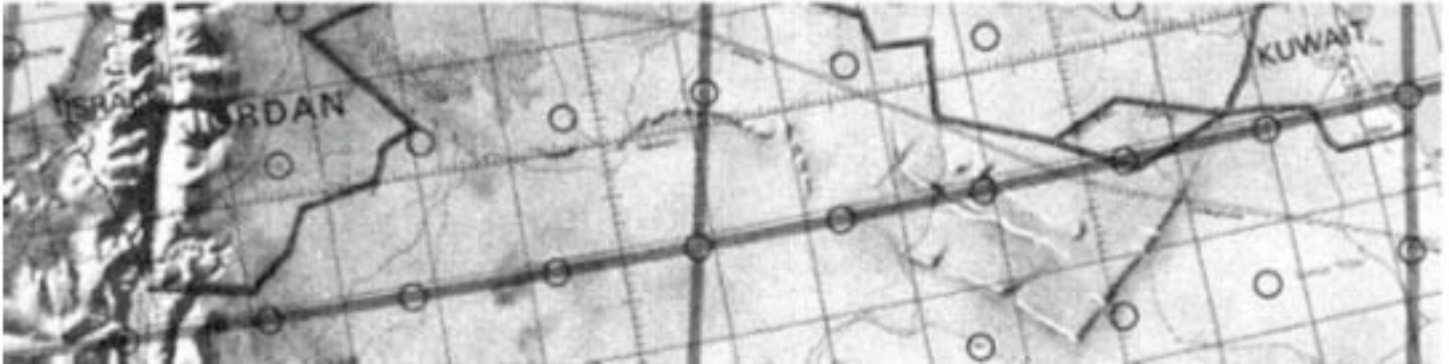


# MIDDLE EAST PAPERS

Middle East Strategy at Harvard



## Redefining U.S. Interests in the Middle East

*by Adam Garfinkle*

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### **The assumption of continuity...**

is liable to blind us to differences between the Cold War and the present era, leading us to underestimate opportunities and exaggerate dangers.

### **Default assumptions**

During the Cold War, U.S. interests in the Middle East were quite stable: keep the oil flowing from the Persian Gulf at reasonable quantity and price; protect the security of Israel, the region's only democracy; and keep the Soviets out insofar as possible, both for its own sake but also because doing so made satisfying the foregoing two interests much easier. In time, a couplet of additional interests were added to the three core ones as the discipline and constraints of bipolarity ebbed: reducing the threats posed by so-called rogue states, particularly those toying with weapons

of mass destruction programs, and mitigating the often-associated frequency and effects of terrorism.

The default assumption of interest continuity suggests that little in essence has changed. Many argue that the flow of oil is still the most critical U.S. interest in the region, made perhaps even more critical in the face of increased global demand and other stresses on the world's still predominately liberal trading system. Israel's security is still a principal Western and especially American interest. And we still need to make sure no other state can achieve hegemony over the region, al-

though that threat now comes not from Russia but Iran. We still need to contain WMD-minded rogue states for the sake of the non-proliferation regime. And of course dealing with terrorism, which has mutated from instrumental to apocalyptic forms, remains relevant as well. In this context, the U.S. effort to promote democracy and socio-economic reform in the region is seen to constitute not so much a new interest, but a new instrument to achieve existing interests.

How well does the continuity argument hold up? Not so well: The assumption of basic continuity is liable to blind us to less-than-subtle differences between Cold War and current eras, leading us in turn to underestimate important opportunities and exaggerate certain dangers.

### **Oil: the problem is price, not flow**

Take oil, for example. During the Cold War, the key U.S. interest was keeping the oil flowing at what was a remarkably cheap price in order to support the recovery of Europe and encourage the growth of Asian and Third World economies, all in the functionalist-inspired interest of containing the appeal of Soviet ideals and the sway of Soviet power. In those days oil was a new fuel, having displaced coal only by a decade or two for most countries because it was vastly cheaper (at least until the mid-1970s). As a result, oil soon became locked in a benign input-output equation with economic growth. The danger was not that the oil would not flow in normal times, because Western companies controlled the vertically integrated industry from exploration to ex-

traction to refining to transporting to marketing. The danger was that the Soviet Union might directly or indirectly, through proxy-aided subversion, literally interdict the flow, thus gaining decisive leverage over European fortunes.

We live today in very different circumstances. Sources of oil are more diversified than during the Cold War (even though escalating demand is increasing the relative importance of Middle Eastern reserves). The locked relationship between inputs of hydrocarbon energy and outputs of GDP has been loosened by market-driven innovation, and Europe has diversified its overall energy menu to make natural gas far more important. (That many European states have foolishly worked themselves into a dependence on Russia for that energy is ironic, to say the least, but that's another story.) Most important, the oil flows because the exporting states need the revenue as much as importers



need the oil, and because, with the USSR now deposited in the proverbial dustbin of history, no hostile power is even remotely in a position to physically prevent it.

The result is that today what matters most is not the security of the physical flow of oil, but rather its price. The days of cheap “easy oil” are over, and the startling, unprecedented wealth transfer in recent years to several hostile or irresponsible political actors (Iran, Russia, Venezuela, Arab states that “leak” re-

sources to terrorist groups) constitutes the real problem.<sup>1</sup> The way to solve this problem is not to continue to see U.S. interests as being the continued flow of oil out of the Persian Gulf; over time that will only make the real problem worse, especially if prices remain roughly as high as they have been over the past few years. Rather, our interest now is to make that flow as economically, and hence politically, irrelevant as possible in the shortest possible timeframe by breaking the petroleum monopoly on transportation fuels.

We can do this, and in fact we are doing this—not so much through the actions of the U.S. government, whose capacity for innovative domestic policy action is weak, but through the entrepreneurial energies of the American (and selected other) people. We can break the petroleum monopoly on transportation fuels by incentivizing the use of hybrid, dual-use fuel and all-electric cars and trucks. We can do this relatively quickly and we can spread the relevant technologies fairly quickly, too, though the natural incentive structures of global markets.

All the U.S. government need do is use tax policy to keep the price of oil high enough to enable the transition. This is critical, however, because the price of oil depends on not absolute but marginal demand. Thus, a five-percent reduction in demand over a fairly short period will produce much more than a five-percent drop in price, which could lure us back to our petroleum addiction. After a transition from the petroleum monopoly on transportation fuels, it is in the U.S. interest to see markets drive the world price of hy-

drocarbons sharply down though lower marginal demand. This would affect all hydrocarbon fuels, the price of natural gas as well as oil, which will help Europe and hurt Russia.

Obviously, it must remain U.S. policy to keep the Gulf open for as long as it takes to break the petroleum monopoly on transportation fuels. But, as suggested, this is not difficult: Even oil exporters who have gained more control over their own resources will not act contrary to their financial interests, and no power can prevent the U.S. Navy from keeping the sea-lanes open. Even a temporary closure in the event of U.S.-initiated military action against Iran would be just that—temporary—and the world's strategic petroleum reserves are already nearly adequate to cope with even a multi-month disruption (and can be made more than adequate for such a contingency with little additional effort). The argument that keeping the oil flowing is still the number one U.S. interest in the Middle East constitutes a generic confusion and a missed opportunity: It is a “solution” to a problem that no longer exists, and a misdirection of attention away from a different problem that we desperately need to solve.

### **Israel and Iran in proportion**

What about Israel? Here, too, a close look shows that discontinuity is trump. During the early years of the Cold War—say between 1949 and 1961—Israel's survival was a moral imperative of U.S. policy, but the task was considered by most American analysts to be a diplomatic liability because it constituted an advantage to Soviet efforts to win

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<sup>1</sup> See Gal Luft, “Selling Out,” *The American Interest* (July-August 2008).

over Arab clients. Even the Eisenhower Administration, which was cool to close relations with Israel for precisely this reason, would not have stood by as Israel was destroyed in war. During the 1960s the U.S. security guarantee to Israel became more explicit, but most important for practical purposes was the revolution in U.S. policy set off by the Nixon Administration in 1970.

In the wake of the War of Attrition and its culmination in the Jordan Crisis, the Nixon Administration rebalanced the basis of the American commitment to Israel away from “soft” factors like democratic affinities and guilt over the Holocaust to “hard” strategic factors. The basic view was that Israel must not be harmed, let alone defeated, by any Soviet client state, for that would redound to the disadvantage of the United States in the seamless reputational competition of the Cold War. Moreover, Israel’s strength could serve U.S. interests as a means of trumping Soviet efforts to penetrate the Middle East. At the same time, U.S. interest in a peace process—even one that might require uncomfortable Israeli concessions—did not contradict but complemented this approach. Arab states seeking peace for their own interests would see that Israel could not be defeated militarily thanks to U.S. support, and so would be forced to plead their case with Washington to achieve their ends with Israel. That, by definition, would harm the Soviet position—and it did, which explains why the Egyptians booted the Soviets out of the country in 1972. U.S. support for Israel made sound strategic sense in a Cold War environment.



This digression is necessary in order to draw a contrast between the situation then and the situation today. Israel’s survival is no longer threatened by neighboring states aligned with a great power. This is thanks largely to Israel’s peace treaties with Egypt and Jordan and an “understanding” with Syria, and of course the demise of the USSR. But while Israel’s territorial borders are more secure than ever, it now faces three other threats that, when taken together, are potentially existential in nature: sub-state threats from Palestinian and salafi terrorism; a potential WMD threat from Iran; and, of a different category, a widespread and long-term effort to delegitimize Israel’s right to exist. It is ironic that precisely at a time when Israel has emerged victorious in securing its physical state-to-state borders, Israel needs the United States and other states more than before to assure its security, for by itself it cannot contain Palestinian nationalism, Iranian hegemonism, or the wider world’s lurid conspiratorial fantasies.

At the same time, the objective interest of the United States in protecting Israel is less than before. Had Israel been mortally harmed by Soviet clients or the Soviet Union itself, the negative consequences for the United States would have been enormous. If Israel is morally harmed by Iran and its proxies, it would be a significant reputational blow to the United States, but it would not empower a state capable of threatening vital American interests as the Soviet Union did.

What this means is that the U.S. interest in protecting Israel’s security for both “soft”



and “hard” reasons remains, but it has become a different task conceptually from what it was thirty or forty years ago. The United States must still wage a reputational competition in which Israel figures as a key stake. Iran wishes to take Israel hostage in any confrontation with the United States, ensuring that any U.S.-Iranian conflict automatically opens “fronts” against Israel via Iranian proxies. The United States has an interest in foiling this strategy and turning it back on itself, using Israel as a instrument to weaken Iranian power and prestige (as, for example, in destroying furtive nuclear facilities in places like Syria).

In a sense, therefore, one can substitute Iran now for the USSR then. But clearly, these are very different players with different inherent capacities and limits. Iran proffers no global ideology, but rather produces its own antibodies in the Arab and wider Sunni worlds. Israel will not be surrounded by Iranian client states; indeed, it has objective allies in most Sunni Arab states in opposing Iranian ambitions. Iran has no rack of nuclear weapons and global-reach military power like that of the Soviet Union, and never will.

On the other hand, while the balance-of-power may favor the United States over Iran compared to the Soviet Union, the balance of interests favors Iran. The Middle East was only one of many engaged theaters for the Soviets, for it was a global power; for Iran, it is the only theater, for it is a regional power. The Soviets could “go away” and survive; the Iranian regime cannot. The United States cannot keep Iran out of the region because it is, by a nature defined historically, culturally and geographically, already in the region. Its

relative power is less, but its level of determination to prevail is greater. Israel’s problem has evolved from one that was unidimensionally conventional to one that is three-dimensionally unconventional, and America’s somewhat less critical but still very important task in protecting Israel has to evolve with it.

### **Is there a rival in the house?**

This leads, of course, to the third issue: preventing a regional hegemon. American Cold War planners may have been mistaken, but they believed that, in tandem with like-minded ideological allies, the Soviets were capable potentially of physically dominating the Middle East—if not through literal occupation than by essentially denying Western access to the region and its resources in a manner not unlike that which pertained to the Warsaw Pact countries. The idea that Iran has a comparable potential ability is far-fetched. We are not going to see the revival of the Archaemenid, Sassanid or Safavid Empires. Iran cannot seize and hold territory in the Sunni world; it cannot convert the Sunni world to Shi‘i Islam; it cannot amass enough allies to deny the United States access to the region. Note that the U.S. Department of Defense *supplemental* in most recent years has been larger than the *entire* Iranian defense budget. Moreover, Iran is a multiethnic and a vulnerable society, with a second-rate economy and a third-rate scientific-technical infrastructure. It is not ten cubits tall.

In short, this is not a situation suitable for little Latin games of *mutatis mutandi*. Iran is not analogous to the Soviet Union as a U.S. strategic problem. It is a serious problem for other reasons, to be sure, not least because of

its support for apocalyptic terrorism, which *en extremis* can undermine the stability of the state system itself. But it is neither a hegemonic nor certainly an existential threat to the United States. As for Russia and China, they help create a regional balance in which no player (except the United States in a pinch) could be a regional hegemon. Neither can nor wants to “grab” chunks of the region; they are intent, instead, on profiting economically from engagement there as they free-ride on U.S.–supplied regional security goods. So yes, it is still a U.S. interest to prevent any hostile state from establishing functional hegemony over the Middle East, but no, it’s not a problem anyone in the next administration should lose sleep over.

In truth, dealing with terrorism and WMD-minded rogue states is now the number one U.S. interest in the Middle East. Insofar as the Middle East is important within U.S. global strategy, it is so not because of the region’s ability to challenge the global power balance through positive power: the ability to innovate in science and technology, to create world-alluring culture, or to create compelling politico-moral visions. It’s only significance is the ability of its radical revisionist bloc to be a wrecker, to pull the tent down on others as it pulls it down on itself. That, of course, is not nothing—yet just how serious a threat to the United States and what passes for global order is it? Honest people differ as to the answer. My own view is that it is a serious but vastly exaggerated threat.

### **To-do list**

In sum, my redefinition of U.S. interests in the Middle East looks like this, in this order of priority:

1. Ensure that the Middle East does not serve as a devil’s playground for mass-casualty terrorism and WMD plots against the United States and its allies. That does *not* presuppose a “freedom agenda” as the key instrumentality to achieve this objective, but rather looks to strengthen the Arab state system and the functional sovereignty of individual states over time, an effort in which a more patient and measured effort to promote reform has a significant role. It *does* put a near-term premium on avoiding an optic of defeat in Iraq, for an optic of defeat there would encourage terrorists and enlarge the social penumbra of their supporters.
2. Break the petroleum monopoly on transportation fuels as quickly as possible.
3. Stand for the security and legitimacy of Israel in new circumstances, which should include offering U.S. good offices to achieve a just and sustainable peace with all of Israel’s neighbors.
4. Prevent a hostile power from achieving hegemony over the region, as hard *or as easy* as that may be.

This redefinition is not the opposite of the older, Cold War formula. But it is more discontinuous than continuous with it, a fact that would come crystal clear if one were to work through the process of translating interests down into goals, objectives, missions, tactics and budget allocations. Go ahead. Try it and you’ll see. ••

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## Middle East Strategy at Harvard



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