Looking for leadership in the Arab Middle East

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EXECUTIVE SUMMARY

The Middle East is in an unprecedented state of flux. It is beset by a number of major security crises, from North Africa to the Arabian Peninsula. The Obama administration has signalled that it will limit America’s role in addressing these crises and that it expects its regional allies to do more of the heavy lifting themselves. Sunni states fear that Tehran is capitalising on both regional unrest and Washington’s recalibration of its policy in the Middle East to expand its influence and they fear Tehran’s position will further improve once sanctions on Iran are lifted.

Saudi Arabia and a few key Gulf allies have responded by adopting a more assertive regional policy aimed at limiting Iranian influence diplomatically and militarily. So far the results of this assertiveness have been mixed and the prospects for success in the future are not high. Unless Riyadh and Tehran can achieve a new *modus vivendi*, their proxy war will continue to be a major cause of instability in the region.
Never have so many crises engulfed the Middle East at the same time. From the rise of Islamic State in Iraq and the civil wars in Libya, Syria, and Yemen, to the deteriorating security situation in Egypt, the region is in an unprecedented state of flux. At the same time, there is a deep feeling among many Arab states that the United States has lost interest in, if not effectively withdrawn from, the region. For Gulf States in particular there is a fear that Washington has struck a Faustian bargain with Tehran, ceding it regional primacy in return for a nuclear agreement.

The result has been an unmistakable shift in policy as key Gulf States look to stymie what they see as an Iranian effort to achieve regional hegemony. The principal manifestation of this has been a more active regional security policy, devised and led by Saudi Arabia. It is reflected in everything from the material support that a range of Arab states have provided to opposition groups in Syria, to the Saudi-led military interventions in Bahrain in 2011 and in Yemen in 2015. It is far from clear, however, that these new policies will result in the outcomes that Arab states desire or, indeed, that they will increase regional stability.

This Analysis outlines the steps that Saudi Arabia and other Arab states are taking to fill what they see as a leadership vacuum in the Middle East left by the United States, particularly in relation to Iran. It then assesses how likely that effort is to succeed and its implications for regional stability.

**US REGIONAL DISINTEREST**

The relationship between Washington and many Arab capitals, especially in the Gulf, has been a difficult one since at least 2003. The Bush administration’s costly and destructive intervention in Iraq undermined the faith of many Arab leaders in the wisdom and efficacy of US policy in the region. That loss of faith has since been compounded by what many Arab leaders see as President Barack Obama’s weakness reflected, in particular, in his unwillingness to intervene decisively in Syria and in the nuclear accord he has struck with Iran. For some Arab leaders, President Obama has simply failed to grasp the harsh realities of the Middle East.

While fears that the United States is withdrawing from the Middle East are overblown, there is no question that the Obama administration has taken a much less interventionist approach to the region. The reasons for this are twofold. First, it reflects the administration’s recognition of the limits of US power and its desire for allies to play a more active role in ensuring their own security in what has been dubbed the ‘responsibility doctrine’.1 In the Middle East the Obama administration has sought, wherever possible, to ensure that regional states have some type of...
‘ownership’ of the security problems that beset the region. It is an approach reflected, for example, in US Secretary of Defense Ashton Carter’s accusation that the Iraqi security forces lacked the will to fight when they withdrew from Ramadi in May 2015, and in his admonition to Turkey in August 2015 that it needed to do more to fight Islamic State and control its borders with Syria.

The second reason for the less interventionist approach is the administration’s view that the primary cause of regional instability is poor governance. The administration believes that there is no point committing significant military forces to the region to tackle security threats without serious efforts by Arab states to reform their domestic political systems and to resolve major causes of internal instability. In 2011, for example, then Secretary of State Hillary Clinton argued that “the single greatest source of instability in today’s Middle East is not the demand for change. It is the refusal to change.” More recently, President Obama said of his Sunni Arab allies, such as Saudi Arabia, that:

“The biggest threats that they face may not be coming from Iran invading. It’s going to be from dissatisfaction inside their own countries ... That’s a tough conversation to have, but it’s one that we have to have.”

The Sunni states have largely ignored these calls to look inwards. The lessons they have drawn from the Arab uprisings have been to resist calls for change, crack down hard on dissent and, where possible, to reinforce the social contract through financial largesse. They do not want US advice or assistance in dealing with internal problems; they barely pay lip service to US demands for reform these days.

What Gulf States really want is greater US support in tackling what they see as the chief threat to their security: Iran’s growing power and influence. But instead of acting against Iran, Gulf States fear that Washington is being seduced by Iran. In Gulf capitals there is a fear that the recent nuclear deal is not just about Iran’s nuclear program. Among the region’s many conspiracy theorists, including some in leadership positions, a belief exists that Washington wants Iran as the regional hegemon and its new regional ally.

But conspiracy theories aside, there is clearly a limit to the role that the United States is prepared to play in the region. At the conclusion of the meeting of Gulf Cooperation Council (GCC) leaders and foreign ministers held in May 2015, the United States and GCC released a joint statement that seemed to spell out the new limits of US intervention in the region. It stated that:

“The United States is prepared to work jointly with the GCC states to deter and confront an external threat to any GCC state’s territorial integrity that is inconsistent with the UN
Charter. In the event of such aggression or the threat of such aggression, the United States stands ready to work with our GCC partners to determine urgently what action may be appropriate, using the means at our collective disposal, including the potential use of military force, for the defense of our GCC partners.\textsuperscript{6}

The statement reinforced previous public messaging from Washington that while the United States would continue to guarantee the territorial integrity of the Gulf States, there would be no guarantee about what it would do in situations short of a direct military threat to these states. In essence, Washington was signalling that it would not provide Gulf States with a ‘blank cheque’ that might drag it too directly into many of the region’s conflicts in places such as Syria and Yemen.

**LOOKING FOR LEADERS**

Against this background, Saudi Arabia has stepped in to fill the perceived vacuum. Egypt, the Arab world’s most populous nation and for so long its intellectual and military powerhouse, has been unable to play the leadership role that it once did. Egypt is beset by domestic political, economic, and security problems, and the regime there relies on significant financial contributions from its wealthy Gulf friends to survive. These financial contributions accelerated after the coup that removed Egypt’s first democratically elected president, the Muslim Brotherhood’s Mohamed Morsi, and has included a US$5 billion aid package from Saudi Arabia, a US$3 billion package from the UAE (with several subsequent multi-billion dollar supplements), and US$3 billion in cash and oil from Kuwait.\textsuperscript{7}

Initially, Riyadh used the traditional lever of Saudi power, its enormous financial clout, to shape regional events in its favour. More recently, however, Saudi Arabia and some of its Gulf neighbours have begun to use their military power in ways that were once unthinkable. A number of Gulf States supported the UN-authorised enforcement of the no-fly zone over Libya, albeit as junior partners and with significant limitations on the employment of their aircraft. Gulf and other states also participated in coalition air operations against Islamic State in Iraq.

But what has been most striking of late has been the willingness of Saudi Arabia and some of its Gulf allies to use their military power unilaterally or in coalitions that were not led by the United States. The United States was not given prior warning of the Saudi-led intervention in Bahrain in March 2011, nor were the timing and details of the Saudi-led air campaign in Yemen divulged to the United States until just prior to its launch in March this year.\textsuperscript{8} Nor was the United States advised in advance of the Egyptian and Emirati strikes on Libyan targets in August 2014.\textsuperscript{9}
The main driver of this more assertive approach by Saudi Arabia has been a fear of Iran’s growing power and influence. This itself represents something of a departure from the past, when Riyadh would often seek to paper over its differences with Iran, at least in the Gulf. As a Saudi diplomat supposedly stated nearly a decade ago, Riyadh’s approach to Iran has been to “Engage in the Gulf, contain in Iraq, and rollback in the Levant.”

Riyadh’s current approach has instead focused on two dimensions: isolating Iran diplomatically, and confronting its proxies or allies militarily.

**ISOLATING IRAN DIPLOMATICALLY**

Saudi Arabia has led a diplomatic push to engage with potential allies of Iran. For example, greater effort is being made to engage with the Muslim Brotherhood. Despite previously listing it as a terrorist organisation and supporting the efforts of the current Egyptian regime to suppress the movement, there has been a recent, subtle shift in the Kingdom’s dealings with the organisation and particularly its Palestinian offshoot, Hamas. In June this year, a high-level delegation from Hamas used the umrah pilgrimage to Mecca to hold extensive meetings with the Saudi leadership, while members from the Tunisian, Jordanian, and Yemeni branches of the Muslim Brotherhood have also visited Saudi Arabia in recent months. This may in part reflect an effort to deny Tehran the ability to use Hamas in particular as a tool of Iranian influence as it has in the past.

The effort to deny Iranian influence in Sunni states is apparent in Saudi pressure on Sudan over its decades-old security relationship with Iran. Khartoum lost a large part of its resource income when South Sudan separated in 2011, and it has remained economically vulnerable. Saudi Arabia’s decision to deny Sudan access to Saudi banks briefly in 2014 signalled a ramping up of Riyadh’s pressure on Khartoum to reassess its relationship with the Iranians. The message appears to have been heeded. Sudan announced the closure of a number of Iranian cultural centres in the country in August 2014 and has indicated a willingness to contribute ground troops to the Saudi-led military operation in Yemen.

Other efforts to isolate Iran have been less successful. Both Saudi Arabia and Turkey have a strong common interest in the overthrow of Iran’s client in Syria, the Assad regime. Certainly Ankara shares concerns about Iranian attempts to spread its influence in the Middle East: in April this year, President Erdoğan accused Iran of trying to dominate the region, and said that its actions were of concern to Turkey, Saudi Arabia, and the Gulf States. He has also offered logistic and intelligence support to Saudi Arabia’s military campaign in Yemen. But Turkey has in recent years also had good relations with Iran, including during the period when the international community was stepping up sanctions on Iran. It is looking to profit from those ties now that a nuclear agreement has been reached and sanctions will soon be lifted. Ankara is
Looking to triple bilateral trade. Turkey’s Economy Minister has claimed that “Turkey is the most prepared country for Iran to be free of sanctions, for Iran’s economy to normalize.”

Similarly, Saudi efforts to shift Russia’s policies in the region, including its close alignment with Iran, are unlikely to be successful. Saudi Arabia’s Deputy Crown Prince and Defense Minister Prince Mohammed bin Salman visited Russia in June and announced US$10 billion in funding from the Saudi sovereign wealth fund into investments in Russia. This was followed by the Saudi Foreign Minister Adel Al-Jubeir’s August visit to Moscow where he said that “Saudi Arabia is set to intensify relations with Russia in all the spheres, including in the military field” and that discussions were underway regarding the purchase of a Russian short-range ballistic missile system.

For all of the Saudi effort to date, however, there has been no shift in Moscow’s support for the Assad regime or its close cooperation with Iran, nor is there likely to be. Russia’s recent military intervention in Syria has bolstered the Assad regime and seems to have involved significant coordination with Iran. Riyadh’s efforts to isolate Tehran diplomatically are also likely to become progressively more difficult as countries, particularly those in the West, begin to invest in and trade with Iran. Trade delegations from France, Germany, India, and the United Kingdom have already visited Iran, indicating the degree of interest in accessing one of the last great untapped markets in the world.

A MORE ASSERTIVE MILITARY POLICY

The most dramatic early example of Saudi Arabia’s new military assertiveness came on 14 March 2011, when Saudi and Emirati security forces began deploying several thousand personnel across the causeway linking Saudi Arabia’s Eastern Province with Bahrain. The move had been prompted by the unrest (inspired by the Arab uprising) that had broken out on the tiny island state among its majority Shia population. The show of force was designed to support the Sunni ruling Khalifa family in Bahrain and send a message to Tehran that Riyadh would ensure that Bahrain remained within its orbit. Saudi troops have since left, but Gulf police officers from other Gulf States still patrol Bahrain’s streets along with Bahraini security forces. Although the fundamental political problems remain, and low-level but occasionally deadly unrest still occurs, the Saudi intervention did restore order to the island kingdom.

It was, however, Saudi Arabia’s military intervention in Yemen that represents the high point of its new military assertiveness. It was launched in March 2015 as Operation Decisive Storm after UN-sponsored talks between Houthi rebels in the north (allied with elements of the army loyal to previous president Ali Abdullah Saleh) and elements loyal to the internationally recognised president Abd Rabbuh Mansur
Al-Hadi collapsed. Al-Hadi escaped to Aden and then Riyadh. The intervention’s stated aim was to:

“protect Yemen and its people from the aggression of the Houthi militias that are supported by regional powers whose goal is to establish hegemony over Yemen and to make it a base for its influence in the region.”

However, the scale of the military operation was also intended to demonstrate to Tehran that Riyadh and its Gulf allies were willing to use their military power to thwart Iran’s efforts to expand its influence. As part of this narrative, Gulf States have attempted to establish in the popular imagination an ideological link between the Zaydi Houthi rebels and Iranian Shi’ism. Although no such ideological link exists, Iran has given limited financial and logistic support to the Houthis.

Seven months after it commenced, the intervention has stalled. While the Saudi-led forces have taken back some territory (most notably Aden in the south) and enjoy air supremacy, the campaign has underlined the difficulties of fighting a determined enemy in difficult terrain. Since August significant coalition ground forces have had to be deployed into Yemen through the port of Aden, exposing the limits of the air campaign and increasing the cost to Riyadh, in both blood and treasure, of its Yemen venture. Civilian and military casualties are rising and Yemen is facing a major humanitarian disaster. At a time when Saudi Arabia is already facing budgetary pressures as a result of declining oil prices, an extended campaign in Yemen will do nothing for Riyadh’s military reputation nor for its budget bottom line.

Saudi Arabia is not the only Gulf country demonstrating a new willingness to use military power. The UAE has been particularly forward-leaning. In recent years it has used its enormous resource wealth to ensure that its armed forces are equipped with some of the latest US and European weaponry. But it is also clear that Abu Dhabi has been developing its military into an operationally capable element of its national power and that it has an increasing appetite to use that power. It rotated its troops (both special forces and presidential guard) through Afghanistan from 2007, and its air force participated in the UN-authorised airstrikes in Libya in 2011. The Emiratis also deployed ground security forces (ostensibly police but rumoured to include at least some military personnel) to support the ruling family in Bahrain in the face of protests from its majority Shia population, and undertook, in concert with Egypt, the bombing of Islamist targets in Libya in 2014. The UAE has been a significant contributor to both air and ground forces to operations in Yemen. In September 2015 it lost 45 soldiers in one incident during a rocket attack on a base in Marib, Yemen — the single biggest loss of life in the history of the UAE military since its formation in 1971.
There has also been an effort to build broader Arab military coordination. In March 2015 the Arab League announced in-principle agreement to an Egyptian proposal for a 40,000 strong joint Arab military force based in either Egypt or Saudi Arabia. Whether this force materialises is open to question. Likewise, Saudi efforts to bring other Arab states into a military coalition have seen mixed results. Oman refused to become part of an integrated GCC air defence system and hasn’t joined in the Saudi-led air campaign over Yemen because of concerns that such acts may have an impact on its relationship with Iran. Similarly, Cairo has been wary of agreeing to Riyadh’s entreaties to join the war in Yemen, despite being so indebted to it financially. Egypt lost over 25,000 men fighting a doomed war in Yemen in the 1960s. The Egyptians recognise, however, that the relationship is too important to be significantly affected by differences of policy in Yemen or elsewhere. As one Egyptian noted to the author during a recent visit there, the relationship is “like a major American bank — too big to fail.”

**A MODUS VIVENDI?**

If the efforts of Saudi Arabia and other Gulf States to pursue a more assertive diplomatic and military policy have had mixed results so far, what is the alternative?

It is possible that these states will attempt to wait out President Obama and hope for the election of a new, more interventionist president in the White House. But the regional landscape has changed to such a degree that realistically there can be no going back to the old order: a contained Iran, subject to multiple multilateral and unilateral economic sanctions; and a United States prepared to make significant and decisive military interventions in the region.

In the absence of a new more assertive US policy in the Middle East, will Saudi Arabia seek to come to terms with Iran? There is a precedent for frosty and difficult relations between Riyadh and Tehran being transformed into something more stable, if not quite warm. Following the Iran–Iraq war, Iran was able to establish a cordial working relationship with Saudi Arabia despite the massive financial support that Riyadh had provided to Baghdad throughout the eight-year war. As former president Hashemi Rafsanjani noted in a recent interview:

> “Even though they provided support for Saddam during Iraq’s imposed war on Iran, our differences were very quickly resolved once they responded to Iran’s post-war policy of détente and stepped forward to cooperate.”

It is going to be more difficult to build détente between Saudi Arabia and Iran today than it was after the Iran–Iraq war. In the late 80s and early 90s, Iran was exhausted after eight years of a bloody and expensive war with Iraq. This meant it could never really aspire to regional leadership...
and needed a more cooperative relationship with its neighbours to allow it to rebuild. Today, however, Iran has a sizeable, battle-proven military and is likely to become more powerful economically as sanctions fall away. Its prospect of becoming a regional leader in coming years is real, whereas this was never a realistic option in the late 1980s.

Iran has strong and growing links in the Arab world. It has been diligent over the years in developing proxy groups, such as Hizbullah in Iran and Shia militia groups such as Asa’ib Ahl al-Haq in Iraq. It has cultivated close political allies in the Assad regime in Syria, and in political parties such as Da’wa and the Islamic Supreme Council in Iraq.

Holding back the rising tide of Iranian influence is not going to be easy, however. In particular, poorly thought out military interventions such as the one currently being undertaken in Yemen are only likely to exhaust those countries launching them, cause further humanitarian calamities, and promote radicalisation and regional instability. Ultimately, therefore, Saudi Arabia and its allies will need to find a halfway point between continuous confrontation with Iran and simple acceptance of its growing influence in the region. Riyadh will need to find a *modus vivendi* with Iran that recognises Iran’s increased influence without acceding to all of its terms.

Reaching such a *modus vivendi* will require direct dialogue between the two countries at senior levels. Tehran has said it is willing to cooperate with Saudi Arabia (and possibly, at some future time, with the United States) to achieve greater security and stability. The recent arrest of the alleged 1996 Khobar Towers bomber in Lebanon and his extradition to Saudi Arabia may have been an attempt by Iran to send a message to Riyadh and Washington in this regard. At this juncture, no-one in Riyadh or elsewhere on the Arab side of the Gulf places any faith in such messages or assurances. Indeed, they should not be accepted at face value. They need to be tested.

If the establishment of a *modus vivendi* is something that Iran and the Sunni Arab Middle East should work towards, the odds of it happening are not high. Riyadh sees its competition with Tehran as a zero-sum game, and it may be some time yet before it views it as anything else. The recent Russian and Iranian interventions in Syria have further complicated the issue and made the establishment of such an arrangement increasingly unlikely for the immediate future.

Given the reluctance by both Iran and Saudi Arabia to countenance a *modus vivendi* in current circumstances, a future US administration may need to broker one. Prolonged confrontation and instability in the Middle East is not in anyone’s interest. While intervention in Bahrain may have given those Saudi advocates of an assertive military policy a fillip, as Syria, Iraq and increasingly Yemen demonstrate, few are worth the cost they involve or the turbulence they create. There are already indications that some European countries are trying to guide Riyadh and Tehran
towards direct talks. However, European countries are unlikely to offer the kind of security guarantees that might underwrite any *modus vivendi*. Therefore a future US administration would need to take a lead in these efforts to ensure their success.

**CONCLUSION**

In recent years, the toppling of long-term autocratic governments and the civil war in Syria would have been enough to throw the region into disarray. But the changed US posture in the Middle East, the emergence of Islamic State, the nuclear agreement with Iran, and low oil prices have further deepened the region’s instability.

Of all the various security problems, however, Iran’s growing influence is the one that most concerns Gulf leaders. Saudi Arabia has taken the lead in trying to block Iran’s ambitions, but whether Riyadh has sufficient strategic acumen and ability to outmanoeuvre the Iranians is questionable. Unless a *modus vivendi* is established between Riyadh and Tehran in the not too distant future their regional competition will consign the region to a long period of proxy wars, radicalism, and human calamity.
NOTES


20 Kirkpatrick and Schmitt, “Arab Nations Strike.”


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A former army officer, he had extensive service within the Parachute Battalion Group (PBG) and has had operational service with the UN in South Lebanon and Syria, with the PBG in East Timor, served in Beirut during the 2006 war and in Afghanistan. He has also been posted to the Australian Embassies in Riyadh and Abu Dhabi. Associate Professor Shanahan has MAs in International Relations and Middle East Studies from the Australian National University (ANU), and a PhD in Arab and Islamic Studies from the University of Sydney.

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