Topic Background - The Middle East’s Contemporary Climate

The U.S. as well as many other countries, understand the strategic global position of the Middle East and the importance of having a presence there. In short, presence grants access to a major land bridge between three continents. It also allows a state to monitor the only reasonable water channel that links Asia to the west in the Suez Canal. The canal links commerce and critical military assets on a global level. In addition, the Middle East also produces 27% of consumed oil and is home to 80% of oil reserves worldwide.¹

The Middle East is also quickly becoming a booming market. Competition for foreign direct investment has increased, as evidenced by the increasing number of well established global companies that conduct business there from luxury fashion companies to sports. A booming tourism industry has also appeared and it’s not uncommon to see advertising for Middle Eastern firms on highway billboards,

television and internet ads and in the stadiums and jerseys of sports teams across the globe. In spite of continued humanitarian concerns, the global image of Middle Eastern countries has greatly improved thanks to increased relationships with the west and a booming economy.

Other changes include how the world interacts with the Middle East. Post World War II, the Soviet Union remained the primary power that influenced the region until U.S. intervention in the 1980s. For the last 40 years the U.S. has continued that role as the foreign hegemon. However, as liberalization of the region has slowly occurred under U.S. watch, and the world around us has increasingly globalized, many other countries now maintain significant relationships with countries in the Middle East. One of the most prominent ones being China.

**United States Past and Present Regional Interests**

Since the start of Operation Cyclone in Afghanistan in the 1980s, the United States has largely committed to three major goals in the Middle East, all of which are interdependent. Initially the first and most important goal was the increase of their military presence throughout the area. The achievement of this goal was both paramount to the larger U.S. security interests as well as a prerequisite to the other two goals. From the U.S. perspective, playing the role of peacekeeper in the region primarily allowed them to transform the political landscape of the Middle East towards increased political stability as it related to their larger global democratic mission which in turn allowed them to create a more attractive landscape for economic development and investment. Senator Murphy (D-CT), like many U.S. policy makers before him, still describes democracy as a key U.S. export and a system that is likely to bring the most stability to the region.

As the United States began to solidify themselves as the top regional security power, their strategic priorities shifted away from a military first approach. As far back as the Bush administration, the top priority of US-Middle East foreign policy has been and remains economic in focus. While historically economic interests in the region have long been oil related, the last 20 years have seen an increase in using foreign direct investment (FDI) as a tool to create more developed economies in the

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area that can be partners with the U.S. and its allies. This has become a more emphasized interest in recent years as much of the western world looks to transition away from fossil fuels in favor of more carbon neutral economies. To achieve their economic goals, the United States has incorporated an unusual combination of both military and diplomatic influence. From the United States perspective, economic influence is only possible through political stability. Military intervention is used to secure United States economic interests when conflict arises or wherever they see fit. In addition to more confrontational measures, the United States military also serves as regional police, monitoring and mitigating crises where they might emerge. Diplomatic missions in the Middle East have focused on democratization and reform. By modernizing Middle Eastern governments, the United States believes it will be able to more effectively maintain and develop their economic ties while having less to worry about as a security provider. They can then rest assured knowing their economic ties to the region are both healthy, stable, and of an acceptable moral standard.

Direct investment position of the United States in the Middle East from 2000 to 2021
(in billion U.S. dollars, on a historical-cost basis)

Source: Bureau of Economic Analysis (2022)

The United States does take a very dogmatic approach to their regional strategy. If they compromise on their military or diplomatic involvement, they run the risk of jeopardizing their economic
endeavors. To scale back military presence means to run the risk of losing control of the area if conflict were to break out or another power tried to take their place. To fail in a diplomatic sense would compromise the health of their relationships with the Middle Eastern government. It would also alter international perception of their involvement in the region as that of a military aggressor that threatens stability. In the eyes of the United States, either scenario puts their economic goals in peril. Evidence of this opinion can be found in past Senate hearings where senators and other witnesses have expressed strong concerns about the revaluation of any of their current policy directives especially as they relate potential competitive partners in the region.\(^6\) If the U.S. feels any country is likely to interfere with any of these goals, retaliation through the form of policy is a likely outcome.

**China’s Past and Present Regional Interests**

China’s present involvement in the Middle East has been both recent and contradictory to the United States. While the United States places a large emphasis on exercising strong power in the region, China takes a much softer focus in regard to their approach in the Middle East. Recognizing the poor track record of countries with significant military presence in the region (and that the U.S. remains as the leading defense supplier to all Middle East countries besides Iran), China decided that diplomacy and economy should be their approach as they continue to assert themselves as a serious player on the global stage. China’s number one vested interest in the region is their dependence on OPEC energy, with nearly half of their crude oil imports coming from the Middle East. Therefore, the best way they can grow their influence, and continue their primary source of energy intact, is through a series of increased diplomatic ties which results in an increase of economic ties. This has served as a successful strategy in countries like Israel, Iran, Saudi Arabia, and the gulf states.

A major advantage that China maintains over the U.S. in the Middle East is their similarity in governance to the existing countries in the region. The authoritarian nature of both the Monarchs and the People’s Republic of China means that many of the criticisms and reforms that the U.S. pushes for in the area are not points of contention between China and these countries. China is willing to supply some military hardware to these countries (but remains committed to not being the lead security provider). One of China’s largest exports to the region are domestic surveillance technologies. The natural diplomatic advantage (combined with the advantage of having a minimal military presence) means that China is more easily able to push their economic campaign forward.\(^7\) Still many of the proposals China has put out for increasing interconnectedness of their allies are not made clear in their Arab Policy Paper.

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\(^6\) Ibid. 4

What China does lean on heavily in their international relations arsenal is their **Belt and Road initiative (BRI)** which is an international development plan that through diplomatic relations seeks to invest and build infrastructure in other countries. With parts of Africa and Europe reaping some benefits of BRI, the obvious physical link becomes the Middle East. This modern-day **silk road** is in part the physical manifestation of “all roads lead back to China” but in addition serves as a tool for building economic relations with other countries. The largest international criticism of the BRI is that it is little more than a debt trap designed to force smaller states to be dependent on the Chinese economy. However, for the wealthier countries like the gulf states, economic dependence is not a concern. Countries like these are looking to be included in the BRI to further deepen diplomatic ties with China. The Arab Policy Paper anticipates an estimated $1 trillion investment through the BRI in the gulf states alone.⁸

![China’s Belt and Road Initiative](image)

*Source: European Council on Foreign Relations (2019)*

**Overlapping Objectives**

Even with a reassessment of regional security protocols, the United States is not looking to consider an extensive withdrawal from the region due to concerns that another state might step up and

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attempt to replace the US as the regional hard power hegemon. 9 For the last 40 years the United States has maintained a constant military presence in most middle eastern countries but following their withdrawal in Afghanistan, are looking to redefine how they approach regional security. This analysis is in part due to a realization that their original policy was overtly wasteful and locked the US into conflicts it struggled to get out of. All the while it failed to protect their economic interests in the way they envisioned, and over militarization ran the risk of inadvertently protecting economic interests of peer and near-peer rivals.

At the same time China has increased their military footprint in the Middle East through the introduction of a soft naval presence and increased weapons transactions to regional countries. Currently, there is no reason to believe China intends on replacing the United States as the primary security provider. 10 Few countries benefit from existing United States security policy as much as China. As both a major importer and exporter to the Middle East, China is fortunate enough to have their most important trading routes protected by the 5th and 7th fleet of the United States Navy and there is little indication that Beijing would like to alter this arrangement anytime soon.

China also maintains a natural advantage in diplomatic relations with many countries in the Middle East, particularly some of the more wealthy ones. These are monarchical states that take exception to being lectured by the U.S. about human rights violations and are not particularly fond of being told to reduce energy consumption. With China, none of these concerns are an issue as energy is a key economic import and China is more than willing to sell security technologies to the Middle East that allow governments to monitor civilian activity.

10 Ibid 7
While the United States is analyzing China’s role in the Middle East, they are also reanalyzing their own. In addition to the reconsideration of security and diplomatic positions the United States is also looking at their economic position. Many western countries are making the push towards achieving a carbon neutral economy. This makes crude oil less and less relevant as a regional economic interest. If much of the western economy is shifting towards carbon neutral as the legislation suggests in many countries, the need for this once major economic lever will disappear completely. The goal now has shifted towards the economic development of these countries and the west's involvement in said process. The United States looks to increase foreign direct investment to Middle Eastern countries. This policy stands in contention with China, who also seeks to do much of the same with the added benefit of a concrete infrastructure plan and continued oil imports.

Subcommittee Charge
The United States Senate is tasked with the oversight, regulation, appropriations and lawmaking of nearly all aspects of life in the United States. From food safety, to military contracts, and space exploration, the United States Senate is tasked with ensuring that U.S. policy is aligned to their constitutions policy preferences. In order to distribute this massive responsibility, the Senate is split into distinct Committees with broad responsibilities and then subcommittees with more specific jurisdiction. Each of the 100 members of the United States Senate are assigned to one or more committees where the majority of legislative debate, discussion and review occurs. For a bill to become a law, it must be approved in its respective committee before being elevated to the Senate floor.

Policy responding to China’s role in the middle east is under the jurisdiction of the Committee on Foreign Relations, and more specifically, the Subcommittee on Near East, South Asia, Central Asia, and Counterterrorism. The subcommittee has a number of policy avenues to explore including competing with Chinese interests by encouraging regional cooperation towards mutual goals, or modifying the United States’ maritime security approach to dedicate more funding towards more relevant objectives. Some proposals may be of interest to one party, while entirely unacceptable to members of the other party. Bipartisan action is critical to the success of the committee session. In the Model Senate program, time will also be at a premium, and it is vital for Senators to listen to expert testimony and identify areas of bipartisan action, in order to maximize their legislative action.

Questions to Consider
1. What are China’s short term and long term goals in the Middle East? Do these goals compromise the objectives the United States has in the Middle East?

2. What diplomatic and economic tools have China used to accelerate their regional influence?

3. How has the United States traditionally exerted their influence in the Middle East?
4. What are the United States current short term and long term goals in the Middle East? Can they coexist in relation to China’s goals?

5. Where do the United States and China’s regional goals overlap? Where do they differ?

6. How should the United States respond to specific Chinese policy objectives on security, economics, and diplomacy?

7. How can the United States best restructure their military strategy in the Middle East without compromising their regional interests?

8. What do the Middle Eastern countries find attractive about partnering with China and what do they find inadequate? What can the United States do to fill those inadequacies?
Additional Research

- Go to the Council’s 2022 Model Senate Resource Guide for additional recommended resources to continue your research after you are finished reading this briefing paper and answering the Questions to Consider above.
- **Bonus research task:** Try to find out how this issue affects other countries. A global context of the topic will help you have a more nuanced understanding of the topic and might help you craft recommended policy solutions for the U.S. Senate based on some actions other countries may be taking already to remedy some of the issues outlined in the briefing paper above.

Glossary of Terms

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<tr>
<th>Term</th>
<th>Description</th>
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<tr>
<td>5th Fleet</td>
<td>U.S. naval fleet and maritime security provider to the Persian Gulf, Red Sea, Arabian Sea, and Parts of the Indian Ocean and headquartered in Bahrain.</td>
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<tr>
<td>7th Fleet</td>
<td>U.S. naval fleet and maritime security provider from India to the west end of the Pacific Rim</td>
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<td>Arab Policy Paper</td>
<td>Policy initiative laid out by China that serves as a guide for developing and strengthening China-Arab Relations</td>
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<td>Authoritarian</td>
<td>A system in which power of a government greatly outweighs freedoms of citizens</td>
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<tr>
<td>Belt and Road Initiative (BRI)</td>
<td>Chinese global infrastructure development strategy that physically links other countries to China with the goal of economic connectedness</td>
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<td>Dogmatic</td>
<td>To express strong conviction in one’s personal beliefs as if they were undeniably true</td>
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<tr>
<td>Foreign Direct Investment (FDI)</td>
<td>Method of financial investment that involves ownership of a business in one country being controlled by an entity in another country</td>
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<tr>
<td>Hegemon</td>
<td>Hegemon is a country or actor who serves as the chief superpower</td>
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<tr>
<td>Monarch</td>
<td>Monarchs are sovereign heads of countries, traditionally kings, queens, and emperors</td>
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### Operation Cyclone
Operation Cyclone was a 1980’s United States operation that sought to remove the USSR as the key power in the region by funding and supporting local insurgents. The operation cemented US involvement in the region.

### OPEC
Organization of the Petroleum Exporting Countries is an oil exporting organization composed of 13 members many of which are located in the Middle East.

### Peer/Near-Peer
Diplomatic language used to refer to countries of equal or close to equal standing. In the context of U.S. foreign relations these terms usually refer to China and Russia respectively.

### Silk Road
An ancient trade route that linked Europe and Asia, specifically China.

### Soviet Union
The Union of Soviet Socialist Republics was a country that reigned from 1922 to 1991. Both modern day Russia and Ukraine were territories in this country.

### Resources

- “OPEC Share of World Crude Oil Reserves.” OPEC, 2022.
- “China’s Role in the Middle East.” United States Senate Committee on Foreign Relations, August 4, 2022.