In 2006, as Israel and Hezbollah were engaged in what would be a 34-day war, the longest of any Arab-Israeli war since 1948, US Secretary of State Condoleezza Rice reflected on the region’s volatile dynamics calling them “the birth pangs of a new Middle East.” She further stated, “We have to be certain that we are pushing forward to the new Middle East not back to the old one.”

Indeed, there was something new in the Middle East that Dr. Rice was observing then. For the first time, Saudi Arabia, Egypt and Jordan all seemed to align with Israel in the war and condemned Hezbollah in a very overt way. Earlier in the year, Al-Qaeda in Iraq launched the first major salvo in what became a sectarian war in Iraq when it bombed the Shi’a Al-Askari Mosque in Samarra. The Iraq war had made this regional realignment, which we have seen develop further in the years since, come into fruition.

The invasion of Iraq in 2003, and the subsequent dismantlement of the Iraqi state had many devastating implications for the region. Perhaps most significant was the fact that it shattered any semblance of regional order in the Middle East and the long-standing modus vivendi between Riyadh and Tehran. Saddam had been a bulwark against Iran and a buffer that limited Iranian influence from reaching the Arab Gulf countries and the Levant. With Saddam gone, the US fired the starting pistol in a regional power struggle between Iran and Saudi Arabia. Militias, insurgencies, sectarianism and bloodshed would characterize this power struggle.

Today, more than a decade into this contest, the labor pains have subsided and a demon child called ISIS, nurtured from embryo to beast in the womb of a failed Iraqi state, has not only learned to walk but is running amok across the Middle East, North Africa and beyond.

The Iraq war was a mistake. This cannot be overstated. It was the single most significant foreign policy mistake in American history since Vietnam and arguably bigger. Nor is this a matter of partisan finger pointing. At a moment when the world is confronted with dealing with the disastrous aftermath of the Iraq war, it is more important than ever to keep its lessons in mind.

However, the Iraq war was not merely a strategic mistake, it was a mistake made in the absence of a strategy. After the Cold War ended, many thought we were entering a unipolar stage in global politics. The “end of history” was declared, as was an era of Pax Americana. New words like “hyperpower” were coined – where “superpower” fell short - to describe an

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1 http://www.washingtonpost.com/wp-dyn/content/article/2006/07/21/AR2006072100889.html
uncontested dominance of world affairs. Although at the top of this rare global dominance, the United States failed to think and act strategically since it enjoyed such a great degree of uncontested freedom of action.

What Iraq made clear is that, to the displeasure of many a neoconservative, the ability of American power to shape global outcomes is not limitless. In fact, as we see today in the Middle East, this power is very much limited. That does not mean American objectives around the globe cannot be met, but rather that doing so will require honing American strategic abilities and thinking again.

Strategy is planning that takes into calculation the behavior of other actors, as well as the nature of that behavior over a long period. In other words, strategy as necessity is the product of the limits of power realized. The hubris of hyperpower dismissed the importance of strategy and now, after costly lessons, it is time to return to it.

Toward Strategic Thinking in the Middle East

What does sound US strategy in the Middle East look like? A plan that orients regional dynamics in a direction that serves, rather than challenges, US interests. Even the casual observer glancing at the region today can see we are far from this outcome. With ISIS on the rise and civil wars in various parts of the region, stability is further away than it has ever been.

The Middle East in a Changing Global Context

US behavior and alliances in the Middle East are very much still shaped today by the legacy of the Cold War. Israel and the Sunni Arab states, key American partners in the region, continue to be part of relationships with the US that were born out of and highly influenced by Cold War dynamics. While the Cold War ended, these relationships continued in much the same fashion. The era of bipolarity has passed, and after a damaging era of hyperpolar folly, we have arrived today at a moment that is far closer to multipolarity than anything else is. It is important then for Washington to take a fresh look at the Middle East and ask whether the assumptions and relationships that may have made sense while looking through a Cold War lens still suit US strategy in the region today.

If the key challenge facing the US in the Middle East today is regional instability and the main driver of that instability is the Saudi-Iranian contest, it is crucial to explore how that contest can be brought to an end. Both Saudi Arabia and Israel are opposed to an outcome that leaves Iran empowered in the region. In reality, however, this outcome was almost entirely ensured by the removal of the Saddam Hussein regime in 2003. The post-Saddam regional contest is

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not so much over whether or not Iran will be the winner of the 2003 invasion fallout but rather over the extent of influence it has won in the region.

The role Iran plays in the region cannot be ignored or discounted; at the same time, Israel and Saudi Arabia view the contest with Iran as a zero-sum conflict. Recently, the Israeli Defense Minister told a security conference that if he had to choose between Iran and ISIS he would choose ISIS. This characterized, for the first time in a public statement, a rationale shared across the Israeli political leadership and in Saudi Arabia as well. This puts the United States in the very difficult position of having its strongest regional allies militating against advancing pathways toward its strategic interests.

**Iranian Behavior in the Region**

Iran is a resource-rich nation of nearly 80 million, straddling central Asia, the Middle East and South Asia. Its economy was growing significantly until newly lifted nuclear sanctions began to take effect in recent years. It is also the epicenter of Shi’ism. Before one even begins to consider the ideology of the leadership in Iran, it is clear that Iran is predisposed to playing a significant role in its neighborhood.

Nonetheless, political ideology cannot be ignored and the adversarial relationship between Iran and the West, a product of Western support for unpopular dictators and the Islamic revolution, colors Iranian calculations in the Middle East. The distrust between Iran and the West is obvious, and Israel continues to be viewed by Iran as a Western arm in the region. While American militarism is not something Iran can rival and while Israel continues to benefit from significant American arms supply, Iran, which has a defense budget only 5% of Washington’s has had to find creative ways to project power in the region to check American interests. Proxies are aircraft carriers on the cheap. Iranian supported groups from Hezbollah to Hamas and beyond can play the role of projecting Iranian power to pressure the United States through its ally Israel. On several occasions, these proxies have demonstrated a recurrent ability to put Israel in a difficult position for an extended period using very basic weapons. Indeed, Israel has shown that there is very little that it can effectively do about it, even when using its advanced conventional arsenal. When Israel does engage using its weapons of war, it does so with very high cost to civilian populations and in turn to its own increasingly sinking international reputation. Iranian supported Houthis in Yemen are now playing this role in a hot conflict with yet another American ally, Saudi Arabia.

Iran’s use of proxies for power projection in the region is a function of its own increased sense of vulnerability during and after the Iraq invasion and the ability to exploit discontented constituencies in the Arab world. While this is generally limited to Shi’a constituencies, the Hamas example is a Sunni exception. It is critical to understand why and how a Persian nation

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3 [http://www.ynetnews.com/articles/0,7340,L-4755215,00.html](http://www.ynetnews.com/articles/0,7340,L-4755215,00.html)
has been successful in operating among Arab constituencies often at the displeasure of Arab regimes.

Iran is quite successful in this Arab arena not merely because of its patronage for ethno-religious kin but also because it has been able to sell a narrative to receptive Arab ears. The prism of Israel continues to be one through which many in the Arab world view the policies of great and regional powers. In the most recent poll, 85% of respondents in the Arab Opinion Index opposed their country recognizing Israel with the largest group among those (24.5%) citing their reason that Israel is a “colonialist, expansionist state”. Sixty-seven percent of the aggregate Arab population in the index named either the US or Israel as the biggest threat to Arab security. Only 10% named Iran. Interestingly, when asked about their views about the Iran deal, 40% of a predominantly Sunni Arab world supported it while 32% opposed (27% didn’t know or declined to answer) and yet despite this, the same respondents believed that Iran (32%) would be the main winner of the deal followed by the US (31%), Israel (15%) then the Arab countries (8%). This suggests strongly that Arab publics do not see the geostrategic contest in the Middle East as a zero-sum game between Riyadh and Tehran, even if some regimes might.

Saudi Arabia’s Behavior in the Region

Unlike Iran, a significant proportion of Saudi Arabia’s regional behavior is a response not only to external conditions but to internal conditions as well. For the better part of a decade, Iran was sandwiched between the army of a declared adversary on its borders in Iraq and Afghanistan. Saudi Arabia has long enjoyed the protection of American partnership. Still, Saudi Arabia faces a different kind of battle, one that challenges its very being; the growing tension between old social contracts and new social expectations in the Middle East. While this tension is being felt by regimes across the region, in no place are the stakes as high as in Saudi Arabia where a family run regime is sitting on hundreds of billions of dollars of petroleum wealth.

Change, in a land where leadership has been reserved for one man and his sons for decades, is not warmly welcomed. Therefore, if the 2003 invasion of Iraq that deposed Saddam and opened the door to Iran was alarming to the Saudis, Iranian muscle flexing in Lebanon in 2006 compounded this. In addition, just before American forces, which were acting as something of a post-Saddam stopgap, were due to leave Iraq, the Arab uprisings broke out in Tunisia, Egypt, Libya, Yemen, Bahrain, and Syria. This was too much change too fast for a country like Saudi Arabia. The rise of political Islamists in Tunisia and Egypt posed a threat to Saudi Arabia because, unlike the Saudis whose social contract for legitimacy derived from a pact with Wahhabists, the Muslim Brotherhood sought a social contract through the ballot box. Add to this the rise of religious minority voices in the region, like those of Shi’ites in Bahrain, and the Saudi nightmare was complete. With its oil rich eastern province populated by Shi’ites, the last thing the Saudis could tolerate was any ideas of separatism or autonomy. Saudi tanks rolled in
Bahrain to help shore up the ruling family there and Saudi money flowed into Egypt to support the counterrevolutionary efforts of Abdel Fattah El-Sisi. For Saudi Arabia, the change had to stop and it had to stop immediately.

While Saudi military might and financial influence were able to affect certain outcomes in the short run, Saudi power is not limitless. The quagmire in Yemen proves as much. Moreover, no amount of money can stop the march of time, and money too is running out. Low oil prices have meant significant budget deficits, most recently approximating $97.9 billion dollars,\(^4\) and a change in the way the government prioritizes spending. With less coming in and more going out due in good part to a costly war in Yemen, Saudi Arabia announced cutbacks in subsidies and increases in commodities prices along with the introduction of taxes. The idea of no representation and no taxation may have worked for some time, but with a clamoring across the region for greater rights, the budgetary shifts Saudi Arabia is forced into could not come at a more inconvenient time.

Cheap oil is not merely a liability for Riyadh because of its impact on the current budget. Even before Roosevelt met Ibn Saud in Yalta, the US-Saudi relationship was glued together with petroleum. Today, more than 70 years later, the young Saudi Deputy Crown Prince and Defense Minister Mohammed bin Salman has discussed an ARAMCO initial public offering. It is a sign of just how much has changed.

Oil had been the primary American interest in the region, however today American dependence on foreign oil is at historically low levels. US oil supply is significantly outpacing demand in large part because production has become much easier, and with emerging and developing technology and discoveries, the process is only likely to become more efficient. For a short period, terrorism seemed to be the new oil of the Middle East, a product that drew heavy American involvement into the region often despite other competing interests and values. This seemed most true after 9/11 when the US launched major ground wars in Iraq and Afghanistan. Although on this front too, policy makers are doing a different math today than they were just after 9/11. Significant military commitments are costly and offer only scant guaranteed upsides. Instead, a drone-based approach is seen as lower cost, lower risk and a viable alternative to accomplishing the same objectives. Two things Saudi Arabia has played a significant role in producing, oil and terrorism, are no longer attracting the scale of American presence in the region today as they have in the past.

**Incentivizing Cooperation**

The strategic path forward is one that creates incentives for stability in the region and specifically for better cooperation between Tehran and Riyadh. This can happen in two ways. First, if Iran realizes that the deterrence benefits of its posture are less necessary. Second, if

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the Arab publics in the region become more resistant to Iranian influence. State-driven narratives about sectarianism have been used to achieve the latter but in many ways have been limited in effect if not outright counterproductive. The Iran Deal and warming relations with the West have opened the door to the former. In a recent Presidential debate where Middle East policy was discussed, Democratic front-runner and former US Secretary of State Hillary Clinton described the notion of Saudi-Iranian detente as a “non-starter.” Indeed, in the current regional environment, close Saudi-Iranian coordination is unimaginable. However, it is folly to build strategy around the notion that these two key regional players are irreconcilable polar opposites.

**Investing in Political Processes to Settle Conflicts**

Syria and Iraq, in many ways connected and yet separate, are the epicenters of instability, in general, and the Saudi-Iranian rivalry, in particular. Political settlements here would go a long way to developing a new *modus vivendi* between the region's two biggest players and thus not an ounce of American diplomatic muscle should be spared in the effort to achieve this goal.

**Continuing to Bring Iran in from the Cold**

The agreement on the Joint Comprehensive Plan of Action (JCPOA) and the implementation of this deal that is underway is a significant step in this direction. The message it sends is that the path to inclusion in the international community is the acceptance of international norms. This message should be continually reinforced between the West and Iran, as well as with other players in the region. Over time, the United States should aim to develop stronger relations with Iran and link improved relations with more responsible behavior. This approach must be incremental and consistent and of course, it relies on an Iran that desires cooperation. It pushes back against the zero-sum perspective held by policymakers in Riyadh and Tel Aviv who will have to increasingly weigh their relationship with Washington against their opposition to cooperation with Tehran.

**Promoting Saudi Self-Reliance**

Throughout its modern history, Saudi Arabia has relied heavily on its relationship with the United States for security and to maintain its role in the region. As the United States and Saudi Arabia transition toward a relationship that is less grounded in mutual interests, that dynamic will change. Riyadh has grown so accustomed to US military support in defense of its regional position that it is expressing a sense of abandonment as Washington reassesses its strategic priorities. One need only read the recent diatribe by Turki Al-Faisal to appreciate fully the Saudi resentment.

Contrary to a loud chorus of opinion in Washington, this is actually not a bad thing. In reality, the US has played a decisive balancing role between Riyadh and Tehran for decades. It played both sides during the Iran-Iraq war and then repelled Saddam’s aggression from Kuwait to

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support the quest by GCC states for security. From there, the downward spiral of the US-Iraq relationship went from no-fly zones to cruise missiles to invasion, occupation, withdrawal and chaos. Washington simply cannot be expected to play the role of vacuum filler forever.

Pushing Saudi Arabia in the direction of self-reliance will be a trip down a rough road at first. Yemen is a case in point. Ultimately, however, decision makers in Saudi Arabia will have to conclude that the limits of their power and the absence of a superpower willing to play perpetual buffer, will mean they will have to come to some sort of political bargain with their regional counterparts in Tehran.

**Refocusing on Israel/Palestine**

In the past, the Arab-Israeli conflict was central to all things Middle East. There was a time when this conflict roiled several regional players, sparked civil wars, international wars, and nearly brought the US and Soviet Union to blows. Those days are over and many have argued that the notion that Middle East peace is central to other issues in the region is outdated. Most of those arguments, however, put up scarecrows only to attack them. Few argue that the Israeli-Palestinian question, which remains outstanding today, is a cure-all for every one of the region's ills. Rather, resolving the Israeli-Palestinian issue will better enable progress in other areas of strategic significance throughout the Middle East, especially in the divide between Riyadh and Tehran.

If a just peace agreement can be secured, it disarms Iran of its resistance narrative, popular in the Arab Middle East, which focuses greatly on the United States and Israel. A deal that is fair to Palestinians will allow Israel to be integrated into the region. Should the United States deliver that, it will change the way both Israel and the United States are viewed throughout the region. Of course, how this evolves depends a great deal on the type of political solution that is worked out. One of the lessons of the Oslo Accords is that a poor agreement will lead to increased suspicion of Israel and the US., the United States continues to be in a unique position to pressure Israel into making the kinds of changes necessary to make a just and lasting agreement possible. Investing in a genuine peace effort should be a central part of a US strategy aimed at reshaping the region in a way that better suits US interests, while catering to the fundamental interests of all parties in the region.

**Resetting Relationships**

In short, a new US strategy for regional stability must begin by resetting relationships with major players in the region including Iran, Israel and Saudi Arabia. Washington should be honest and direct with these players and explain that the bipolar conditions that produced unconditional relationships (unconditionally supportive for Israel, Saudi Arabia and unconditionally adversarial toward Iran) have changed and that the future of these relationships will be based on shared interests in a more multipolar world.
Saudi Arabia and Israel, which have benefited tremendously from their relationships with Washington that emerged during the Cold War, will be resistant to this. They will likely seek to argue that Russia is a resurgent power and the conditions of the Cold War are far more in place than Washington believes. However, Washington sees things differently. The United States views Russia as a major player but nowhere near the challenge the Soviet Union used to be. Operating on this understanding, the US has seemingly concluded that Washington does not need to be as directly involved in the Middle East as deemed necessary in the past. American allies, which try to drag the United States into deeper involvement in the region against its will or better judgment, will likely learn that such efforts will do more to harm their relationships with the United States than anything else will.

As the US pivoting away from the region becomes more evident, these regional players will go through separation anxiety as increasingly independent actors. This process of geostrategic maturation involves forgoing an understanding of the region as zero-sum and adopting one of cooperative security and coexistence. This will also likely involve a process of addressing internal problems, as external threats will no longer be used to dominate a state’s agenda. It is not likely to be an easy process, but the alternative is a return to a robust American presence in the region, which Washington has decided not to pursue. Junior allies and regional players would be wise to recall who the superpower is, even if a hyperpower it is not.

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