

# POLICY BRIEF **07.07.22**

## Key Challenges for U.S. Policy in the Middle East

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Over the past decade, the Middle East has seen major transformations, including popular uprisings, civil and armed conflict, and humanitarian emergencies. The region also faces a number of other important challenges, ranging from effective governance to religious pluralism to geopolitical rivalries. This policy brief is the result of a one-day conference where experts examined the most pressing issues in the region for U.S. policymakers. It provides analyses and policy recommendations regarding the evolution of Islamist politics, the Israeli–Palestinian conflict, security in the Persian Gulf, and displacement in the Middle East.

### **THE EVOLUTION OF ISLAMIST POLITICS IN THE AFTERMATH OF THE ARAB UPRISINGS**

Thirty years ago, on June 2, 1992, Ambassador Edward P. Djerejian—then the assistant secretary of state for Near Eastern Affairs—warned against threats to democratization in the Middle East and coined the famous dictum “one person, one vote, one time.” This dictum applied equally to both the surging Islamist movement and the secular actors that aimed to instrumentalize the democratic process to win power “only to destroy that very process in order to retain power and political dominance.”

In the case of Islamist movements, this observation made sense. Islamists were popular; they supported the democratic process (i.e., free and fair elections); and their relationship to democracy as an idea was tenuous at best and untested. They were motivated by an anti-system religious ideology that aimed to upend the existing post-independence secular political, social, and economic systems. The 1979 Iranian Revolution and the rise of the Islamic Salvation Front in Algeria laid bare two issues in the early post-Cold War period. First, Islamist politics are much more popular than what closed political systems across the region allowed outside observers to see. The utter political, economic, and social failure of secular regimes in preceding decades paved the way for this Islamist surge. Second, the Islamist surge had tangible policy implications. The popularity of Islamists might lead to wholesale regime change such as in Iran, or a civil conflict such as in Algeria.

Since the September 11 attacks, the concern with Islamist parties morphed into concern with religious extremism as a major driver of U.S. policy toward the Middle East. The proliferation of religious extremist groups such as Al Qaeda and the Islamic State (ISIS) and violent attacks that are justified on the basis of religion have deeply shaped the nature and extent of U.S. engagement with the Middle East region.



**The political, economic, and social failure of secular regimes in the preceding decades paved the way for an Islamist surge.**

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The Arab Spring protests, by contrast, created an environment where Islamist groups across the region could contest in free elections and assume governmental roles. A little over a decade following the onset of the protests, the political landscape has shifted yet again insofar as Islamist politics are concerned. Domestically, Islamists are no longer unknown or enigmatic. Many Islamist groups have had some experience in the legal political arena and governance. Islamists have established a track record of how they govern, interact with other actors in the political system, and what kinds of policies they pursue. The evidence shows that Islamist parties have largely acted as pragmatic actors, and have been more than willing to compromise on policy issues motivated by their ideologies. As the Middle East region entered a post-Arab Spring phase, the regional dynamics that gave rise to religious politics in the first place gave way to an environment where Islam's unquestioned place in the political arena came under greater popular and electoral scrutiny. Internationally, the focus of U.S. policy is shifting away from the Middle East. The region is gradually losing its significance in regard to global security dynamics.

In light of the recent developments, two issue areas stand out as they relate to Islamist politics in the Middle East.

- Policy orientation of Islamist governments:** Policy direction constitutes one of the main concerns with Islamist parties. The conservative political discourse of Islamist parties convinced many that their policies would reflect their ideological convictions. Over the course of the last decade, Islamist parties have shown that their approach to policymaking has been largely pragmatic. They have demonstrated an ability to recognize political, economic, and social constraints and have acted in line with these constraints. The policies undertaken by these parties have been anything but radical. While their platforms have been less pluralist than their secular counterparts, parties

across the political spectrum have fared poorly with respect to pluralism, democracy, and minority rights in the Middle East region. In fact, democratic breakdowns have come through the hands of secular actors more so than they did through Islamists. Hence, it is important to recognize the political pragmatism of Islamist parties and channel this pragmatism in directions where democratic and pluralistic reforms align with Islamists' political interests.

- Engagement with Islamists:** Resistance to accept the existence and prominence of Islamist politics—and to ultimately engage with it—remains throughout the Middle East region. Yet Islamist political parties are the reality of the political landscape across virtually all Middle Eastern countries. It is important to recognize that the Islamists' electoral strength reflects their popularity. The failure to engage with these actors in the region is likely to undermine U.S. regional interests. As such, respecting the outcome of a legitimate democratic process will boost the U.S. legitimacy in the eyes of the local population. We observe that Islamists have perhaps been in a sort of relative electoral retreat in recent years. However, these are well-organized groups who enjoy significant popular support in their respective societies, and they are resilient and adaptable to shifting political conditions, which implies that they will make a strong electoral showing again. With the shift in U.S. foreign policy priorities away from the Middle East, now is a good time for U.S. policy to consistently engage with Islamists and develop a baseline for the future.

## ISRAELIS, PALESTINIANS, AND THE SLIDE TOWARD A POST-TWO STATE REALITY

Israeli and Palestinian leadership have not negotiated final status issues since 2014. After eight years of intermittent conflict and hardening attitudes, large numbers of Israelis and Palestinians believe a “two-state solution”—at least as has been understood over the past 25 years—has become impossible, undesirable, or a relic of the past. Israel’s right wing, which largely rejects any territorial or political compromise with the Palestinians, has come to dominate Israeli politics, while divides widen between Palestinian factions, institutions, and people. At present, no clear shared “political horizon” exists between the parties, and a sense is growing that the “two states for two peoples” paradigm is lost.

### The Case for the Two-State Solution

Since the last round of negotiations in 2014, changing facts on the ground and political trends have had negative implications for a number of final status issues. Israeli governments under Benjamin Netanyahu and Naftali Bennett—in service of Israel’s right-wing majority—have expanded settlements and worked to prevent any future withdrawal from the occupied territories. As a result, debates are growing over whether the two-state solution remains an option; facts on the ground and steps taken by the parties have irretrievably damaged the relevance of previously considered parameters or international consensus positions pertaining to a two-state vision. Supporters of the two-state solution hold that the primary impediments to progress in this direction still lie in the realm of leadership, public psychology, spoilers, lack of cross-communal engagement, and ineffective mediation. While not suggesting that such obstacles are easily overcome in the current moment, these proponents hold that the two-state solution remains the most viable political path forward toward a sustainable solution, should the right combination of leadership and

political will emerge. Indeed, they argue, over the past 20 to 30 years, the parties have (at different times) made significant progress in narrowing the gaps between their positions on issues such as borders, refugees, security, and Jerusalem—leaving negotiators with tools with which to work. Regional and international positions on final status parameters remain unchanged, but in the current environment, no actor is able or willing to define and pursue an affirmative path to reviving negotiations toward that end goal.

For the past two years, the “Abraham Accords” normalizing relations between Israel, the UAE, and Bahrain have been a pillar of discourse around the region’s political landscape, but have yet to spur progress on the Israeli-Palestinian conflict. The region’s shifting political alignments could represent an opening to reevaluate and operationalize diplomatic pursuit of the Arab Peace Initiative’s vision of two secure, independent and recognized states, but the PA/PLO (and Arab publics) can be expected to remain highly skeptical of an “outside-in” approach without any concrete commitments by Israel toward the region’s consensus vision of Palestinian statehood. With Israeli elections in October 2022 expected to favor the right wing, Israeli re-commitment to working toward Palestinian statehood seems highly unlikely. Still, Arab states rumored to be considering warmer ties toward Israel (Saudi Arabia, Qatar, Oman) may be able to use the prospect of normalization to encourage such a recommitment and steps toward a two-state outcome.

### Toward a Confederation?

As final status issues seem more difficult to resolve, and as the two societies grow increasingly intertwined, an increasing number of analysts are calling for alternative paradigms for conflict resolution. Increasingly, the concept of a confederation model has been raised. Under such a model, the two peoples would maintain certain aspects of national sovereignty while joint institutions are developed to share other aspects of traditional state sovereignty. For example, a negotiated number of Israelis

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and Palestinians would be able to live in each state while maintaining political rights in their own state. Movement, access, and economic opportunities would be more open than in a traditional two-state model and overarching binational institutions would address issues agreed as shared concerns. However, this approach does not yet have solutions for important questions around mutual trust, security, and territory, among others. Further, widespread understanding of, and support for, such a model could be generations away. Supporters of a confederation acknowledge this model's current lack of feasibility and its unanswered questions, but believe it may eventually offer creative solutions to long-stalemated issues. They point out that while the confederation proposal entails questions yet to be answered, the same applies to a two-state solution that appears increasingly less feasible as time marches on. For its advocates, the confederation model is a robust effort to propose creative new ideas in the face of an increasingly unrealistic two-state solution paradigm.

#### **Toward an Equal Rights-Based Approach?**

In the Palestinian territories, belief is waning that—because of Israeli and international policies—a two-state solution is possible. Per the argument, the current Oslo-based system has allowed Israel to implement a “two-systems” state while avoiding the apartheid label, and proponents of the two-state solution are ignoring Israeli policy that will never allow the solution to be achieved, thus perpetuating an unjust status quo. While the West Bank Palestinian leadership continues to articulate the two-state solution as its goal, many Palestinians—particularly youth—are prioritizing a “rights and dignity” discourse divorced from a necessary statehood end goal. Given the unpopularity of the Palestinian Authority and the growing sense that Palestinian statehood can never be achieved, it is within the realm of possibility that, eventually, a majority of Palestinians may advocate “handing over the keys” of the PA to Israel—which would set the conflict on a new course toward a struggle for equal rights and democracy for all living under Israeli control.

Policymakers in the U.S. and elsewhere who seek a sustainable Israeli-Palestinian peace may wish to factor the following considerations into decision-making processes moving forward:

- *Resetting the political horizon:* At present, no consensus exists around what an acceptable end-of-conflict would look like. The United States and international community—particularly those still advocating the two-state solution—can work to re-clarify in detail the end-of-conflict target. The momentum around regional cooperation and normalization with Israel could present opportunities for progress on the Palestinian issue—using the prospect of further regional acceptance to put peace back on the Israeli public's agenda, re-engage Palestinian leadership, and generate constructive steps in a new sequence. To do so, key actors will need to close ranks and define a unified political horizon and roadmap with steps all parties can take toward resolving the conflict.
- *Re-engaging publics:* At present, publics are unengaged and poorly informed about the Israeli-Palestinian conflict, the risks and benefits surrounding solutions, and the paths forward. A real effort needs to be made to inform, engage, and motivate publics toward progress and against despair. The Abraham Accords' popularity in Israel may present an opportunity to ease some public unease around security and compromise: that Israel's acceptance by the normalizing states advances Israel's security, making compromise toward peace with the Palestinians advantageous and less risky.
- *Rebuilding trust:* At present, the relationship between the Israeli and Palestinian leadership is perhaps the worst since Oslo. Much can be done to demonstrate good faith and rebuild trust between the parties. Israeli leadership—with U.S. and international support—can take a number of steps to ease tensions with the Palestinians

(addressing settler violence, settlement construction/expansion, and challenges to the status quo), as well as larger steps to demonstrate Israel’s stated commitment to “shrinking the conflict”: transferring parts of area C to B or B to A; taking measures to empower the Palestinian Security Forces (ending IDF raids into Area A); expanding movement and access for Palestinians in Gaza and the West Bank; and finding solutions for East Jerusalemites to vote in Palestinian elections. The Palestinian Authority, leadership, and institutions must address the drivers of its public legitimacy crisis—taking steps toward elections, reform, transparency, and accountability. To rebuild trust with Israelis and the international community, the PA can consider a textbook reform initiative as well as an effort to meaningfully address concerns over prisoner payments.

## THE INTERNATIONALIZATION OF PERSIAN GULF SECURITY

Security dynamics in the Persian Gulf are in a state of flux as uncertainty over the longer-term U.S. role in the region intersects with the re-emergence of Iraq as a non-aligned participant in regional affairs, growing confrontation between Iran and Israel, the impact of the Abraham Accords, and the backdrop of the looming energy transition. The existing security architecture in the region has failed to produce a sustainable or a stable balance, but there is no clear vision for a new structure of regional security. In the absence of consensus over the very concept of “security” and the range of actors and issues it legitimately covers, tensions are building that risk exposing the region to further destabilization in both the immediate term and the longer time horizon.

An organic (and historically consistent) “regional system” in the Persian Gulf would be triangular in nature and consist of Iran, Iraq, and Saudi Arabia plus the five smaller Gulf states; however, this system has in recent decades largely

functioned as a dual system dominated by Saudi Arabia and Iran. The role of the United States within this system has not always been beneficial as most recent conflicts and flashpoints have involved the U.S. either directly (as with the invasion of Iraq in 2003) or indirectly (through regional partnerships with the six Gulf Cooperation Council states). In 2020, the Abraham Accords signed by Israel with the United Arab Emirates and Bahrain brought Israel more closely into regional affairs as hitherto-informal defense and security ties grew more formal and became more common, albeit with only two of the six Gulf states. Proliferating cooperation in the security sphere between Israel and the UAE suggests that the two countries may be preparing to “step up” to fill a perceived vacuum should the U.S. disengage from the region.

Developments in Iran since the election of president Ebrahim Raisi in 2021 have resulted in conservative factions gaining full control of key parts of the state and sidelining moderate actors that previously engaged with U.S. officials in the Joint Comprehensive Plan of Action (JCPOA). The Iranian leadership perceives a new “Cold War” on the horizon in which the United States is constrained by new rivalries with Russia and China. This may present an opportunity for Tehran to act assertively to reduce Iran’s isolation and vulnerability to sanctions after the U.S. withdrawal from the JCPOA in 2018. A key element of this hawkish stance is the creation of a more powerful “axis of resistance” against U.S. interests through deepening ties with non-state groups such as Hezbollah in Lebanon, the Houthis in Yemen, and the Popular Mobilization Forces (PMF) in Iraq.

Further uncertainty has resulted from debates on the energy transition and demands for climate action, which present a threat to oil economies that rely upon a continuing demand for (and marketable value of) fossil fuels. Oil prices have surged in the wake of the Russian invasion of Ukraine, providing one (possibly final) windfall for oil exporting countries before demand begins to plateau and decline as

the energy transition takes hold. Persian Gulf producers have formulated “net-zero” targets for mid-century in a move to ensure they remain part of climate action conservation and can try to shape it in directions favorable to their interests. For all regional actors, including Iraq and Iran as well as Saudi Arabia and the other Gulf states, this is a reminder that the economic dimension remains a critical component of domestic security calculations.

Policymakers in the U.S. and elsewhere who seek a stable and sustainable regional security architecture in the Persian Gulf into (and beyond) the mid-2020s may wish to factor the following considerations into decision-making processes moving forward:

- **Think creatively:** It is time to think “outside of the box” for new approaches to conceptualizing security agendas in the region. One way forward would be to pursue a holistic approach to security modeled on the Organization for Security and Co-operation in Europe (OSCE) with its political, economic, and environmental tracks; another would be to identify policy solutions that can better address interlinked issues and conflicts (such as those in Syria and Yemen as well as Israel’s evolving presence in the region). There is also a need for confidence-building measures to overcome decades of mistrust among regional security participants, perhaps over issues of common concern such as the threats from climate change, environmental breakdown, and external economic shocks.
- **Engage with Iraq:** In recent years, Iraq has started to reassert its position in regional affairs by building positive relationships with and bridging gaps between neighboring states, such as by facilitating and hosting five rounds of dialogue between Iranian and Saudi officials. Iraqi officials view the attainment of a regional balance as an existential issue, given their vulnerability since 2003 to competing interests and agendas, which often have played out in Iraq and repeatedly endangered its security and stability. U.S. policymakers

should engage with Iraqi and regional counterparts to support Iraqi efforts to play a bridging role and make a real and positive difference in regional mediation and diplomacy.

- **Track Iran-Israel dynamics:**

In response to Iran’s hawkish stance, “axis of resistance,” and decision to advance its nuclear program to approach threshold status, Israel has started to act against targets in Iran directly as opposed to proxies outside Iran. Iranian and Israeli leaders have warned that they will retaliate against any attacks and a shadowy conflict with maritime, land, air, and cyber components is unfolding across the region and inside Iran itself. Attempts on both sides to establish deterrence and demonstrate credibility risk drawing the United States and regional actors into a new cycle of escalation. This could derail or at least severely undermine initiatives seeking greater balance and stability in regional affairs, and these should form the focus for renewed diplomatic efforts.

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## LOOKING FORWARD AFTER A DECADE OF DISPLACEMENT IN THE MIDDLE EAST

One undeniable consequence of the 2011 Arab uprisings was the mass displacement of individuals and families across the Middle East. In some cases, uprisings turned into civil war, forcing Syrians, Libyans, and Yemenis to look for safety outside of their respective countries. Other events—including the post-2011 repression of activists and Islamists in Egypt, faltering economies in Tunisia and Lebanon, and the re-installment of a Taliban-led regime in Afghanistan after the U.S. withdrawal—led others to look for safety across international borders. And while most refugees have stayed within the Middle East region, some fled further afield.

From the viewpoint of countries in the Middle East, migration has been linked with security since at least the creation of the state of Israel in 1948. While the so-called Syrian refugee “crisis” constituted the

largest refugee exodus since the expulsion of Palestinians, the worst predictions about Syrian arrivals—that states like Lebanon would see a rise in sectarian violence—did not materialize. Nonetheless, the presence of Syrian refugees in host countries including Turkey, Jordan, and Lebanon has led to prolonged humanitarian strife, and an entire generation of Syrian children has been born and raised in refugee camps and impoverished urban situations. In many host countries, public services such as health care were under-resourced even before the arrival of millions of refugees. Investing in governance is therefore crucial to improving outcomes for refugees and citizens alike, and any response going forward needs to be development, rather than humanitarian, focused as the Syrian refugee presence is not likely to end any time soon.

The 2015–2016 political crisis in Europe that resulted from arriving refugees—primarily Syrians, but also other nationalities—had far-reaching repercussions, including the rise of far-right political parties across Europe. Political fears around migration also reached the U.S.; President Trump’s infamous “Muslim Ban” was a direct response to the arrival of Syrians in Europe. The political stakes of this issue are high, both within the region—host to the largest number of displaced peoples in the world—but also globally.

In reaction to this “crisis” and increased refugee arrivals in donor countries in 2016, the UN Refugee Agency (UNHCR) championed a development-focused approach, which was codified as the Global Compact on Refugees. There have been 1,600 state pledges to implement this compact, and wealthy donor countries have a vested interest in maintaining the stability of Middle East host countries in order to minimize any further refugee arrivals in Europe. However, development-focused support to host countries has also been weaponized increasingly since 2016 in order to extract further aid and other concessions. Governments—notably Turkey—have used coercive tactics that include leveraging migrants and refugees as diplomatic weapons. In order to

minimize this type of extractive behavior, development aid to host countries must be strictly monitored and contingent on progress reports.

Three areas concerning displacement will be critical going forward and warrant further attention from U.S. policymakers:

- **Internal Displacement:** Two-thirds of those who are displaced are internally displaced persons (IDPs). They are forced from their home but are not able to reach or cross an international border. Internal displacement in the Middle East is protracted as most IDPs have been displaced for more than five years. Afghanistan has approximately four million IDPs and the humanitarian situation inside the country is devastating, with virtually no health care system and a lack of access to food. In Northern Iraq, four to five million people were displaced as a result of the fall of the Islamic State; while most have returned to their home communities, approximately two million remain displaced, many of them women and children. The U.S. could do more through diplomacy and foreign aid to assist with the humanitarian emergency in Afghanistan and to negotiate long-term solutions for IDPs in Iraq.
- **Refugee Hosting Commitments:** U.S. policy has been supportive of the international refugee regime—largely as a result of its geopolitical interests—but this support fell during the Trump administration. Specifically, U.S. refugee resettlement plummeted from 85,000 individuals in 2016 to 12,000 in 2020. While the Biden administration has committed to raising this ceiling to 125,000 in 2021—and did manage to bring more than 70,000 Afghans to the U.S. in 2021 under humanitarian parole—it will likely only resettle 25,000 individuals by the close of FY2022. These numbers pale in comparison to the number of refugees hosted by Middle Eastern countries, and the U.S. should take additional steps in the name of burden-sharing.

**Investing in governance is therefore crucial to improving outcomes for refugees and citizens alike, and any response going forward needs to be development, rather than humanitarian, focused.**

- **Climate-induced Migration:**

Unlike projections often discussed in popular media, most people displaced by climate change will not cross an international border. Instead, climate-induced migrants will mostly move from rural areas to urban areas within the same country. In turn, this could lead to strains on infrastructure and food stocks and, potentially, to political volatility. To mitigate the impact of this issue, the U.S. should orient its development aid to Middle East countries around impacted sectors and toward building climate resilience. Second, for the minority of individuals who do cross international borders as a result of climate-related factors, the U.S. should take a leadership role in developing a global definition for “climate refugees” that will ensure a legal pathway to residency and protection in receiving countries.

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