, to be concluded by the end of 2011, while supporting political stability in Baghdad. While ostensibly engaging the leadership in Tehran, the administration has managed to build an international coalition in favour

of an ongoing pressure strategy built on sanctions aimed at Iran. The strategy will hardly succeed in stopping Iranian enrichment activities, but it will, for now, keep all military options off the table, a primary US interest at present. This may also be based on the belief that the political clock in Tehran might be ticking faster than the nuclear one. The administration has deepened its strategic cooperation with the Gulf monarchies, based on arms deals worth

around US\$123bn, which have also benefited the US economy. The Obama White House has apparently opted for modest steps and in favour of managing existing conflicts instead of aspiring for grand solutions.

Nevertheless, the revolts and revolutions that began in 2011 – veritable birth pangs of a new Middle East – will certainly have an influence on the US hegemonial position. As the most important foreign supporter of the ruling authoritarian regimes in the Arab world and their close collaborator in the security and intelligence sphere, the US has the most to lose from these developments in a strategic sense. The nature of the new governments emerging from

**In a strategic sense, the US has the most to lose from the revolts in 2011**

the transition periods in Tunisia and Egypt and the developments in other Arab states

are unpredictable. But foreign policies more in accord with the consent of the governed in the new republics will lead to greater distance from the US. Open discussions of the past, trials of former officials, and opening of the archives might reveal Western collusion with the toppled regimes. This will be a burden for any US attempt to engage the new republics. Any serious attempt by the Obama administration might well be hampered by a recalcitrant Congress. If the



Arab revolts turn into revolutions, US influence might be largely confined to the Arabian Peninsula and the Gulf region, similar to what happened to Great Britain after Suez 1956 and the Iraqi Revolution of 1958.

*Fading of the imperial will?*

While many US analysts agree on the continued pre-eminent importance of the Middle East for US global interests – with East Asia as the main competitor –, they often disagree on the best way to secure those interests in the region. There is growing criticism of the US' large regional military footprint, which is regarded by some as militarily unnecessary and politically inciting. With the completion of the Iraqi and Afghan campaigns, these critics can be expected to be listened to more closely.

Disillusionment with the limits of US political influence in the Middle East is palpable inside the Beltway, and it can be expected to grow even more once the (in strategic terms) very humble gains of recent wars have become more obvious. For now, the Obama administration is continuing its predecessor's policy in Iraq to seek pervasive political influence and thereby establish itself as a long-term strategic partner of the new Iraq. It is difficult to acknowledge that, in reality, the US is only one of a number of players – including Iran, Turkey, and Saudi Arabia – seek-

ing influence in Baghdad and hardly the most successful one. Washington's repeated failures in the thankless task of promoting Arab-Israeli peace have harmed its global and regional image; and, incapacitated by domestic weaknesses, it is unable to implement the kind of steps that would make these efforts more promising. Counterterrorism is still an issue, but is increasingly seen as an ongoing duty rather than an urgent strategic threat. An activist policy in the region in pursuit of this interest might indeed increase the threat instead of reducing it.

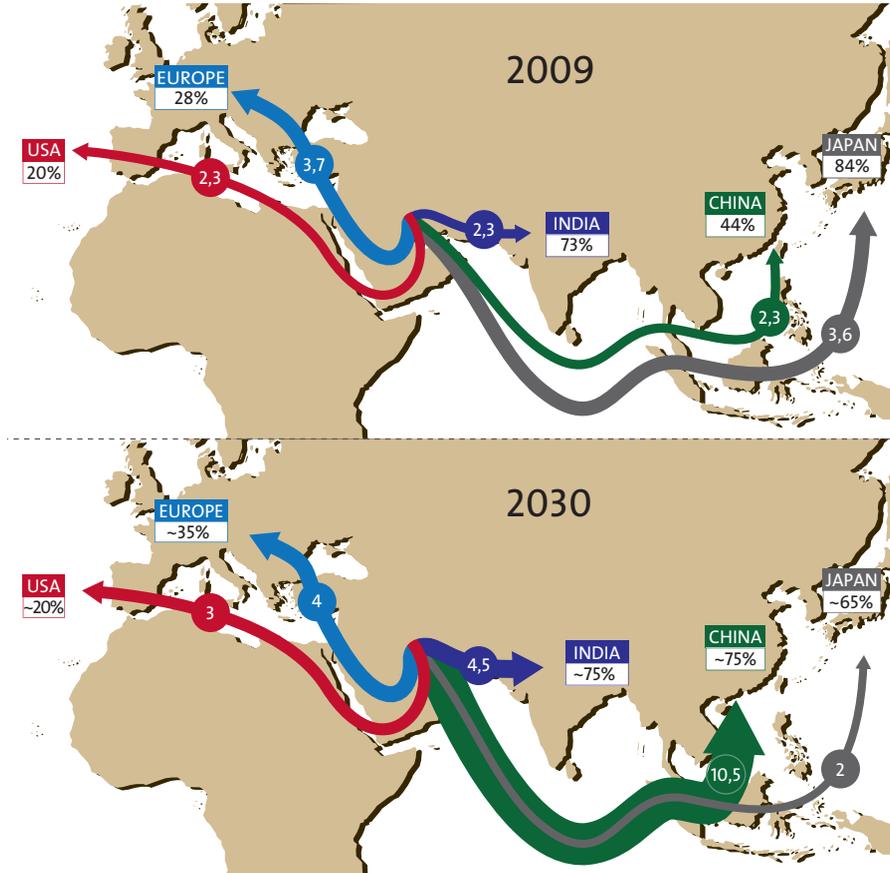
The perception of US primacy has changed quite considerably in recent years. In 2004, the US National Intelligence Council predicted continued US dominance of the global system in 2020. Four years later, it changed its prediction and forecast a global multipolar system for 2025 consisting of a number of great powers, with the US being only one, if still the strongest, of them. The main reason for this diminished self-confidence has been the global financial crisis and the strong effect it had on the US economy (see Chapter 1 in this publication). The fiscal fundament of US primacy is endangered if US federal debt hits 110 per cent in 2025 and 180 per cent in 2035, as predicted in one official forecast. In the mid-



term, this will have an effect on US global strategy as well as on its regional approach to the Middle East. The US has reduced its dependency from Middle East oil in recent years, with

only 17 per cent of its oil imports coming from the Persian Gulf (20 per cent from the whole region), less than from Africa. Strategists in the future might well wonder why the

**Oil imports from the Middle East**



- Oil flows from the Middle East (including North Africa), mio. barrels per day
- Share of Middle Eastern oil in overall oil imports

Sources: International Energy Agency (IEA), BP Statistical Review of World Energy, US Energy Information Administration (EIA)

2030 figures are analyst estimates based on multiple projections.



US should guarantee the free flow of oil from the Gulf while China and India cover over half of their crude imports from the region. The occasionally advanced argument that the US military presence prevents the de-dollarisation of oil trade is rather doubtful.

For now, there is still a consensus in Washington that the maintenance of US global hegemony is both desirable and achievable. If there is a role designated for the new powers, it is that of a 'responsible stakeholder' in an international system whose rules are still set in Washington. As long as the fiscal situation seems manageable, a fading of US imperial will is not in the cards, and even a more prudent strategic posture in the Middle East, e.g., moving back over the horizon and balancing the region from an offshore position, seems unlikely. As in the British example between 1882 and 1971, the American moment in the Middle East will end once strategic intentions are betrayed by economic and financial fundamentals.

### *Mapping the future*

These possible developments in the future will accelerate another important trend that is already discernible:

#### **The Eastern part of the Middle East will reorient towards East and South Asia**

the growing orientation of the eastern part of the Middle East towards East Asia. Again, this trend is driven by economic developments. The Asia-Pacific region will account for about 60 per cent of global oil deficits in 2030. The great majority of this increased demand will be covered from the Middle East and, foremost, from the Persian Gulf region, as the latter contains about 55 per cent of proven reserves. China already gets around 50 per cent of its imported oil from the Middle East. China's oil imports from the Middle East are expected to rise five- to six-fold until 2030, and its dependency will rise to 70 or even 80 per cent. The projection for India's crude oil imports from the region is quite similar.

This expanding hydrocarbon trade is the basis for the growing interdependence between the Persian Gulf and South and East Asia. It is accompanied by growing non-hydrocarbon trade and increasing investment tying the regions closer together. The repositioning of the Gulf in the economic global order is already in the making.

For now, the Asian giants have avoided adding a security dimension to their growing economic involvement



with the Gulf. In military terms, the region, Iran excluded, is still firmly in the US camp. Both China and India used to avoid any actions that might be interpreted as a challenge to this dominance. For now, both are happy with the Western guarantee for the safety of shipping routes and supply lines. They reluctantly subscribe to the US strategic agenda in the region, the most recent example being tightening sanctions against Iran. But if history is a guide, given their growing dependency on oil imports, they will seek greater influence on their vital energy suppliers at some stage. The flag will follow the trade.

There are already some indications for such a shift. In early 2010, two Chinese warships visited a port in the Persian Gulf for the first time. China also financially supports the construction of a deep-sea port at Gwadar in Pakistan, strategically located only 250 miles from the Strait of Hormuz. In response, India is supporting the development of the Iranian port of Chabahar, even closer to the Strait. The independent policies of some states in the Middle East also enable new great powers to project their influence. In a move hardly noticed by

Western media, Turkey allowed Chinese fighter planes to visit Konya to conduct a joint exercise with the Turkish Air Force on the territory of a NATO member. These events are harbingers of future developments.

It seems inevitable that in the not so distant future, the eastern part of the Middle Eastern region will increasingly reorient towards East and South Asia. The economic interdependence will at some stage be enriched by a security dimension, at the latest once US imperial power will have diminished. Together with the fundamental political changes beginning in the western part of the region, this might have the effect of gradually dissolving the economic and political convergence of the whole Middle Eastern region, which has now been well-established for decades. The wider Persian Gulf region might then be renamed the *Middle West*, as the most relevant vantage point in a strategic sense will now be located in South or East Asia. Irrespective of when these projected developments pick up pace, the region today known as the Middle East will experience fundamental change in the age ahead. ●

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