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## After the Awakening *Future Security Trends in the Middle East*

POLICY BRIEF



By Jacob Stokes

Just over three years ago, a Tunisian fruit vendor named Mohamed Bouazizi set himself on fire to protest police corruption and mistreatment. That act set off revolutions, protests and, later, armed rebellion and civil war across the region. The Arab Awakening has been mesmerizing. It has showcased the best and worst of the region's politics, from the hope embodied by people peacefully assembling to demand democracy to the horror of repressive violence, sectarian hatreds and economic stagnation.

But the Arab Awakening remains only part of the story of what will determine the future of the Middle East. Several other big trends – the changing energy map, efforts to curb the proliferation of weapons of mass destruction, economic crisis – must also factor into predictions about what the region will look like in the years to come.

I examine seven big trends driving geopolitics and economics in the Middle East today and explore how these trends might affect the future of the

region. While each warrants its own extended examination, an overview of these trends and their interrelationships provides a useful starting point for policymakers and other stakeholders attempting to navigate an increasingly turbulent region.

### **Trend 1: Enduring U.S. Interests But Doubts About American Commitment**

For those worried about the United States abandoning the Middle East, a perfect storm seems to be brewing: political exhaustion and fiscal strain have started to weigh on America's global ambitions. Two wars in Iraq and Afghanistan have soured the U.S. public on further missions overseas, while tighter defense budgets have raised questions about the long-term sustainability of the U.S. military presence throughout the Middle East. Meanwhile, the Obama administration's announced pivot to Asia has turned attention from the Near East to the Far East. Several U.S. Middle Eastern allies and partners have concluded that this combination of trends will result in a U.S. withdrawal from the region and have begun hedging as a result.<sup>1</sup>

Nevertheless, the United States has no plans to pull out of the region. The Obama administration's 2012 Defense Strategic Guidance document identifies two regions that stand out as focal points of U.S. policy, attention and resources: the Asia-Pacific and the Middle East/North Africa. It states

that, “the United States will continue to place a premium on U.S. and allied military presence in – and support of – partner nations in and around this region [the Middle East].”<sup>2</sup> The document also identifies 10 functional missions for the U.S. military, at least eight of which pertain directly to U.S. concerns in the Middle East.<sup>3</sup> In 2014, the administration is set to release both an updated National Security Strategy and a new Quadrennial Defense Review. Both of those documents will almost surely reaffirm the centrality of U.S. commitments to the Middle East in U.S. foreign and security policy.

The Middle East remains a top priority because the United States has strong interests to protect there. In his September 2013 remarks at the U.N. General Assembly, President Obama laid out four “core interests” for the United States in the region: confront external aggression against allies and partners, ensure the free flow of energy from the region to the world, dismantle terrorist networks that threaten Americans and prevent the development or use of weapons of mass destruction.<sup>4</sup> Obama also identified fostering peace and promoting democracy, human rights and open markets as U.S. interests, although secondary ones. Ensuring all those interests requires continued U.S. engagement using all types of national power and necessarily means the U.S. must remain highly engaged in the Middle East – as the president noted in his U.N. speech, saying “we will be engaged in the region for the long haul.”<sup>5</sup>

Earlier this month Secretary of Defense Chuck Hagel, speaking at the Manama Dialogue in Bahrain, emphasized that, “The Department of Defense will continue to maintain a strong military posture in the Gulf region, one that can respond swiftly to crisis, deter aggression, and assure our allies.”<sup>6</sup> Hagel pointed out that two years after its withdrawal from Iraq, the United States maintains 35,000 troops in the region,

10,000 of which are forward-deployed to serve as a bulwark against aggression. In addition, the United States deploys advanced aircraft F-22 fighters, and more than 40 ships, including a carrier strike group, to the region. He also noted robust U.S. efforts to build partner capacity.

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To be sure, the methods the United States employs to protect its interests will need to shift as the region – and the U.S. role within it – changes. America will look to preserve its interests at lower levels of investment and focus more on counterterrorism and building partner capacity rather than fighting large-footprint, extended ground wars. Regional players can expect to see a modest drawdown in U.S. forces in the Persian Gulf as troops and equipment supporting the war effort in Afghanistan are no longer needed, and possibly further gradual force reductions as partner capacity improves over time. And if diplomacy with Iran ultimately resolves the nuclear impasse peacefully, it may enable additional rebalancing of U.S. Forces currently stationed in the region for a possible Iran-related contingency. Yet even if the methods of engagement shift from a heavy emphasis on forward-deployed military forces to diplomacy, development, trade and other instruments of national power, Washington will continue to place a high priority on ensuring regional security.

However, U.S. policymakers must recognize that, at some level, perception is reality. In order to counter hedging behavior among allies and partners anxious about a reduced level of U.S. commitment and

deter aggression from adversaries, the United States must be clearer about its long-term engagement strategy for the region. Washington must clarify its policies to make them more understandable both within the U.S. government and externally to the region and beyond. It should then reinforce this clarity through constant dialogue that can help develop a joint strategic approach with allies and partners.<sup>7</sup> Hagel took first step towards reassurance at Manama, saying, “Going forward, the Department of Defense will place even more emphasis on building the capacity of our partners in order to complement our strong military presence in the region. Our goal is for our allies and partners in this region to be stronger and more capable in dealing with common threats.”<sup>8</sup>

In short, U.S. policy towards the Middle East might look different, but it will remain both highly engaged and highly capable in pursuing its strong interests in the region.

### **Trend 2: The Political-Economic Nexus of Instability**

Broadly speaking, the Arab Awakening has stalled or veered off the road, leaving nations in various stages of political transition and/or turmoil. Some states, such as Tunisia and, to a lesser extent, Yemen, remain on the path towards a more representative system, even as the hard work of building a democracy progresses slowly. Egypt also initially made giant leaps toward more representative government, but has now retrenched in the face of a deep-state counter-revolution and military coup. In Libya, a combination of local forces and external intervention by NATO toppled yet another dictator, but the new government remains weak, and militias compete for influence across the country. In Bahrain, massive demonstrations by the country’s Shia majority population culminated in a brutal crackdown and external intervention by Saudi Arabia and other Gulf States.

In Syria, President Bashar al-Assad’s regime responded to popular demands for reform with extreme violence, transforming a peaceful protest movement into a violent insurgency and pulling in nearly all of Syria’s neighbors into a bloody sectarian proxy war.<sup>9</sup> The war’s implications for the regional power balance has prompted interventions by Iran and its Hezbollah allies, Saudi Arabia, Qatar and Turkey. Those interventions have helped fuel a conflict that has now seen more than 115,000 people killed and more than 2.25 million become refugees.<sup>10</sup> Syrian refugees have put great strain on neighboring countries, including Lebanon, Jordan, Turkey, Iraq and Egypt.

In most Arab Awakening nations, groups with pre-existing social and political organizations and the capacity to use force have managed to wrest control of politics from the passionate masses that began the revolutions but were ill positioned to manage democratic transitions. According to the latest yearly study of democratic freedoms by Freedom House, Israel remains the only “free” country in the Middle East and North Africa region, while six countries remain “partly free”; the remainder are “not free.”<sup>11</sup> In population terms, this amounts to 2 percent of the population as “free,” 35 percent as “partly free” and 63 percent as “not free.” The report notes increasing repression in the Gulf States, civil liberties at risk in Turkey and growing Muslim-on-Muslim violence.<sup>12</sup> The necessary time lag for comprehensive regional studies means those numbers do not take into account the military coup in Egypt, so those numbers will likely regress in the study for 2014.

Compounding the stumbling blocks to democratic transition, political instability has pushed regional economies into freefall. Two large regional trends define the economic climate in the region. First, countries that experienced revolutions or spillover from other revolutions have seen their

economies crater. British bank HSBC estimates that affected countries' (Egypt, Tunisia, Libya, Syria, Jordan, Lebanon and Bahrain) lost economic output amounts to \$800 billion from 2011-2014, a 35 percent drop from their pre-revolution trajectories.<sup>13</sup> For Egypt, cash infusions – provided first by Qatar in larger amounts and Saudi Arabia under Mohamed Morsi and then by Saudi Arabia and the United Arab Emirates after Morsi's ouster – have stemmed the short-term fiscal hole, but they do not represent a long-term solution.<sup>14</sup>

Second, nations that managed to stem the tide of revolution saw economic growth but mostly because political pressures forced them to increase social spending. Bolstered by high energy prices, Gulf nations increased one-time social spending by anywhere from 10.7 percent (United Arab Emirates) to 29.5 percent (Oman) in order to relieve social tension and buy off dissent.<sup>15</sup> However, as HSBC notes, such spending only exacerbates current structural weaknesses, especially states' dependence on oil revenues and the large role of the state in the economy.<sup>16</sup>

Economic problems have subsequently complicated political transitions, creating a vicious cycle where each trend exacerbates the other, leading to a downward spiral. As the International Monetary Fund notes, "the region risks being trapped in vicious cycle of economic stagnation and persistent geopolitical strife."<sup>17</sup> This cycle of political instability and economic disruptions will continue to pose a vexing challenge for policymakers and regional stakeholders for years to come.

The numbers involved are staggering. The chief economists focusing on the Middle East for both the European Bank for Reconstruction and Development and the World Bank have argued that the international community needs to devote \$30-40 billion annually for about three years, along with technical and trade assistance, in order to "to

give the Arab Awakening countries the needed space to transform their economies alongside their political systems, while avoiding destabilization or collapse."<sup>18</sup> Progress towards breaking this vicious cycle will require restoring macroeconomic stability, reforming economies to create more equitable and sustainable growth, and closely managing the transition to democracy.<sup>19</sup>

### **Trend 3: The Iranian Nuclear Question: Conclusion or Conflict?**

The diplomatic face-off between Iran and the West will continue to be the defining security issue in the region, with the potential to achieve a far-reaching accord as likely as the potential for a costly conflict that could destabilize the region. The November 24, 2013, interim nuclear deal struck in Geneva between Iran and the P5+1 (the United States, Britain, China, France, Germany and Russia) constitutes progress. The deal temporarily freezes Iran's nuclear program and provides a six-month window for further negotiations.<sup>20</sup> Iran agreed to a number of important constraints on its uranium and plutonium activities – a critical first step that halts the growth of Iran's program and reverses some of its most dangerous aspects. In exchange, Iran gets an estimated \$7 billion worth of sanctions relief.<sup>21</sup>

The interim deal creates significant diplomatic momentum, a welcome change after the years of deadlock that preceded it. But the Geneva agreement does not guarantee success in the broader effort to prevent Iran from acquiring nuclear weapons. Implementation of the deal will be tricky and the process could still collapse. And, as negotiations enter the next phase, hardliners in Iran and opponents of the interim deal in the United States may take actions that frustrate the ability of the parties to forge an enduring, comprehensive agreement.

Despite challenges to striking a final deal, the outlines of a comprehensive framework sufficient to allay the international community's concerns about

Iran's nuclear program are well-understood. At the very least, a final agreement must: place significant constraints on both uranium enrichment and the budding plutonium track; institute an intrusive inspections regime; and offer transparency on the past military dimensions of Iran's nuclear program. As Colin Kahl writes, such measures would seek to "lengthen [nuclear] breakout timelines, shorten detection timelines and provide assurances against an Iranian covert infrastructure."<sup>22</sup> In exchange Iran would get further and more lasting sanctions relief, breathing new life into its badly damaged economy.

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Even if the parties strike a comprehensive deal, however, the impact will likely be confined to the nuclear issue. It will not resolve every challenge Iran poses in the region, including Tehran's support for terrorism, regional militancy and political subversion. The prospects for a true U.S.-Iranian détente remain slim, due to strong non-nuclear conflicts of interests and clashing worldviews on both sides. Iran will likely retain its role as revisionist power in the region and head of the "resistance" movement, as the regime uses that role to bolster its support both at home and abroad. Meanwhile, Washington will continue to have an interest – along with states like Israel and Saudi Arabia – in defending the status quo. Thus, while a nuclear agreement could generate some political goodwill

and provide a foundation for future cooperation on other issues, near-term progress in resolving disputes beyond the nuclear arena are unlikely.

A nuclear deal with Iran would also require a significant effort to reassure allies that U.S. pressure to curb Iran's other destabilizing activities would not subside, and that the United States will continue to backstop the security of its allies and partners in the region. In particular, the leaders of Israel, Saudi Arabia and the other Gulf States would require particular attention.<sup>23</sup>

Alternatively, despite the appearance of diplomatic momentum, nuclear negotiations with Iran could ultimately fall apart. If the Geneva deal unravels, follow-on talks collapse and Iran resumes its march toward nuclear weapons, it may close the diplomatic window for good. This would leave Washington with the horrific choice between striking Iran's nuclear complex, which could result in widespread Iranian retaliation and spiral into another regional conflict, and accepting the reality of Iran as a nuclear-armed power, a reality that could potentially generate major instability in the region.<sup>24</sup> Avoiding such a dilemma remains a primary motivation for achieving a robust and verifiable diplomatic solution.

#### **Trend 4: Regional Geopolitics in Flux**

Geopolitical fault lines within the Middle East are undergoing a rapid evolution, and they remain in a state of flux. This competition between states and blocs for power, always intense, has accelerated in the aftermath of the Arab Awakening.

While the Arab-Israeli conflict has divided the region since the end of WWII, following the first Gulf War regional politics has increasingly coalesced into two groupings. The first is a "moderate" camp represented by the United States, Israel, Egypt, Jordan and the Gulf monarchies. The second is the "resistance" camp represented by Iran, Syria,

Hezbollah in Lebanon, Palestinian militant groups and various other jihadist groups. Geopolitical competition and Sunni-Shia sectarian tensions have combined to drive the behavior of these blocs.

The post-Gulf War regional order, however, is breaking down into something more divisive and fractured. In recent years, a “third pole” of populist Sunni Islam, led by Qatar along with Turkey, has created a significant schism in the traditional Sunni moderate bloc. Qatar has expanded its reach using satellite media, its support for regional populist movements and vast financial resources. Turkey’s bid for regional leadership also turns on popular Islamist appeal, as well as its status as a Muslim democracy and the region’s most dynamic economy. Sunni populism, supercharged by the Arab Awakening and the prominent role played by the Muslim Brotherhood in numerous countries, now competes with both the traditional Sunni autocratic model embodied by Saudi Arabia and the Shia “resistance” camp led by Iran.

Emerging geopolitical fault lines in the Middle East are driven by two major factors. First and foremost is the sectarian divide, which has long animated the region but has increased dramatically in the aftermath of the 2003 Iraq war. Most recently, the Arab Awakening has worsened the regional sectarian divide, as Gulf autocrats reacted to exaggerated perceptions of Iranian-backed subversion within their own countries by intervening in Bahrain and arming the opposition in Syria. And as the Syrian conflict has devolved into a communal civil war and a nasty proxy fight between the Saudi and Iranian camps for regional dominance, Sunni-Shia polarization has deepened even further.<sup>25</sup>

Second, even as they ally with Gulf States in the sectarian struggle against Iran and its “resistance” allies, Qatar and Turkey aggravate tensions within the so-called moderate camp by supporting

populist Sunni Islamist groups such as the Muslim Brotherhood. The Saudis and Emiratis, in particular, see Sunni Islamist groups as an existential threat to their governments on par with the threat posed by Iran and dedicate themselves to fighting that threat with the same vigor.<sup>26</sup> The tensions within the Sunni bloc have played out in Egypt, where the Qatar- and Turkey-backed Muslim Brotherhood squared off against the Egyptian military and remnants of the Mubarak regime, which received support from Saudi Arabia, the United Arab Emirates and Kuwait. In Syria, the Saudis, Emiratis, Qataris and Turks share a desire to remove Assad, but have quarreled amongst themselves and contributed to the fracturing of the Syrian opposition by backing competing factions and militias.<sup>27</sup>

The evolving role of the United States in the region – as well as exaggerated belief that the United States plans to abandon the Middle East – has only intensified this contest for leadership and, in particular, the Gulf autocrats’ growing sense of isolation. As regional powers become more activist, some of their efforts run counter to U.S. interests, while others are consistent with American aims. As the nature of U.S. engagement in the Middle East changes, managing and positively channeling these emerging regional rivalries will become an increasingly important requirement for successful U.S. policy.

### **Trend 5: The Changing Nature of the Terrorist Threat**

As it has since the late 1960s, terrorism will continue to shape Middle Eastern politics and threaten both the security of the region as well as international security. At the same time, the specific nature of the terrorist threat has changed in important ways.

Since 2008, the threat has evolved from what menaced the world during the 2000s when core al Qaeda in Afghanistan and Pakistan posed the

biggest threat to U.S. interests, both at home and abroad. As result of strong counterterrorist action, including drone strikes, the United States and its partners have, according to Director of National Intelligence James Clapper “degraded core al-Qaeda to a point that the group is probably unable to carry out complex, large-scale attacks in the West.”<sup>28</sup>

Moreover, the ideals underlying at least the initial stages of the Arab Awakening pose a challenge to al Qaeda’s ideology and prospects for long-term viability. Although al Qaeda called for violent revolution and jihad against “apostate” regimes in the Arab world for decades, the group played essentially no role in the origins or initial trajectory of the Awakening in Tunisia, Egypt and elsewhere.<sup>29</sup> Participation in elections and governments by mainstream Islamists potentially challenges, rather than bolsters, al Qaeda’s ideology (although the military coup in Egypt and the growing exclusion of the Muslim Brotherhood from politics could partially reverse this dynamic).

However, while al Qaeda’s narrative has suffered through the Arab Awakening, power vacuums created by political change in Libya, Syria, Yemen and elsewhere have created permissive operational environments for al Qaeda affiliates. In this more narrow sense, al Qaeda has benefited from the Awakening. And while core al Qaeda may have been decimated and its ideology challenged, dangerous splinter groups have also emerged and remain strong across the region.<sup>30</sup> These include al Qaeda on the Arabian Peninsula (AQAP) in Yemen, Ansar al-Sharia in Tunisia, Al-Shabaab in Somalia and radical groups in the Sahel and in the Sinai. While AQAP remains highly focused on hitting “far enemy” targets in the United States in addition to fighting for control in Yemen, most of these groups focus more on the “near enemy,” or local foes.

In addition, Syria has become a huge draw for terrorists and foreign fighters from across the region as well as from Europe. Analysts estimate that 5,000 foreign fighters are waging war in Syria at any one time, fighting with al Qaeda affiliated groups including al Nusra front and the Islamic State of Iraq and al-Sham (ISIS).<sup>31</sup> ISIS morphed from the group previously known as al Qaeda in Iraq, and it continues to carry out attacks in Iraq as well, with operations flowing across the Iraq-Syria border. Moderate rebels groups, including the leaders of the Free Syrian Army, have suggested that the fight against the Assad regime might only be the first civil war in Syria, with the second being a post-Assad battle against al Qaeda.<sup>32</sup> And there is a real danger that long-term chaos in Syria could provide al Qaeda affiliates with a safe haven in the Levant.

Some al Qaeda watchers believe that Syria could prove an even more fertile ground than Iraq due to larger number of foreign fighters, better training and a higher survival rate (i.e. less use of suicide bombing as a tactic).<sup>33</sup> The group is also showing signs of having learned lessons from its experience in Iraq by avoiding actions such as the immediate imposition of a harsh form of Sharia law that had previously cost it support among the population.<sup>34</sup> The growing jihadi presence in Syria could pose a threat to the United States and Western allies as foreign fighters return to their home countries, including some to Europe. Some estimates say as many as 1,200 European Muslims have gone to Syria to fight since the start of the war.<sup>35</sup>

While the direct al Qaeda threat to the United States and Western Europe has been reduced via aggressive counterterrorism policies over the last 10 years, and the Arab Awakening poses a threat to al Qaeda’s narrative, the organization and some of its affiliates can still pose deadly risks to U.S. citizens, interests and allies – much less the threat they pose

to the region. In addition, the growing number of foreign fighters in Syria makes the resolution of the conflict even more pressing.

### **Trend 6: Little Progress Toward Israeli-Palestinian Peace**

The Arab-Israeli conflict no longer monopolizes attention in Middle East politics as it did in past years. But long-term trends are moving against the resolution of underlying issues and toward a slow-motion crisis.

Specifically, if the parties cannot achieve a two-state solution, two demographic realities will collide in profoundly negative ways: Israeli settlements will continue expanding and the Palestinian population under Israeli occupation will continue to grow. Taken together, these two trends pose a challenge to Israel's identity as both a Jewish and democratic state.<sup>36</sup> As S. Daniel Abraham writes:

If Israel ignores the demand to establish the Palestinian state there [in the West Bank], then, in addition to incurring tremendous hostility from the rest of the world for doing so, it will eventually have to find a way to incorporate the stateless Arabs of the West Bank into Israel. What then? Either Israel will stop being a Jewish state, or it will choose to deny the Arabs of the West Bank the most basic of civil rights, such as the right to vote, and stop being a democracy.<sup>37</sup>

Meanwhile, Palestinian frustration with both their own leadership and the peace process could result in a third intifada, a "Palestinian Spring," or both.

The Obama administration, led by Secretary of State John Kerry, has made valiant efforts in recent months to restart negotiations, in particular by crafting additional proposals to increase Israel's sense of security.<sup>38</sup> Both sides agreed to restart negotiations last July with the aim of reaching a framework agreement first followed by a final status deal by the end of April 2014.<sup>39</sup> Retired Marine

General John Allen is serving as an advisor focusing on security efforts that can facilitate a deal and sustainable peace. But political leaders from both groups thus far appear unwilling and/or unable to take the political risks necessary to secure peace.

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The Palestinian leadership remains split between the Fatah-led West Bank and the Hamas-dominated Gaza Strip.<sup>40</sup> The Palestinian Authority suffers a fiscal crisis and the absence of any clear political incentive to justify cooperation with Israel. It also appears unable to command the legitimacy and political control to make the big leaps for peace. For their part, Israeli politics have drifted rightward, while Israeli success in reducing Palestinian terrorism has, paradoxically, reduced the urgency of making peace. These trends have sapped leaders' desires to take risks for peace and lessened the urgency of making a deal.

However, short-term avoidance will not fix the long-term problems that will result from failing to achieve a sustainable two-state solution. Those problems affect Israel and the Palestinians, of course, but they also directly hurt U.S. interests. Although the Israeli-Palestinian conflict is not the all-encompassing issue it once was, "the conflict remains," in Shibley Telhami's words, "the prism of



pain through which Arabs view Washington and much of the world.<sup>41</sup>

The Israeli-Palestinian issue commands such importance that, as long as it festers, it will taint U.S. relations with the region, slowing or halting progress on a number of other key issues in the region. On par with a deal that constrains Iran's nuclear program, an Arab-Israeli agreement could enable a strategic realignment that would bolster both the U.S. position in the region and Israel's. A deal would begin the process of normalizing Israel's relations with the region, creating space for more constructive relations across a range of issues and disempowering extremist forces for whom the conflict provides a rallying cry. President Obama endorsed this view in his speech at the UN in September 2013.<sup>42</sup>

However, a potential negative linkage exists between efforts to forge an agreement with Iran and the peace process: Israeli Prime Minister Benjamin Netanyahu has suggested that the current direction of Iran diplomacy decreases Israel's security, making him disinclined to accept additional risks by making peace with the Palestinians. At a recent speech, Netanyahu said of peace talks with the Palestinians, "These efforts will come to naught if Iran achieves a nuclear bomb."<sup>43</sup>

Still, whatever the outcome of talks with Iran, the failure to make progress risks the Israeli-Palestinian situation spiraling further into conflict, with increasingly difficult consequences in a region where publics have a greater say.

### **Trend 7: The Transforming Energy Map and Outside Powers**

The world energy map is undergoing a fundamental transformation due to new sources of oil and gas in North America; growing demand in Asia and the Middle East; and large and sustained supply disruptions, primarily from Middle Eastern suppliers.

These trends are creating massive shifts in the role of the Middle East in global energy markets, but it will not unseat the region as the capital of global energy production. In fact, the region may become *more* important by the mid-2020s. As the International Energy Agency's (IEA) chief economist recently noted, "Despite the shale revolution, the Middle East is and will remain the heart of global oil industry for some time to come."<sup>44</sup>

Four big trends will transform global energy markets over the next 20 years in ways that directly impact the Middle East. First, the North American energy boom has dramatically lowered the United States' reliance on the Middle East as a direct source of oil, and that trend is projected to continue. U.S. oil imports from trading partners in the Middle East Gulf declined 16 percent since 2008.<sup>45</sup> However, the United States will continue to play a major role in regional security, in part because global markets determine the price of energy. So reducing the direct energy supply flow between the United States and the Middle East will not inoculate America from price fluctuations due to instability in the region.

Second, demand from Asian nations will continue to skyrocket. As the IEA notes, there will be "a re-orientation of energy trade from the Atlantic basin to the Asia-Pacific region."<sup>46</sup> Asian countries will account for almost two-thirds of the gross increase in oil demand through 2035.<sup>47</sup> This trend has been developing since the early 1990s, but it will accelerate in the coming years.<sup>48</sup> The demand comes primarily from China, India and, increasingly, Southeast Asia.

Third, demand for energy within the Middle East itself will reduce the region's ability to serve as a major exporter. Enabled by high energy subsidies, the region's per-capita oil consumption today is 50 percent higher than the European Union and rapidly approaching that of the United States, despite

much lower incomes.<sup>49</sup> Looking to the future, the IEA predicts the Middle East will emerge as a major energy consuming region, becoming the second-largest gas consuming region by 2020 and third-largest oil consuming region by 2030.<sup>50</sup> Those changes will have an important influence on the Middle East's role in energy markets.

Finally, Middle East oil suppliers – most notably, Libya, Iraq and Iran – will continue to suffer from sustained global oil supply disruptions. Protests at seaports and militias closing pipelines have disrupted Libyan supply. Iraqi supply has declined due to attacks on the pipeline from Kirkuk to Ceyhan in Turkey and maintenance at the port of Basra. Sanctions have curtailed Iran's supplies to the global market. As the U.S. Energy Information Agency notes, “Global unplanned crude oil and liquid fuels disruptions averaged 2.7 million barrels per day (bbl/d) in August, the highest level over the period January 2011 through August 2013.”<sup>51</sup> Disruptions will likely persist given the political instability in the region.

While the regional energy map will change dramatically, the security map will lag behind. Though Asian nations will have an increasing stake in the security of the Middle East, this does not mean they will have the will or capabilities to secure the region or the free flow of oil from the Gulf to Asia. Asian nations, in particular China and India, have shown a reluctance to play a role in providing security in the region, preferring a strategy of non-intervention in order to forgo both the costs of such campaigns and pressure from energy providers to take sides in regional political disputes.<sup>52</sup> As one observer noted, “the political aloofness that makes China attractive as a partner [for Middle Eastern states] also makes it unlikely that it would agree to compete with us [the United States] for the privilege of acquiring and protecting foreign client states.”<sup>53</sup>

Even if Asian countries decide to play a larger security role in the Middle East, none currently possess the regional footprint or expeditionary military capabilities such operations require, and it will take decades to acquire such capabilities. In addition, any growth in Asian nations' capabilities will likely focus on the increasingly tense regional security environment in Asia. To be sure, Asian nations will likely employ lower-cost tools to influence the region, including economic measures, diplomacy, arms sales and low-level security cooperation. But it remains unlikely any actions will rival U.S. levels in the region.

Other states will matter, too. European nations possess significant expeditionary capabilities, although not at the same level as the United States, and could take on some small security commitments in the region. Also, Russia has recently shown a strong desire to continue to be involved in the region, as demonstrated by its role in Syria.

### Implications for Policymakers

The politics and geopolitics of the Middle East are shifting rapidly, and the seven trends discussed here will play major roles in determining the future trajectory of what remains a vital region. Although I have provided an overview of the fundamental dynamics active within each trend, outright prediction remains fraught at best.<sup>54</sup> Indeed, the only strategic certainty about the Middle East for the foreseeable future is uncertainty. However, two major themes – changes in structure and the importance of contingency – will characterize the interaction among these issues in the years ahead.

First, the longstanding structure of strategic relationships in the region is changing. The United States will continue to have profound interests in the Middle East, but will struggle to maintain the confidence of traditional partners. The resulting hedging behavior, in turn, will likely aggravate disagreements with Washington and, in conjunction

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with changes in global energy relationships, expand opportunities for outside powers to shape regional priorities in ways that will not always be compatible with U.S. interests.

Middle Eastern publics will also continue to play a larger role than was the case before the Arab Awakening, even as progress towards more representative governance stalls in many countries. Given the significant legacy of anti-Americanism among Arab publics, the need for leaders to accommodate or channel public sentiment will further complicate Washington’s efforts to influence events. Meanwhile, Sunni-Shia tensions are likely to persist within and between many Middle Eastern states, even as divisions within the Sunni camp grow between champions of populist Islamism and defenders of the status quo. Taken together, the interaction of these trends is likely to make it much more difficult for the United States to forge and sustain regional cooperation to advance U.S. interests and address common challenges.

Second, in this new structural context, the outcomes to several key events – the Iranian nuclear issue, the Syrian civil war and the Israeli-Palestinian issue most prominently – could push regional stability and Washington’s involvement in the region in drastically different directions.

For example, diplomatic agreements to address the Iranian nuclear crisis, the Syrian civil war and the Israeli-Palestinian conflict would help transform regional politics for the better, resolving issues that have contributed profoundly to instability. Diplomatic solutions to those issues could reduce regional tensions, ease sectarianism, weaken support for extremism and open up new opportunities for relationships and cooperation based on common interests across the Arab-Israeli divide.

Alternatively, if attempts to resolve these issues fail, the region could descend – slowly or, possibly, quite quickly – into conflict that bolsters extremism and violence and undermines political and economic progress. A U.S. or Israeli military confrontation with Iran could trigger another regional war with highly unpredictable effects on the trajectory of the Arab Awakening and regional sectarian polarization. In the absence of a negotiated end to the Syrian civil war, both the humanitarian catastrophe and spillover consequences of the conflict for stability in neighboring states are likely to grow. And if the prospect for a two-state outcome ends, resulting in permanent Israeli occupation and/or another Palestinian uprising, the Israeli-Palestinian issue could take on renewed life among newly empowered Arab publics, fueling regional tensions further.

For the United States, the Middle East is, and will remain, a vitally important region. But advancing U.S. interests in the region – never easy – will become even more complicated in the years ahead. Washington must forge new relationships with the whole range of emerging actors that are shaping regional politics in the wake of the Arab Awakening. And America must lead in those areas – namely Iran, Syria and the Israeli-Palestinian peace process – where U.S.-sponsored diplomacy can make a huge difference in shaping the trajectory of the region. In short, in the face of

unprecedented regional change and turbulence, the answer is not to pivot away from the region in frustration, but to remain deeply engaged.

*Jacob Stokes is a research associate at the Center for a New American Security.*

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Center for a New American Security  
1152 15th Street, NW  
Suite 950  
Washington, DC 20005

TEL 202.457.9400  
FAX 202.457.9401  
EMAIL [info@cnas.org](mailto:info@cnas.org)  
[www.cnas.org](http://www.cnas.org)

### Contacts

Kay King  
Senior Advisor and  
Director of External Relations  
[kking@cnas.org](mailto:kking@cnas.org), 202.457.9408

JaRel Clay  
Communications Associate  
[jclay@cnas.org](mailto:jclay@cnas.org), 202.457.9410