POLICY MEMO

Time to Recalibrate America’s Middle East Policy

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Forward

Hudson Senior Fellow Michael Doran

Our understanding of reality in the Middle East has changed significantly in the last seven years. At a conference on US-Israel relations in 2016, then Secretary of State John Kerry highlighted, now famously, the impossibility of Israel making peace with the Gulf states. In an obvious reference to Israeli Prime Minister Benjamin Netanyahu and his associates, Kerry said, “I’ve heard several prominent politicians in Israel sometimes saying, ‘Well, the Arab world is in a different place now. We just have to reach out to them. We can work some things with the Arab world, and we’ll deal with the Palestinians.’” Kerry dismissed Netanyahu’s thesis with total certainty: “No. No, no, and no. I can tell you that I’ve talked to the leaders of the Arab community. There will be no advanced and separate peace with the Arab world without the Palestinian process and Palestinian peace. Everybody needs to understand that. That is a hard reality.”

Just two years later, Netanyahu refuted Kerry’s view of reality by, with the help of President Donald Trump, signing the Abraham Accords with Bahraini Foreign Minister Abdullatif bin Rashid Al-Zayani and Emirati Foreign Minister Abdullah bin Zayed Al-Nahyan. But the flaws that Trump and Netanyahu revealed were not Kerry’s alone. Nor were the flaws limited to thinking about Arab-Israeli relations. Trump and Netanyahu were attacking the entire strategic belief system of the Obama administration, which had identified reconciling with Iran and brokering a Palestinian-Israeli peace as the two top priorities of the United States in the Middle East. In the Trump-Netanyahu conception, the Abraham Accords were the cornerstone of a regional alliance that aimed not just to improve relations between Israel and its neighbors but also to contain Iran militarily and to prevent it, through the application of hard power, from acquiring a nuclear weapon.

With a Middle East staff consisting almost entirely of veterans of the Obama administration, the Biden administration intended to prove the utility of Obama’s effort to reconcile with Iran. It therefore rejected the Trump-Netanyahu view of the accords as a key component of an Iran-containment strategy. However, the accords have fashioned a new “hard reality” of Arab-Israeli coordination that the administration cannot ignore. That reality includes formal Israeli representation at US Central Command, the military’s combatant operations command responsible for, among other things, deterring Iran. In other words, beneath the umbrella of the United States
military, the Israeli military and its Arab counterparts are now liaising daily.

Weren’t Trump and Netanyahu pursuing this outcome? The simple answer is no. To prevent trilateral military cooperation among the Arab states, Israel, and the United States from turning into a coalition designed to pressure Iran regarding the aggression of its proxy forces and the expansion of its nuclear weapons program, the Biden administration instructed CENTCOM to focus exclusively on defensive measures and integrated missile defense, and to avoid any offensive countermeasures against Iran. But defending against an aggressor with only a shield is impossible. Arming oneself with a sword is also necessary.

Enter Raphael BenLevi, the director of the Churchill Program for Strategy, Statesmanship and National Security at the Argaman Institute of Tikvah Fund Israel. BenLevi is at the forefront of a new generation of foreign policy strategists in Israel who have come of age in an era when what seemed like a “hard reality” to the generation of John Kerry is now obviously history. In this article, he lays out a strong case for the potential of the kind of trilateral cooperation to which the Biden administration, under the weight of stale ideas, has turned a blind eye.

The last three American presidents have focused more attention on China’s rise while dedicating fewer resources and less attention to the Middle East. While they have pursued this aim differently, the continuity of strategic goals across three presidential administrations, each with its own distinctive political complexion, suggests that the change is permanent. Meanwhile, a lasting strategic shift has also taken place in Beijing. Chinese leader Xi Jinping has foresworn the advice of his predecessor Deng Xiaoping, who famously said, “Hide your strength; bide your time.” Xi has been openly challenging American primacy for several years, and he orchestrated October’s Communist Party Congress to cement his control of the country’s leadership for many more years. By traveling to Saudi Arabia shortly after the Congress, Xi signaled that the Middle East will indeed be an arena in which he will pursue his ambitious and adversarial approach to the United States.

Until now, the Biden administration’s regional strategy has hinged on de-escalation with Iran. President Biden has sought to pause the Iranian nuclear program by negotiating a return to the Joint Comprehensive Plan of Action (JCPOA), as the nuclear deal is officially known. De-escalation in the nuclear realm, Biden has believed, will open up space for diplomacy, which the United States can exploit to disaggregate the various regional conflicts to which Iran is a party—such as the Israel-Hezbollah conflict, the Yemen war, and the struggle in Iraq, to name just three. The Biden theory is that each of these regional conflicts has its own specific logic and that Iranian interests and the interests of the United States and its allies are often not diametrically opposed. Through “de-escalation,” “dialogue,” and “diplomacy,” the United States can tamp down tensions in the Middle East and devote its attention instead to East Asia.

But the administration bases this strategy on two flawed assumptions, the first of which is the belief that a deal over the nuclear question will promote regional stability. The opposite is true because any nuclear deal will not address
the primary factor promoting instability—namely, Iran's rising conventional power and its use of proxy forces across the region to promote its control in Lebanon, Syria, Iraq, and Yemen. Even now, before the parties have reached a nuclear deal, the mere pursuit of an accommodation with Iran has two key components: lax enforcement of economic sanctions on Tehran and pressure on allies to exercise restraint in their military actions toward Iran. In other words, Washington is effectively assisting Iran's rise by strengthening it economically while limiting the options of America's allies to respond to the growing Iranian threat, conventional as well as nuclear. If the Biden administration revivals the JCPOA, this trend will not reverse. On the contrary, the White House will advance it. By making allies feel less rather than more secure, Biden's policy encourages them to seek support outside of the traditional American security system.

This reality brings us to the second flawed assumption, that the Middle East can somehow be quarantined off from the global competition between Washington and Beijing. Indeed, Xi Jinping's visit to Riyadh should prove to the Biden administration that China is quickly becoming a player in the regional balance of power. Before long, the instability inherent in a Middle East where Tehran dominates will inevitably suck America back into the region and attract China to deepen its strategic engagement.

However, by recalibrating its policies, the Biden administration can limit Chinese involvement in the Middle East while pushing back against Iran. Israel has a key role to play in this strategy, and Israel's new governing coalition will likely have both the desire and the stability to carry it out. The common wisdom in Jerusalem has been that the American military drawdown is a net loss for the security of the Jewish state. Israel, so the argument goes, is best off when playing a supporting role alongside an America that dominates the Middle East militarily and leads the opposition to Iranian hegemony. While this arrangement was indeed comfortable for Israel, American leaders are no longer convinced that this arrangement suits US interests. Instead of seeing this new American attitude as a loss of security for Israel, Jerusalem should see it as an opportunity to usher in a new phase in the relationship.

Israel has evolved from a small state embattled on all sides to a regional power whose unique assets are attracting new partners around the region, as evidenced by the success of the Abraham Accords. Its relationship with the United States should evolve to reflect this new reality. It's time for Washington to treat Israel as a true strategic partner with whom the US coordinates on a broad range of regional interests and invests in mutual defense industrial projects. This shift entails three major steps.

First, the US should consider moving away from the current model of assistance based on simple foreign military financing (FMF), which essentially gives Israel coupons to purchase weapons from American manufacturers. Instead, Washington should move toward a model based on joint military projects. This model already exists on a small scale in the field of missile defense. For the Iron Dome, David's Sling, and Arrow systems, for example, Israel and the United States both contribute financially to development costs and then co-develop, co-produce, and share technology. They could expand this model to include cyber and artificial intelligence. The change would signal the advent of a new phase in their relations, one that recognizes Israel's position as a partner rather than a client. Indeed, Israel has grown into a major regional power in its own right and is on a trajectory to be even more central to Middle East politics in the coming decades.

Israel's rising power offers the United States a significant opportunity. The current memorandum of understanding, signed in 2016, will expire in 2026. The best way to move away from FMF would be to wean Israel off gradually, over a 10-to-15-year period to allow its military and related industries to adjust.
This recognition of Israel as a power in its own right will help the United States with the second item on its agenda—namely, the normalization of relations between Israel and the Arab states. The Abraham Accords, as originally conceived, point the way forward. They allow Israel to step up to play a leading role in the emerging coalition against Iran and let the US take a step back while remaining a key player as the superpower supporter of a regional alliance. The Abraham Accords resulted from the threat Iran posed to the Gulf monarchies as well as the assertion of Israeli power. Israel has proven itself as a vital partner against Iran's bid for dominance by assuming a leading role in opposing Iran's progress on the nuclear front as well as against Iranian forces and proxies in Syria. By these moves alone, Israel incentivized the Gulf monarchies to cooperate with it behind the scenes for years preceding the accords.

But the US played a crucial role in facilitating the shift from clandestine coordination to full-fledged normalization. It did so, during the Trump administration, by taking a strong line against Iran and supporting its allies in the Gulf, in particular Saudi Arabia against the Houthis in Yemen, while ceasing to pressure Israel to make concessions to the Palestinians as a condition of American support or making the limitation of Jewish houses in Judea and Samaria the linchpin of its regional policy.

Third, the Biden administration should tell Netanyahu that the administration will no longer seek to renew the nuclear deal with Iran along the lines of JCPOA but will instead look to increase pressure on Tehran. The original 2015 JCPOA granted legitimacy to Iran's vast industrial uranium enrichment capabilities and canceled the most robust macroeconomic sanctions regime in history in return for Iran's agreement to reduce its stockpiles of enriched uranium and accept inspections of its declared nuclear sites. Since then, Iran has returned to stockpiling uranium, which it is enriching to levels that violate both the JCPOA and the Nuclear Nonproliferation Treaty. In response, the Biden administration has imposed no costs. On the contrary, it has provided stealth sanctions relief, as evidenced by the fact that Iran is now exporting more oil than at any time since President Trump imposed his "maximum pressure" campaign to shut down all exports. By failing to enforce sanctions while demonstrating a desire to avoid military conflict, Washington has signaled to its closest allies, such as Israel and the Gulf states, that the United States has no intention of doing what it will take to prevent Iran from developing a nuclear weapon.

The practical effect of these policies is to encourage the Gulf states to hedge away from the United States. Hedging behavior comes in a variety of forms, including both improved relations with Iran and greater cooperation with China, which is more than happy to fill the breach. If this trend continues, not only will Iran's influence across the Middle East increase but China's position will also grow stronger. Beijing already supports Tehran by, among other means, circumventing US sanctions and purchasing Iranian oil. If the US continues to turn a blind eye to Iran's rising power, it will encourage its Gulf allies to hedge further, a development that will scuttle the expansion of the Abraham Accords to include Saudi Arabia, the next potential key partner.

Iran's increased access to funds, the deepening of Chinese influence in the Middle East, and doubts about further Arab-Israeli normalization will encourage Tehran to mobilize its proxies. Hezbollah, Hamas, or both will launch attacks against Israel, which will have no choice but to respond with force. Meanwhile, the Houthis in Yemen will turn up the heat on Saudi Arabia. But there is an alternative, one that simultaneously strengthens US allies, weakens Iran, and limits Chinese influence in the Middle East. This approach calls for Washington to contain Iran more aggressively.

It begins with encouraging Israel to step up and help fill the vacuum left by the reduced US military presence in the region. Not only should Israel continue to act vigilantly against the
transfer of Iranian arms to Lebanese Hezbollah, but it should also seek to revitalize lost deterrence by targeting Iranian assets more broadly. Israel should not allow Iran to hide behind Hezbollah and let the proxy take the heat while it pays no price for actions that Tehran has clearly funded and orchestrated. Sullivan should discuss with Netanyahu how Israel and the United States can cooperate more effectively on this front.

The second key element of this alternative strategy is for the US to aid Saudi Arabia in its fight against the Houthis in Yemen. This move would set the stage for more in-depth cooperation between Israel and Saudi Arabia, who together could turn the tide against Iran both on the nuclear front and in their parallel struggles against Iran’s proxies, which threaten them both. Israel’s struggle against Hezbollah in Lebanon cannot be disconnected from Saudi Arabia’s struggle against the Houthis in Yemen. They are corners of the same arena, and in a scenario of a larger-scale war with Iran, they would not remain neatly in their respective corners.

The Houthis are currently focused on their actions in Yemen and attacks on Saudi and Emirati sites in the Gulf. But they would likely use the same capabilities against Israel if the overall context were to change slightly. Currently, the Houthis possess the capability to attack Israel with cruise missiles or drones or to target Israeli vessels in the Bab al-Mandeb Strait, the Red Sea, or the Gulf of Aden, which is Israel’s key maritime lane for trade with Asia and Africa. Houthi political leaders have already directly threatened to strike “sensitive sites” in Israel, and Israeli security officials have said that Hezbollah and the Houthis cooperate directly and Israel must prepare for the possibility that in a confrontation with Hezbollah, the Houthis will open a second front. Thus, a Saudi victory in Yemen has become an Israeli security interest too. Support for Saudi Arabia will be a hard pill for some in Washington to swallow. However, the choice is not between a perfect solution and a terrible one but between the lesser of two imperfect options. A Saudi victory in Yemen is much better than an Iranian-Houthi one.

This alternative approach is necessary for the US to succeed in facing the China challenge. It would make clear to US regional allies that it is in their interest to align fully with the US in the broader competition with China. Israel could then focus on collaborating with the US in its areas of strength, including military technology, cyber, and artificial intelligence. Only when Washington’s support for their primary security interests is unambiguous will Israel and the Gulf states deepen their cooperation against their mutual adversary, Iran, and cooperate with Washington to limit the influence of its greatest rival, China. Altogether, this alternative would lead to a more peaceful Middle East in which Arabs and Israelis cooperate in unprecedented ways while weakening Iran and blocking China’s influence.
About the Author

**Michael Doran** is a senior fellow and the director of the Center for Peace and Security in the Middle East at Hudson Institute.

**Raphael BenLevi**, PhD, is director of the Churchill Program for Strategy, Statesmanship and National Security at the Argaman Institute of Tikvah Fund Israel. He is also a postdoctoral fellow at the University of Haifa and lectures at the IDF Military Command Academy.

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**Hudson Institute**  
1201 Pennsylvania Avenue, N.W.  
Fourth Floor  
Washington, D.C. 20004

+1.202.974.2400  
info@hudson.org  
www.hudson.org