

The Impact of the Economic Factor on the Status of the Middle East in US Foreign Policy

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Rodrigo Rato says “So the American economy needs the world, and the world needs the American economy”¹. For that, it is possible to note that the short history of US policy in the Middle East, including the succession of presidential “doctrines”, from Truman through to Bush II, confirmed Washington’s appreciation of the strategic role of the Eastern Mediterranean and the oil rich states of the Middle East in the broader context of US policy goals. This interest is due to the fact that this region (Middle East) has a large of oil reserves and huge economic recourses. This region holds about 66% of the world oil reserves, and this oil reserve will make the region dominate for a longer time on the global oil market and international oil-producing organizations, such as OPEC, so control on this region has become a focus of attention to decision-makers in the world, and there is no doubt that the United States was the most prominent who tried to control the region. The purpose of the current research is to shed light on the United States’ economic presence in the Middle East region to understand how United States’ presence has developed in the region and what motives were behind its presence.

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The significance of the Middle East area has increased rapidly since World War II primarily due to economic, strategic, and political factors (Lenczowski, 1984, pp. 163-165). For that, the US leaders have declared a range of vital (and not-so-vital) American interests in the Middle East. These have varied by administration and historical era, but they have long included ensuring the free flow of oil and maintaining Israel’s security. Since at least the 1970s, America’s key strategic interests in the region have involved not only securing easy access for itself but also guaranteeing an open and secure market for Japan and Europe. Middle East countries, especially the states of the Persian Gulf, are key oil producers, exporting far more than they consume (US Energy Information Administration, 2015a; 2015b).

From here, we can say that the economic status of the Middle East, greatly affect on the orientation of US foreign policy toward this region, because there are four constant principles in the US foreign policy, and foremost among these principles is a priority for the economy and trade (Qubaisi, 2008, p. 72).

The Economic Importance of the Middle East

Pearcy (1964, p. 72) pointed out that the Middle East is an unknown and undefined; it has been expressed by researchers, writers, and even governmental and international bodies in different terms, whether to indicate

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¹ Read more at: https://www.brainyquote.com/topics/american_economy.

it in whole or in part. The most important of which are the following: Levant, Most Ancient East, Classical Deserts, Southwest Asia, Hither East, Near East, and Middle East. In September 1902, Mahan published an article entitled "The Persian Gulf and International relations" in the *Review National British*, and for the first time, he used the term "Middle East" to refer to the Gulf of Aden and India. According to Mahan, the Middle East was a region between Suez and Singapore (Al-Kaki, 1986, p. 141).

During World War II, the term of "Middle East" was used to refer to the area consisting of the Nile Valley, the "Fertile Crescent", the Arabian Peninsula, the Iranian Plateau, and Asia Minor. This territory covers a little under 10 million square kilometers, approximately the area of Europe², and during that time, the United States and its European allies recognized the long-term strategic value of the region's oil resources. They found out how critically important petroleum was to fighting a modern conflict. At the same time, they realized that Middle East oil could serve European postwar recovery (Modigs, 2003, p. 7).

The Middle East has become an important strategic location for all actors in the international community, because it occupies a central position among the three continents of the world (Asia, Africa, and Europe), where most of the world's transport networks gather and control a number of important water straits, for example, The Strait of Hormuz, Bab al-Mandab, Gibraltar, as well as the Suez Canal, which is the vital artery of international navigation, due to the Suez Canal is considered an easy and short sea path that reaches the industrialized Western countries with the South Asia countries which have a many resources and cheap manpower; the channel also links Western countries to the African continent, which rich in materials needed for industry, such as uranium, chrome, and copper (Aldalabeej, 2011, p. 18).

For these reasons, the major powers, especially the United States, realized that primary resources and oil were more influential in international relations, so that the oil became a tool of control not only in the economic field, but even in the military and political fields. Bill Richardson said: "Only oil has the ability to control the foreign policy making and security of countries for many decades". Therefore, we find that the political ambitions of the major powers are working on strategies aimed at controlling the oil-rich areas, because the acquisition or control of oil reserves is the cornerstone of the continuity of major powers and the dominance of their companies, and this explains the competition between the major powers in the Middle East (Kaldor, Karl, & Said, 2007, p. 1).

In addition to the vast oil reserves in the Middle East, the oil of this region has many advantages that drive many world powers to control it, including (Mahmoud & Mansour, 1995, p. 57):

- (1) Lower oil production costs due to lower exploration costs;
- (2) Lower prices of Middle East oil compared to other regions of the world;
- (3) The advantage of quality, as the Middle East produces light, medium, and heavy materials and these types fit the different world markets.

As well, the Middle East is full of natural gas. According to the *Annual Statistical Report* for 2010, the Middle East contains 30% of the world's natural gas reserves, equivalent 54.48 trillion cubic meters, and the most reserve countries for natural gas in the Middle East are (Masa'id, 2011, p. 230):

- (1) Iran has 33,000 billion cubic meters;

² The list of countries given in the section on the Middle East in the United Nations, World Economic Report, 1948 (Afghanistan, Anglo-Egyptian Sudan, Egypt, Iran, Iraq, Israel, Jordan, Lebanon, Saudi Arabia, Syria, Turkey, and Yemen). See Review of Economic Conditions in the Middle East, World Economic Report, 1949-1950, United Nations Publications, United Nations Department of New York, March 1951, p. 1.

- (2) Qatar has 25,172 billion cubic meters;
- (3) United Arab Emirates 6,072 billion cubic meters;
- (4) Kingdom of Saudi Arabia 7,305 billion cubic meters.

According to the International Energy Agency, the demand for natural gas in the Middle East is expected to increase by more than 70% between 2015 and 2035, while production is expected to increase by the same percentage (Anwar, 2016).

Although the importance of the Middle East, which increased after the discovery of oil and gas, but the political implications of this discovery cannot be denied, especially after the World War II, which was reflected in the desire of the major powers (United States) to control on the region, and to develop numerous plans for the establishment of political and military alliances in the region, and because of that several crises emerged, such as War of 1967, War of 1973, the First Gulf War, and the Invasion of Afghanistan in 2001, and the Occupation of Iraq in 2003 (Al-Nuaimi, 1998, p. 12).

The Economic Dimension in American Foreign Policy

In the past decades, the world has seen a shift in the determining factor for power and authority. Religion and land have been influential factors deciding who or who does not have power across continents, time, and civilizations. In the 21st century, these two sources of influence have lost their supremacy in determining a nation's power or authority. Power and authority are now defined by a nation's access to and influence over resources. Resources define the position of a nation in terms of its economy, society, and political structure and influence (Torres, 2009, p. 5).

In the same context, with regard to the United States, access to resources has been an important part of the US view to the world and its role in it. The focus on the access to resources contributes to the overall objectives of its foreign policy, which combines interests with principles, and more precisely between realism and idealism, so that American interests and benefits are not separated from the dissemination of the capitalist doctrine and the values of free economy. In addition to this fact, the economic factor plays a key role in the conduct of internal affairs and affects on the scope of internal support for the administration, and plays an influential role in the continuation of the government or not. Moreover, the economic factor in the United States plays a key role in determining candidates' chances of success in presidential elections (Mahajan, 2006, p. 172). Therefore, the protection and promotion of the US economy and the US' hegemonic status in the world requires the control of the world's major energy resources, specifically oil as a "stupendous source of strategic power" known since the 1940's (Chomsky, 2007, p. 103).

The economic dimension of US foreign policy is illustrated through the influence of interest groups and the military industrial complex on US foreign policy (Légaré-Tremblay, 2005, p. 4). This is because the interest groups have a significant influence among decision-makers in successive US administrations. These interest groups are among the most well-known and influential groups in the US foreign policy industry. These oil companies or lobbies use all the means and techniques used in the United States to lobby and influence political decisions (Terry, 2006, p. 14). Here, Maxim Loebapfer asserts that these institutions play a key role in US foreign policy, based on the well-known Wilson, who served as general manager of General Motors and was the secretary of defense at the Eisenhower administration. What is good for the United States is also good for General Motors and vice versa. For that, American diplomacy is always forced to take into consideration the foreign interests of American companies (Lofayver, 2006, p. 114).

In addition, the military industrial elite is one of the most influential and powerful groups in the United States foreign policy, so that foreign policy-makers are always subject to their pressures in order to achieve their interests. These groups has played a major role in the making foreign policy decision through the succession administrations, and their role considered is one of the constants in the US foreign policy and an absolute priority in all strategic options and general orientations of US foreign policy, particularly toward the Middle East region. President Eisenhower warned in his speech in 1961:

Our role in world peace has been marked by an unprecedented increase in the arms industry that has exceeded all limits. So we have now an army of three and a half million of men and women. We also refer to the military aspect of our economy equivalent to the income of all American companies combined. This phenomenon is dangerous on our lives because it led to the emergence of a military industrial complex and its influence extends beyond the borders of our homeland and effects on the social environment and the trends of our government and society., and here I have to say frankly that there is now a military industrial-financial-intellectual-political groups exercise unprecedented influence in the American experience, and must be wary of arriving it at the moral, political and scientific levels and will be influence on the US foreign decision. (Heikal, 2004, pp. 254-257)

According to the above, the US foreign policy-makers recognize the importance of controlling on energy resources in various regions of the world, in order to meet the interests of the different groups (previously mentioned) and to meet the local needs (Terry, 2006, p. 14).

In this regard, at the official level, the Report of the National Energy Policy Development Group (NEPD, 2001, p. 3) appeared in the spring of 2001. Published under the title: “Reliable, Affordable, and Environmentally Sound Energy for America’s Future”, it offered a predictable assessment of oil dependency and the need to diversify imports, although its authors noted that diversification offered no immunity against disruption of foreign sources. Its authors emphasized that the US consumed “over 25% of the oil produced worldwide, slightly more than half of which it imports”. Hence, it warned that without a shift in policy “the share of US oil demand met by net imports is projected to increase from 52% in 2000 to 64% in 2020”. Saudi Arabia was identified as the “lynchpin of supply reliability to world oil markets” with the Gulf, “projected to supply between 54% and 67% of the world’s oil” (Report of the National Energy Policy Development Group, 2001, p. 4). Pointing to the continued importance of Western hemisphere sources, the NEPD encouraged the expansion of US oil interests in Africa, Russia, and the states of the former Soviet Republics in the Caucasus and Central Asia.

This explains to us the continued efforts of the United States to maintain excellent relations with the countries of the Middle East, especially the Gulf States since the 1970s which have been made a security partnership to protect energy resources (Blanchard, 2012, p. 10), and we see this clearly through Hillary Clinton’s statement when she was said:

We must of course maintain the defense capability to protect ourselves and our national interests. But as recent misadventures wars have demonstrated, military strength alone does not protect American interests or American lives. To maintain (and, in too many cases, to restore) our leadership, we must also make ourselves indispensable economic partners with Middle East states, especially, Gulf states. While shared ideals and mutual respect connect nations, what brings nations together often are powerful economic ties. (Siddique, 2014)

The American Perception of the Middle East’s Economic Status

It should be noted that in the early 20th century, the petroleum industries flourished all over the world, but most especially in Europe and North America. During World War I, major world powers began to prioritize oil

as a vital military asset; modern warfare caused a constant need for oil and its subsidiary petroleum-based products which were a necessity for ships, airplanes, tanks, submarines, and the lubrication of modern rifles. This heavy use of oil during World War I created a severe shortage in 1917-1918 (Paul, 2002). With the end of the WW II, Middle East oil became very important and a strategic necessity to American and European war efforts for fueling planes, ships, tanks, and trucks. The increased American diplomatic, economic, and military involvement in the Middle East during the war ensured that American oil companies came to play a leading role in the region after World War II. In fact, American oil companies played a major role in carrying out United States' foreign policy with Arab states until 1973. In 1945, Truman stated (Congressional Quarterly, 2000, p. 74):

Thus the world oil center of gravity is shifting to the Middle East where American enterprise has been entrusted with the exploitation of one of the greatest oil fields. It is in our national interest to see that this vital resource remains in American hands, where it is most likely to be developed on a scale, which will cause a considerable lessening of the drain upon Western Hemisphere reserves.

The short history of US policy in the Middle East, including the succession of presidential "doctrines", from Truman through to Bush II, confirmed Washington's appreciation of the strategic role of the Eastern Mediterranean and the oil rich states of the Middle East in the broader context of US policy goals. Threats of the use of force and "regime change", as in UK-US policy in Iran in 1953, illustrate the approach. But the developments following the coup that brought the Shah back to power, also exposed the tensions between corporate and state interests, as US oil majors in Saudi Arabia were reluctant to invest in what they regarded as an uncertain situation, i.e., that of Iran in 1953. They were persuaded otherwise by the US government (Gendzier, 2003, p. 21).

This interest has appeared to increase since America saw its share of world oil production fall from 70% to 50% while the Middle East share rose from 7% to 16% (Modigs, 2003, p. 7). The United States, which so far had been the world's greatest oil exporter, could not maintain this position after World War II. The United States needed Middle East oil in peacetime as well as in wartime to keep the industrial advantage it already possessed, plus the fact that the American military had become heavily dependent on oil. However, until the oil crisis in 1973, following the Yom Kippur War, US foreign policy in the Middle East did not devote much attention to Arab demands. The Arabs used oil as a political weapon against the United States' support of Israel and the quadrupled oil price intensified the energy crisis in the Western world. At this time, the United States realized that its foreign policy in the Middle East had to become more balanced, away from a singular focus on support of Israel (Sokolsky et al., 2002).

Zbigniew Brzezinski notes that US control over oil in Middle East "gives it indirect but politically critical leverage on the European and Asian economies that are also dependent on energy exports from the region". US political leverage allows for a more powerful economy and military, which becomes vital to the US doctrine as a powerful, dominating nation. However, to ensure military and economic strengths, the insatiable hunger for oil must be satisfied and can only be accomplished by the international quest for energy. John C. Gannon, the deputy director of the CIA in 1996 remarks, "We have to recognize that our nation will not be secure if global energy supplies are not secure" (Sokolsky et al., 2002). According to previous statement, we can see clearly that the primary interest of the United States in the Middle East region is to assure American access to oil (Gelvin, 2005).

To be sure, US administrations have seldom publicly justified their policies in the Middle East in terms of assuring privileged access to the region's oil resources, or protecting the interests of US oil companies. In the aftermath of the events of 9/11, moreover, US policy in the Middle East has been couched nearly exclusively in terms of the US "war on terror". Indeed, the pursuit of US oil politics in the Middle East as well as Central Asia, has become inseparable from the "war on terror", but as the discussion that follows demonstrates, the politics of oil and the military have far deeper roots in US policy (Trilling, 2002, p. 1).

Several weeks after 9/11, Assistant Secretary of State William J. Burns addressed the Middle East Institute in Washington. His remarks were designed to assure his audience that the Middle East remained a major concern of the administration. Burns insisted:

Since the end of the Second World War, the United States has understood that a secure, prosperous and stable Middle East is an essential ingredient not only in defending vital American interests, but also the interests of the world economy. (Burns, 2001)

The report of the Institute for National Strategic Studies (INSS), issued in the fall of 2002, was unambiguous about the role of oil, the permanence of the US military in the Gulf, and the high risks of reform to US interests. "Beyond Containment: Defending US Interests in the Persian Gulf", the *INSS Report*, declared that "The US presence in the Gulf is primarily intended to maintain the flow of oil by preventing a hostile power from establishing hegemony over the region..." (Sokolsky et al., 2002, p. 12). The language common to decades of presidential pronouncements bearing on US Middle East policy focused on the need to assure the permanence of a US military presence in the region by diminishing its political costs to the US and its allies. In this context, Iraq was a threat that inhibited US action. But the removal of Saddam Hussein would offer no permanent solution, the report conceded:

Does not mean that the United States can safely end its military engagement in the Persian Gulf, given its strategic location, role in global energy markets, and vulnerability to other potential threats. In short, removing Saddam Hussein is no panacea. There is no escaping the US role as a guarantor of Gulf stability. (Sokolsky et al., 2002, p. 12)

There is no doubt that the move of the American military machines toward the region and the occupation of Afghanistan and Iraq and strengthening its military presence came in line with the aspirations of US foreign policy in terms of control of energy resources (Abdullah, 2000, p. 41).

Obviously, that United States is always trying to defend Client-States and Friendly Regimes in the Middle East in order to maintain the flow of oil and access to energy sources, this patron-client relationship within the Middle Eastern countries has achieved success in maintaining American and Allied security interests in the region. However, throughout this process, an uneven relationship was fashioned between the United States and the Middle Eastern countries. This uneven patron-client relationship has enabled the United States to gain full access to proven energy supplies. Also, this relationship opened the door for establishing more military bases and installations that consequently have increased the presence of American personnel in the Gulf (Index of US Military Strength, 2015).

However, with the onset of the 2010-2011 Arab Spring, the United States' foreign policy changed toward these regimes as the United States decided to support individuals in revolution instead of supporting their regimes. This decision stands in contrast to the United States' previous approach in Tunisia, Egypt, Libya, Syria, Bahrain, and Yemen. This decision has proven to be a double-edged sword that may have created more

long-term confusion and chaos to the indigenous population than keeping the previous regimes in power might have done (Al-Sarhan, 2017, p. 476).

Conclusions

This paper found that the United States' economic and political presence in the Middle East region before and after World War I and after World War II aids in the understanding of how United States' presence has developed in the region and what motives were behind its presence. The current research also highlights the United States' primary interests in the Middle East including securing strategic access to oil in the Gulf region, maintaining the United States' military bases, defending client-states and friendly regimes. On the basis of this literature review, the integration of research shows that the United States' foreign policy has continued the area critical to its national security interests due to available oil, to support security by maintaining military bases; and to hold the role as protectorate of client states and friendly regimes. These factors are the primary motivators that have propelled American decision-makers to control the area and continue to remain important to America today. This understanding of the history of the significance of the Middle East and insight about motives and interests of American decision-makers is important to students and scholars of foreign affairs as they influence and create policy. Further, this paper provides a scaffold for future studies in this field, as additional exploration and research into each of these contributing areas is warranted.

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