CHAPTER 2

THE SHIFTING OF U.S. BEHAVIOUR TOWARDS MIDDLE EAST REGION

The United States have a long-standing reputation of its presence and influence in the Middle East and North Africa (MENA) region from a various sector, be it economic, political, diplomatic, and military. On this chapter, the research shall described comprehensively the U.S. presence in the MENA region from a chronological order to make sure the flow of this research is able to be well-comprehended. This chapter aims to put into perspective the international circumstances that are shifting in the Middle East region. This chapter is structured into 2 subchapters, the first subchapter focuses on highlighting the historical track record of the U.S. presence in the Middle East and how it could have stood long against several headwinds including Yom-Kippur War, and the second is dedicated to the data and rationales of the declining U.S. presence in the Middle East from various articles, journals, and institutions. According to Lobell, the Neoclassical Realism—the main theory being applied on this research—consist of independent and intervening variables that affect the dependent variables (Lobell, 2016).

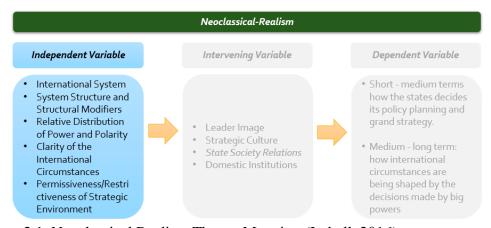


Figure 2.1. Neoclassical Realism Theory Mapping (Lobell, 2016).

2.1. U.S. Influences in MENA in General and with Saudi Arabia in Particular

In a big picture, the U.S has 3 main objectives on its presence in the Middle East, which are: Israel, Oil, and Anti-Communism. The U.S. would do its best to act in favour of its long-standing ally, Israel, which has a threatening geographical location that is surrounded by the countries which happened to be its counterparty ally. Secondly, the U.S. also seek to 'secure' the massive potential of oil exploitation in the Middle East for the development in the U.S. while giving the security assurance of the MENA's oil reserve as a price worth to paid by the U.S. Lastly, the threat of communism was still considered likely to emerge and spread through Middle East which push the urgency of the U.S. to take steps further down the line in making sure that did not happen. The influence of communism that was led by Soviet could also potentially spread into the control of Middle East oil by the Soviet that is considered to be a major disruption to the economy of a free world (Hudson, 1996). From these 3 key objectives, it is obvious that the U.S. maneuver in the Middle East could range from various sectors, be it from economic, political, and even military.

Far back in the time horizon, the U.S. has established a robust reputation of its presence in Middle East. Through the eyes of the U.S. Secretary of State Henry Kissinger, he initially doubted the attempt to boost the involvement of the U.S. in the Middle East considering his Jewish background that risked of halting the endeavour. Although at last, The Secretary of State finally put a significant portion of focus to the dynamics in Middle East that comprises of diplomatic move, regional conflict, as well as trying to balance the engagement given to both Israel side, and on the Egypt and its alliance side. President Richard Nixon also emphasized his focus to put Middle East as a first-class priority throughout his second term of office (Gruen, 1974).

Through the lens of economic and politic, the Middle East has gained a lot of attention from the U.S. during the 70s despite the growing tension of Israel-Egypt Yom Kippur war. It is recorded that Jordan has received an aid from the U.S. with an amount of USD 110.9 million in 1972 that comprises of military sales, military grants, as well as general supporting assistance. President Nixon also pledged to give 2 squadrons of F-5E jet fighters along with its supporting required tools (Gruen, 1974). U.S. presence in MENA Region also brought a considerable amount of influence to Saudi Arabia, helped by Saudi-Egyptian reconciliation. By the presence of the U.S., Saudi Arabia went into a more incline to Western regime that will be resistant to the threat by Socialist regime both in the region or in the Internal Arab region (Gruen, 1974). Regionally, is has been recorded that the U.S. has deployed an estimated total of USD 346 billion of foreign assistance to the MENA region. And according to the latest data in 2021, the overall foreign assistance fund requested in that particular year reached an amount of USD 6.6 billion—roughly 15% of all the budget request from State Department's International Affairs (Congressional Research Service, 2020). In terms of Foreign Direct Investment, the US deployed a total of USD 96 billion in MENA region in 2021, comprises of only 1.5% of the U.S. total FDI of that fiscal year. (Al Monitor, 2022)

In the midst of escalating tension between the U.S. and other Middle Eastern countries in the 70s driven by Arab oil embargo and price increase, the U.S. viewed the crucial need for a closer U.S. – Arab ties. Emerging from historical ties, the United States-Saudi Arabian Joint Commission on Economic Cooperation came into existence in 1974 with the aim of strengthening bilateral relations. The commission's establishment was driven by three key objectives. Firstly, it sought to enhance the political ties between the two nations by fostering economic cooperation initiatives. Secondly, it aimed to support Saudi Arabia's industrialization efforts while concurrently

addressing the recycling of petro-dollars. Lastly, it aimed to facilitate the exchange of goods, services, and technological advancements from the United States to Saudi Arabia, thereby opening avenues for bilateral trade and knowledge transfer. Through these objectives, the commission sought to forge a closer economic partnership and promote mutually beneficial cooperation between the two countries. The commission has since met regularly to discuss a range of issues related to economic cooperations (GAO, 1974).

Throughout the middle of the 20th Century, countries in the Middle East are still far from thriving. But approaching the end of the Century, several indicators ranging from illiteracy rate, average time of schooling, mortality rates, and life expectancy rates showed a level of progress of the region that leading towards better overall conditions. During that time, the United States surely saw a growing opportunity in the region where 312 million people settled upon, supported by the fact of their rapid grow of economic and education level of its people, the U.S. saw the massive untapped economic opportunity in the region for the trade of goods and services. With that realization, the U.S. under President Bush administrative planned some cooperative steps towards capturing the opportunity by laying out some key initiatives towards The Countries in the Middle East. First, the U.S. shall take an effort to help the MENA countries that were not yet the members of World Trade Organization (WTO) to qualify for the WTO—those countries were Saudi Arabia, Lebanon, Yemen, and Algeria. Second, it is imperative to the U.S. that the states should incorporate "Trade Capacity Building" into the Middle East region. So instead of just providing aid for the MENA region, the Bush administrative planned to enhance the capabilities of MENA countries of having an independent strength in competing for global trade. President Bush allocated USD 750 million to run the Trade Capacity Building, which 23% of them will be dedicated for Middle East alone. The impact of U.S. support for free trade in MENA countries

could be seen in Jordan which experienced an economic reform. It was in 2001 when the U.S. free-trade agreement with Jordan commenced, and following that occasion is the jump in Jordan's exports in the next year as much as 72%. Furthermore, it was estimated by the government official of Jordan that the free trade with U.S. has created approximately 30,000 new jobs since 1999 until 2002 (Washington Institute Report, 2003).

The effort of the U.S. to promote free market and trade liberalization prevailed through the 20th and the beginning of 21st century, with a Trade and Investment Network Agreement (TIFA) was signed between Saudi Arabia and the U.S. in 2003. TIFA has a main objective to uphold the establishment of legal protections for investors, increasing transparency in regulations (both public and private sector), increasing transparency in the procedures of customs, as well as advancement of legal protection for intellectual property. Furthermore, the agreement also emphasizes the importance of legal protection for labours with the value of respect and applying the recognize standard of international labour, as well as to promote an environmental-conscious policies to further develop sustainable development (UNCTAD Report, 2019).



Figure 2.2. Geographical Location of the Strait of Hormuz (Middle East Eye, 2019)

The United States of America's concern on the importance of MENA's oil (particularly in Saudi Arabia) is being challenged by the presence of Iran in Hormus Strait which gives access to almost 20% of the total global oil supply passes. The U.S. Joint Chief of Staff, Gen Dunford, discloses the plan of building a coalition between the U.S. along with several key states in the MENA region to patrol the security of Hormus Strait from the threat of Iran. The plan was even got into momentum when US drone that was operating near the strait was being shot down by Iran, and the foreclosure of British Oil Tanker that was operating in the Strait (The Guardian, 2019). The maritime security initiative plan came to realization in August 2019, gaining some back up from the UK (United Kingdom), Australia, and Bahrain. The U.S. even emphasized that the coalition's focus was to patrol and protect the passing of merchant vessel across the strait (Middle East Eye, 2019).

The U.S. influence on the Middle East region could also see in the private sector, given the fact that in 2017 the Saudi State-Owned Oil Company, Saudi Aramco, signed several agreements with numerous U.S. private companies in strengthening the business operations. General Electric (GE) agreed to carry out the digital transformation in Aramco's operation. More specifically, GE shall several technologies supports that ranging from GE's signature pioneering APM and industry-specific applications and a private Predix Industrial IoT (Internet of Things) Cloud, combined with the supports from the talents side which are Digital Transformation Office (DTO) to go hand in hand with Saudi's industrial engineers, technologist, and experts. Not only that the DTO is expected to support the productivity improvement increase of Aramco to USD 4 billion annually, but it is also expected to create more than 700 new jobs in Saudi Arabia that encompasses the high-tech and digital industrial roles. On the other hand, emphasizing the Saudi Arabia's Vision 2030 and Saudi Aramco's In-Kingdom Total Value Add (IKTVA), Aramco also signed another

MoU with McDermott to expand the contribution of local talents in the Middle East operation that is expected to add more 3,000 jobs for Saudis. A pretty much similar agreements also signed by Aramco with Schlumberger and Halliburton, the agreement Schlumberger is expected to create new 2,600 jobs for local talents, and the one with Halliburton is expected to yield a more than 750 new jobs for local talents (Saudi Aramco, 2017).

Through the narrative above, this research contains a mapped out historical record of accomplishment of the U.S. influence in the Middle East. It is obvious that U.S. influence is not just limited to a particular country, particular sector, and particular industry. The impact created from those presence in the Middle East surely be seen and taken benefit of by the countries in the region, be it economically or in terms of security. Of course, the U.S. is not coming to the Middle East, establishing partnership, giving support, and so on only to come empty handed. The U.S. still maintain its 3 key objectives of its presence in the MENA region while making sure that it can build up a mutualistic relationship with the countries in the region.

Nevertheless, this research highlights some declining trends of U.S. presence and focus of attention in the MENA region. The time range focus of research is focused on 2018-2021 period, which happened to be a transition of 2 Presidential Offices from 2 leaders that came from 2 different political spheres, Donald J. Trump and Joseph Biden. Yossi Mekelberg from Trend Research and Advisory pointed out the divergence of policy style towards Middle East on both Leaders, although he concluded that Middle East would not be the key priority for both Leaders (Mekelberg, 2021). Mekelberg described Biden's policy towards Middle East is more nuanced and equipped with multilateral approach focusing on re-engagement, and cooperation with international allies, while Trump's style is inclining more on to the dichotomous, confrontational and unilateral style with a big emphasize on pressure and containment (Mekelberg, 2021). On the

next part, the research focuses on what are the evidence of the declining influence of the U.S. in the Middle East without taking too much emphasis on the transition of those 2 Presidential offices. Rather, time-linear approach shall be applied to this research to observe and explain how the process of U.S. intense presence in the Middle East region is could persist even with the turmoil of Yom-Kippur war and Arab oil embargo in 70s, economic and technological partnership in 2000s, could eventually turns into a delicate movement towards ignorance by the U.S. to the region.

2.2. The Shifting Behaviour of the U.S. Towards MENA Region

Preceding the discourse of U.S. declining interest and presence in the Middle East, some of the statements and notes that the U.S. is indeed going towards a less-interest policy in MENA region shall be highlighted. On early March 2023, the Iranian military advisor had claimed that the Middle East has seize out the American dominance in the region. This statement was supported by the fact that Iran had just revived its political communication with Saudi Arabia lately, and it was also being 'brokered' by China. Yahya Safavi, Iran's military advisor, pointed out that the revival of this relations should've shaken the U.S. attention in the region (Iran International Report, 2023). Based on the supporting evidence that has precedes this phenomenon, the awakening ties between Tehran and Riyadh shall have an effect on U.S. presence and its ally, particularly Israel, in the region, but China's existence in the deal has less thing to do with cracking the U.S. influence dominance in the region (Iran International Report, 2023).

The discussion is commenced by focusing on the 2015-signed Iran Nuclear Deal, also known as Joint Comprehensive Plan of Action (JCPOA). The deal's main objective was to persuade Iran to dismantle its nuclear development endeavour as well as to increase the

transparency through international inspection in return to a sanction relief that is worth billions of dollars. Iran's nuclear development had been a waking up threat to the security in the region, especially to Iran's regional rival, Saudi Arabia, which happened to be having a lot of cooperation and partnership with the U.S. since the 20th century in various sectors. The nations that took part in the negotiations of the deal are: Iran, China, France, Russia, U.S., UK, Germany, and The European Union. However, the U.S. withdrew from the deal in 2018 under Trump Administration Office (Council on Foreign Relations, 2021). This move was contradictory to the European parties that significantly prepared and ready to make the agreement works (Gass, 2018). A Pessimistic statement was being thrown out by the current U.S. President Joe Biden noting that *the deal was "dead"*, having seen that the attempt to make it into work with the U.S. once again seem blurred. Having this fact, the U.S. must now prepare or at least come into realization of a potential alternative scenario that might be happen in the region, especially with U.S. ally in MENA Region like Israel, with the prediction of it is inclining to a more negative spill-over effect (Fitzpatrick, 2023).

There are some predicted risks that could derived from U.S. withdrawal from JCPOA. Firstly, the deal was not simply conducted between the U.S. and Iranian Government, but it also gives room for several states that included America's allies, and by getting away from the JCPOA will turn America's back on those allies, and all of the supporting efforts by professionals, scientist, and even country officials. Second, agreements withdrawal is seen as an irresponsible behaviour in the state level, risking America's credibility in the longer terms among the world's major states. Third, Iran had gone on a nuclear advancement program for decades and it was then almost reaching a level where the Islamic State could put the nuclear into work on a significant speed. The risks aforementioned could both potentially harm the U.S. directly or may escalate Chaos in

the MENA region that could potentially spill over to the U.S. too, but the U.S. seemingly did not take into account those risk and opt for a withdrawal. This step taken by the U.S. becomes crucial clues for Saudi Arabia as U.S.' ally in MENA region to question the reliability of U.S.-Saudi relations in the future. (Arms Control Association Report, 2021)

Furthermore, the U.S. troops withdrawal from Syria in 2018 also heavily seen as a shift in the U.S. MENA Region Foreign Policy. The U.S. had been engaged in the Syrian conflict by deploying forces and launching airstrikes since 2014, supported by Saudi Arabia, Qatar, Bahrain, UAE, and Jordan. On the U.S. side also joined the Syrian Democratic Forces, up against Islamic State of Iraq and the Levant (ISIL) and the Syrian Government under the leadership of Bashar al-Assad. In October 2018, the U.S. started to question its objectives in Syria as it is preceded by ISIL's abatement of territorial expansion. And in December 2018, Trump announced an abrupt decision to take out U.S. forces from the country. Trump's decision is further getting into more of an unclear direction, followed by the statement that America is not leaving The Middle East. Although the notion still seems make sense, there are some viewed risk that could potentially spill over into the U.S. and the MENA Region. First, U.S. troops getaway from Syria could risking the Kurdish forces vulnerable to attacks by Turkey, as the forces is heavily considered as a major threat by Ankara. Second, Trump's decision was consistently being excoriated Government Officials that the move was an absolutely reversal of policy and it risked the U.S. credibility of alliance that the U.S. had built in the region (American Journal of International Law, 2019). From the Trump perspective it is obvious that he took a very measurable cost-and benefit calculation on the U.S. presence in the Middle East.

"American and coalition forces have had one military victory after another over the last two years against [ISIL], including the retaking of both Mosul in Iraq and Raqqa in Syria.

I made it clear from the beginning that our mission in Syria was to strip [ISIL] of its military strongholds; we're not nation building. Rebuilding Syria will require a political solution. And it is a solution that should be paid for by its very rich neighboring countries, not the United States. Let them pay for it. And they will. They will....

There will be a strong, deliberate, and orderly withdrawal of U.S. forces from Syria—very deliberate, very orderly—while maintaining the U.S. presence in Iraq to prevent an [ISIL] resurgence and to protect U.S. interests, and also to always watch very closely over any potential reformation of [ISIL] and also to watch over Iran. We'll be watching." (Trump White House Editorial, 2018).

The decision made by the U.S. was considered legitimate from its own point of view because the U.S. main objective in Syria is not about establishing the nation state politically, but merely to halt the development and expansion of the ISIL military threat that could potentially harm the region (American Journal of International Law, 2019). Furthermore, Trumps encouragement on NATO to contribute more the region implied that he wanted the European Allies to pay the price more for the stability of the Region, and at the same time the countries in the MENA region also expected to do the same if the peace-building and reconciliation with Assad is hoped to be achieved (Biscop, 2020). Rising debates are focused on the risk of Russia and China penetration following this U.S. decision. Nevertheless, nowaday's Moscow and Beijing are not insisting to weaken the U.S. allies in the region unlike Soviet Union did during the cold war period, and end those countries' alliance with the U.S. They instead purely intended to work together with the regional powers, and they even not willing to replace America's role as the 'guardian' for those Middle East allies. What America sees as a threat from Russia and China nowadays to the stability of the Middle East particularly for its allies there, not even reached the level of adversarial force by Soviet Union done in the cold war era (National Interest Report, 2022).

In addition to those facts, Aramco's oil facilities in Khurais and Abqaiq had fallen victim of a drone attack on September 2019 that dampen the country's oil production quantity in one day (Taheri, 2021). The prosecutor of the attack was Iran, which assumed to be an extension of its military escalation in the region. There were some political motives on that attack, which Houthi claimed to be an attempt to guide the western discourse more into the war in Yemen caused by Saudi Arabia and less about Iran itself. Iran also made an attempt through the attack to detach the U.S. from its partner in MENA region, especially UAE and Saudi (Kagan, 2019). Despite whatever Iran's objective to attack Aramco oil facilities, the U.S. must have been putting so much attention and effort to defend those machineries to produce the very lucrative liquid if it had been considered something that really matters by America. But the fact is, America cannot protect it. So, where did the U.S. go when the attack happened? How unprepared that the U.S. in protecting the Aramco's oil fields? Why did America could not prevent that attack from happening? Is Saudi's oil still matters to America?

The fading challenge of the U.S. in the Middle East also being acknowledge by Senior Research Professor of Conflict Management at Center for Translantic Relations John Hopkins School, Mr. David Serwer. Serwer argues that the U.S. is required to commence a more down-to-earth approach in seeing Middle East as a strategic region and lessen the military option as a means of stabilizing the region that is already becoming less relevant. Serwer also pointed out on his research that the interest of the U.S. in MENA region started to gradually fades, with the declining dependence on MENA's oil and by the facts that U.S. allies in Middle East are only thirsty for U.S. security assistance with little to no favour in the value that America has (Serwer, 2016). Supporting the fact aforementioned, this research is about to dig deeper on a study from the Research Fellow of Centre for The Study of Statesmanship, published in Defense Priorities Report,

that empirically conclude and encourage the U.S. to take a step out of the Middle East with some of the key supporting rationales. First, The U.S. approximately deployed USD 60 – 750 billion a year in regard to MENA'S politics. Besides, the U.S. also put around 42,000 military personnel on the region scattered around Egypt, Jordan, Turkey, Syria, Iraq, Bahrain, Qatar, Oman, UAE, Kuwait, and Saudi Arabia. Nevertheless, based on economic and demographic calculation, the region's GDP only constitutes 3.3% of the world's total, significantly lower than Europe's and Asia's 25%. On the other hand, the region's population is also only 3% of the world's total. This data translates to an unreasonable push towards Middle East domination by the U.S. as it cannot contribute significantly both in terms of economic and human resource (Defense Priorities Report, 2023).

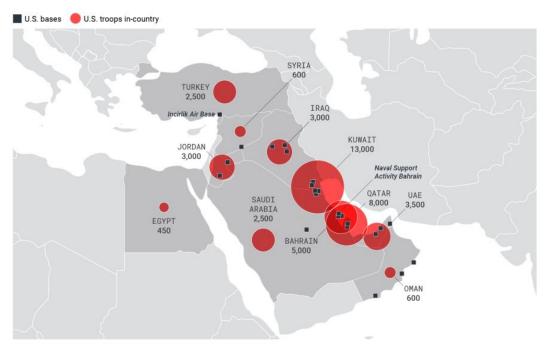


Figure 2.3. Geographical Location of the Strait of Hormuz (Defense Priorities Report, 2023)

If the rationale of U.S. presence in MENA region heavily stands on Oil, then it is not a logical cause since the mechanics of the world's oil market that emphasize on price stability is primely influenced by supply and demand. As the net oil exporters, the OPEC members have full control

of the quantity of oil they produce. This is illustrated by the portion of world's oil production that is produced by OPEC which shows a sideways trend over the years, constitute of approximately 30%. The figure still shows the similar trends over the years even though the American have increased its oil production in the same timeframe. If one argues that political events can cause a significant major effect on oil prices, then if the shock was in a form of price increase so the net oil exporter shall be incentivized. The net oil exporter will surely use that momentum of high price to gain maximum profit by producing more oil. But if all oil producers do the same thing, then supply will gradually increase, which at the end lowering the price level to the pre shock level. With this logic, this research argues that political causes are lightly affect the oil dynamics, much less America's intervention or action on reacting on the political volatility in the region.

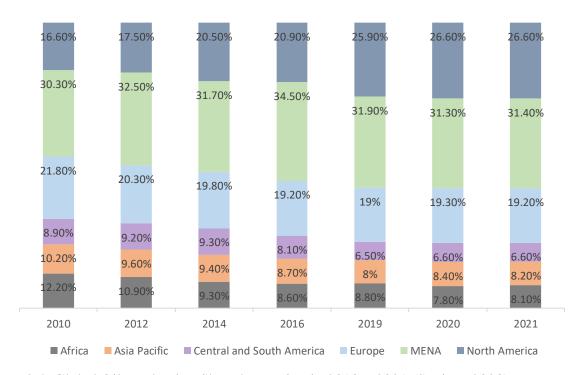


Figure 2.4. Global Oil Production Share by Region in 2010 – 2021 (Statista, 2023)

Supporting the arguments above, the Middle East region also exists no single country that could possess an offensive military power to dominate the region and becoming a regional hegemony.

Iran for instance, while its presence always being terrified as the most dangerous parties for U.S. interest in the region, its military capability emphasizes heavily on ground defense and has a very limited level of airpower and long-range offense action. The balance of power situation in the region is also more directed towards a defensive style that avoids escalation in any form. Second, Israel, as a long-standing ally of the U.S. in the MENA region, is argued to be not needing the U.S. military troops presence in the region. Although this argument does not imply that U.S. is no longer able to be Israel's ally, but to spent billions of dollars in the region for the sake of Israel-U.S. alliance seem counterintuitively unprofitable considering Israel's military spending compared to the region's long-standing rival, Iran. Furthermore, Israel is currently started to slowly build ties with the countries in the region including United Arab Emirates and Saudi Arabia which dampen the hope of Iran to ever be able to seize the major powers in the region.

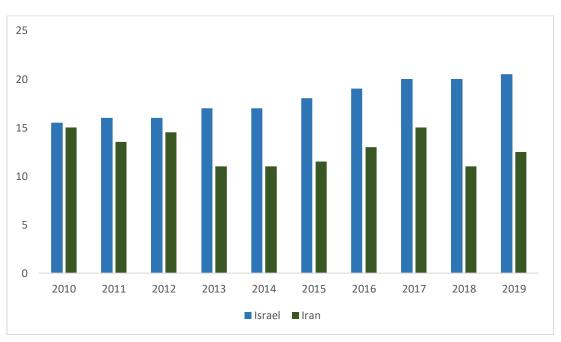


Figure 2.5. Israel and Iran Military Spending in Billions of USD (Defense Priorities, 2023).

2.3. How Saudi's Rejection Towards US Production Increase Request Affect The US

Biden administration have been struggling to maintain a good image with Saudi's leadership. After the rejection from Saudi towards oil production increase from the US, Biden easily considered that the Kingdom's policy is politically motivated, driving his prejudice of the adversarial outlook from Saudi towards the US. The move from the Kingdom also risked the oil price stability within the US, putting the Democrats reputation of maintaining the stable and modest oil price in the country at risk particularly towards the 2024 elections. Democrats got to find a way to retain their control of the House of Representatives and Senate.

Through this chapter, this research has brought the arguments and data regarding the evidence of U.S. declining influence and presence in the Middle East as well as the empirical research that proves them so. The U.S. withdrawal from JCPOA is proven just right for the U.S., as to dampen the danger of Iranian nuclear does not need America's intensive military presence and immense investment knowing the fact that America's closest ally in MENA, Israel, has far more sophisticated 90 nuclear weapons deployed on various platforms.

America's military troops withdrawal from Syria also could be justified, although there were some consideration of risk that Russia and China can penetrate the region through Bassar al Assad was also seen as not really a feasible scenario, knowing the fact that even for Russia or China to dominate or even conquer some parts of the region requires an immaculate strategy and inefficient process of rebellions and continued by the establishment of a whole new political order which at last could seize every potential resource opportunity in the region. However, with the growing ties between Russia and China with MENA's regional power such as Saudi Arabia and Iran, this research pointed out the argument that the U.S. sees it as a strategic advantage towards

the advancement and betterment of some of its allies in the region without the U.S. having to put an immense amount of upfront investment to the region. This rationale is being supported by the fact that the U.S. is becoming more strategic and calculative in putting effort and attention to the Middle East.

With that being said, this research shall prefer a friendlier statement in describing U.S. in the Middle East as a "shifting behaviour" rather than "declining influence".

Last but not least, Iran's attack on Saudi Aramco's oil facilities that was considered as America's fault turned out to affect nothing to the risk of America's dependency on Middle East's oil. Since the world's oil market is barely affected by political volatility, and heavily influenced merely by the supply and demand of global production in which the net exporters have the controls means that the U.S. does not have to desperately focus on military endeavour and investments in the MENA region for the sake of oil security and/or stability.

With some several evidence that the U.S. presence and influence is starting to fade, supported by empirical studies by scholars that proves the inefficiency of U.S. presence in the MENA by the name of security, raises a question to about the longevity of U.S. influence in the region. Additionally, that the position of the U.S. in the region is not merely fading or declining in influence, but rather the U.S. has becoming more calculative on its cost and benefit of its policy in the Middle East. The U.S. still has interest in the Middle East, particularly to retain the relations with its current allies, but if it could be done without deploying billions of investments, thousands of troops, numerous forcing policies towards some selected countries in the region, and at the same time letting the region build a mutualistic relations with Russia and China for the economic development, then why should the U.S. bother to do so?

This kind of prejudice supposedly also slightly seen by Saudi Arabia that has long built ties with the U.S. over the years, doubting the reliability of its allies to support the Kingdom that becoming more calculative and less 'all-out' these days. On the next chapter, this research shall elaborate how the Kingdom might have been seeing this phenomenon happening, the behaviour pattern that the Kingdom has taken so far, and how it could answer the question of why the Kingdom made such an anomaly behaviour towards its long-lasted ally regarding oil production increase request.