



Conference Call – US-Middle East engagement: Trump’s foreign policy shake-up

Introduction

We will be taking stock of the radical change President Donald Trump has made to US foreign policy in the Middle East.

We are coming up on the first anniversary of the President’s announcement that he would withdraw the United States from the 2015 Iran nuclear deal, the Joint Comprehensive Plan of Action (JCPOA). Just yesterday, he ratcheted up the pressure on Tehran another notch by announcing plans to end all waivers for countries still buying Iranian oil, including US allies. President Trump has also fulfilled a campaign promise to move the US embassy in Israel to Jerusalem and broken decades of US policy by acknowledging the Golan Heights as sovereign Israeli territory and not, as the rest of the international community does, as occupied. Meanwhile, we await the long-awaited unveiling of the US peace plan -- the “ultimate deal” to end the conflict with the Palestinians.

At home, President Trump is facing down pushback to his unalloyed support for Saudi Arabia, and to his approach to addressing the region’s two ongoing conflicts: Syria, where he says he wants to pull out; and Yemen, where he is committed to backing Saudi Arabia’s military role. What are the consequences of all this, and where does US policy toward the region go next? Is it just all about regime change in Iran and bolstering his evangelical base back home with unconditional support for Israel?

Dr Sanam Vakil (Johns Hopkins & Chatham House) – US-Iran relations

Yesterday, US Secretary of State Mike Pompeo announced that the eight countries who received waivers 180 days ago to allow them to purchase Iranian oil would not receive such waivers again. This came as a shock to these countries and global energy analysts. The announcement comes right on the heels of the US designating the Islamic Revolution Guard Corps (IRGC) as a foreign terrorist organisation, and both moves are part of the Trump administration’s ‘maximum pressure’ campaign. The goal of this aggressive strategy is to deny Iran material resources until they change their behaviour and return to the negotiating table to sign a deal more ‘favourable’ to the US than the JCPOA. The US withdrew from the JCPOA in May 2018 and subsequently imposed nuclear-related sanctions on the Iranian banking, shipping, insurance, and energy sectors; it has denied Iran the ability to export its oil and receive the financial gains it was promised through the JCPOA.

The Trump administration thought their unilateral pressure could bring Iran back to the table rapidly, but there is increasing internal division over this strategy which has not yielded results so far. On the one hand, National Security Council members circling around National Security Adviser John Bolton want to double down the pressure to try and force Iran to leave the JCPOA. The International Atomic Energy Agency (IAEA) has confirmed on fourteen separate occasions that Iran is complying with the JCPOA. If Iran continues to comply, the UN-imposed arms embargo on Iran will expire in September 2020. On the other hand, relative moderates around Mike Pompeo and his special representative Brian Hook wanted to issue waivers and work with allies against Iran. The moderates have lost out and the US will try and continue to increase pressure.

The Iranian government has yet to respond to the waiver issue and the cabinet is due to meet today to discuss this issue. Iran will lobby allies to continue to buy some Iranian oil. China, Turkey, India, and South Korea had been lobbying the US for waivers, and will have been surprised not to receive them. South Korea and China have already dispatched delegations to Washington. European countries, which are still participating in the JCPOA, have not responded to the waiver issue. It is simply too early to see how Iran will respond or if it will leave the deal. The US has acted in a highly unilateral manner, so Iran may look to use its bilateral relations and the leverage it has over conflicts in Syria and Yemen, the Straits of Hormuz, and other proxy conflicts. There is great uncertainty at the moment about Iran’s response and the future of the JCPOA.

Dr Sara Hirschhorn (Northwestern University) – Aftermath of the Israeli election

Prime Minister Binyamin Netanyahu will soon be the longest serving Prime Minister in Israel's history, following his success in April 9 elections. The close relationship between Netanyahu and Trump started during the early days of Trump's campaign in 2016. Three of Trump's top officials are considered strongly pro-Israel: Trump's former attorney and US Ambassador to Israel David Friedman (a philanthropic supporter of Israeli settlements), son-in-law Jared Kushner, and chief negotiator Jason Greenblatt. It seems that US policy on Israel-Palestine issues is primarily formulated by these three figures, marginalising the foreign policy establishment in the State Department. The US has moved away from its 'honest broker' position in the Israel-Palestine conflict through several controversial moves since 2016: recognising Jerusalem as Israel's capital and relocating the US embassy there, cancelling the JCPOA that Israel had strongly opposed, cutting aid to Palestinians and removing USAID, recognising Israeli sovereignty over the Golan Heights (which was a campaign boost to Netanyahu), ongoing security cooperation with Israel regarding Syria, Palestine and the Iron Dome missile shield, and the hostility of the administration towards congressional activism in support of the Boycott, Divest, Sanctions (BDS) movement. Israel has responded very positively to these moves, and the Palestinians cut off dialogue with Trump administration in December 2017 over moving the Jerusalem issue.

Although Netanyahu has three major corruption allegations against him that are creating a cloud of uncertainty about his political future, his Likud party won the largest mandate and the President has asked him to form a coalition. We are now in the coalition forming and horse-trading phase. There are several important points from the election which will ultimately impact the US-Israel relationship. The election of the joint-list of the Jewish Home–Otzma Yehudit and their proposed inclusion in the government might mainstream the idea of the annexation of the West Bank, which Netanyahu promised on the eve of the election. Yet the prospective right-wing coalition is actually composed more of ultra-orthodox religious parties than ultranationalist parties, as those like the New Right failed to meet the electoral threshold and gain representation in the Knesset. Religious issues will be at the forefront of coalition politics. It seems that Israel might be moving towards a two-party bloc system, which did not pay dividends in this election but will be important in the future. It is also notable that many Arab citizens of Israel heavily supported Meretz, a liberal Zionist party, and ensured it met the threshold for entering the Knesset. The increasing electoral engagement of Arab citizens of Israel is an important trend.

Trump's much-touted peace plan has not been disseminated or published, which has fuelled speculation. The document is said to be 50 pages and will be published in June after Ramadan is over. It is unlikely to conform to the traditional model of the two-state solution. Jason Greenblatt has said that people should avoid using the ambiguous language of the two-state solution. It seems that Palestinians will be offered economic development aid in lieu of statehood, and Greenblatt cautioned the Palestinians last week to not automatically reject the plan. Many Arab states have become closer to Israel recently, and it will be important to watch their reactions to this peace plan. It seems they are behind some of the discussions in this plan, but the key test will be if they push the Palestinians to sign up to the deal. Overall, it is unclear if this peace plan is a good faith effort to achieve an 'ultimate deal' and solve the conflict, or if it is a doomed to fail ploy designed as a justification for Israel to pursue annexation in the West Bank.

Dr Trevor McCrisken (University of Warwick) – the view from Washington

It is difficult to assess if the Trump administration has a cohesive Middle East strategy, especially as Trump himself makes very off the cuff remarks not connected to the detailed policy documents produced by his advisers. The administration has made a number of provocative moves not just on Iran and Israel, but also for their support of Crown Prince Mohammed bin Salman's position in Saudi Arabia and particularly Saudi Arabia's involvement in the conflict in Yemen. If there is an overall strategy at play, it is the Republican idea of 'pursuing peace through strength': establishing strong positions globally. Although Trump has been boasting since his election campaign of his comprehensive plan to build peace and protect US interests in the Middle East, details are very limited. There are those within the administration, particularly conservative nationalists like John Bolton, who would like to see regime change in Iran; containment of Iranian regional influence is a more likely target.

There is division between different government agencies. US intelligence services have said at several points that the JCPOA was successfully curtailing the Iranian nuclear programme. Trump and his inner circle seem to exhibit a hostility to the expertise of officials within the intelligence community and in the State Department. Trump overrates his own negotiating ability and prioritises projecting strength in the region over the details of the Iran or Israel situations. Jared Kushner also seems prone to valuing relationships over policy.

Beyond the White House, there is considerable congressional opposition from both parties to the president's regional strategy. There is considerable support for the JCPOA and adopting a policy of engagement with Iran rather than hostility. Within the US, there is considerable cross-party agreement on supporting Israel and the pro-Israel lobby is very strong, although younger Democrats with an increasingly strong voice are showing greater interest and sympathy in the Palestinian cause. Trump's lukewarm criticism of Saudi Arabia following the murder of Jamal Khashoggi has enraged certain members of both parties. In particular, members of Congress object to Trump's support for Saudi Arabia regarding the conflict in Yemen. Indeed, Trump used his presidential veto to block a bipartisan bill that had passed both houses of congress that would have required him to end US involvement in that conflict. Although the Democratic field of presidential candidates will be circumspect on the topic of Israel, they will be more likely to suggest a return to the JCPOA as long as the Iranians and other signatories remain engaged. They are also likely to call for greater humanitarian relief in the region and a more detailed approach.

Q&A

What are Washington's real aims in applying 'unlimited pressure' on Iran, and how does Iran perceive such aims?

The different factions of the Trump administration have conflicting strategic goals. President Trump wants to negotiate a better deal that would also address regional issues including ballistic missiles. He has an ultimately transactional view of the end game. Many speculate that John Bolton has more nefarious objectives including overthrowing the Iranian regime. The administration has denied that they are trying to promote regime change, but rumours have been fuelled by the appearance of US officials alongside prominent dissidents and opposition figures from Iran. It is unlikely that Bolton expects to achieve this, and it is more probable that he wants to weaken the regime as much as possible. Other departments have oscillated between supporting Trump's objectives and using his goals to pursue doubling down on Iran.

Iran remains compliant to the deal even though they are not receiving the economic benefits of the deal. Members of the US administration misunderstand the reasons why Iran came to the negotiation table in 2011: they think this was the result of multilateral sanctions, including the oil embargo, working, but it was in fact the US changing their negotiation position from permitting zero uranium enrichment to allowing some minimum level of enrichment. Unlike the Obama administration, Trump's team are not looking for off-ramps or de-escalation options. This will lead to Iran's position hardening. They may choose to wait until 2020 to see if a new President will negotiate with them or re-enter the JCPOA, or if they may need to make an accommodation with President Trump's position. Alternatively, they could provoke an international crisis by withdrawing from the JCPOA which would force the US to work more directly with the international community on the issue.

Will sanctions rally supporters of the Islamic Republic and silence critical voices from young people and dissenters?

The unlimited pressure campaign has led to two shifts in the Iranian domestic situation. Amongst the political elite, moderate voices around President Hassan Rouhani are being marginalised. President Rouhani's only political achievement was the JPCOA, which counts for very little now that it is in tatters. Iran holds parliamentary elections in February 2020 and presidential elections in 2021, both of which will likely be strong showings for hardliners. Ordinary Iranians are facing the brunt of the bleak economic situation, with inflation now in double digits and unemployment is critically high. Rouhani had succeeded in bringing inflation down from 40% to 11%, but it is now rising again. The government has had to continue with its burdensome programme of subsidies, which it had hoped to cancel, to limit the feelings of economic frustration and political abandonment. Many ordinary Iranians are questioning their allegiance to the Islamic Republic. The government is trying to build nationalist support for the Islamic Republic by asking people to tighten their belts and invoking the resistance and sacrifice of the Iran-Iraq War. The Iranian government has mitigated against the pressure of sanctions by pre-purchasing two years ago large stores of basic goods and medicines.

Is it possible the US could militarily intervene in Iran?

Such an attack seems highly unlikely and there is very little appetite within the US for an intervention. There would have to be substantial Iranian action to provoke this sort of intervention. No US president would take the military option off the table, but Iran in 2019 is not at all like Iraq in the early 2000s: Iran could easily act to destabilise the region, and there would be no clear path to victory for US forces. It is more likely that the US would take limited tactical action to try and damage Iranian nuclear sites if the nuclear programme was resumed. Even then, Iran's retaliatory options are substantial and include cyber-attacks or damaging US interests in the region.

Amongst US conservatives, the considerable latent mistrust of Iran will build this year as it is the 40th anniversary of the Iranian hostage crisis which will fuel the drive for ‘maximum pressure’. On the other hand, if the administration is truly following the idea of ‘peace through strength’, at some point they will have to switch to pursue peace. This would provide an opportunity for Trump to step in and negotiate, as per his personal style. An engagement between Trump and Iran is not beyond the realm of possibility, and it could happen before 2020. It is unlikely to be as warm as his engagement with Kim.

Some argue the major flaw of the JCPOA was that it did not address Iran’s involvement in other regional conflicts. What sort of conditions would Trump seek to impose?

The Obama administration intentionally pursued a narrowly nuclear-focused deal as the starting point for other negotiations. Trump has criticised the JCPOA on these grounds, and in particular has commented that he believes any deal should also include ballistic missile development. He does not want to allow any ‘end-point’ to exist on the deal and wants to hem in Iran’s position on a range of issues as much as possible. If the US and Iran return to the negotiating table during Trump’s presidency, Trump will find it extremely difficult to get the sort of blanket deal he would like. He may back down to a deal focussing on a few specific issues.

Trump has said that he has spoken to Saudi Arabia about making up for any oil issues as a result of the waivers being removed. Can he rely on Saudi Arabia to make good on that promise, especially given the agreement between OPEC and non-OPEC exporters to keep a floor on the price of oil? Is the ‘Khashoggi effect’ fading in US policy?

Members of Congress are still angry about the murder of Jamal Khashoggi, and Trump’s ongoing warmth towards Saudi Arabia. In particular, the ‘Khashoggi effect’ is still visible in the congressional efforts to end US support for the Saudi’s actions in Yemen.

Other countries reliant on these waivers will be very unhappy. China will regard the withdrawal of the waiver as the US acting beyond their remit in trying to dictate to China where it can buy oil from. It will therefore have implications for Trump’s negotiations on a new trade deal with China. Saudi Arabia offering to fill gaps in the market does not answer the question of whether these other countries will buy into that. The extent to which the US can punish states who do not comply with these secondary sanctions remains to be seen.

Does the US peace plan for Israel rely on there being a Netanyahu-led government in power? What happens if Netanyahu leaves?

Netanyahu faces three counts of fraud, bribery, and breach of trust in three separate cases. The state prosecutor controversially agreed to delay announcing the evidence against Netanyahu until after the coalition forming period. Some voters are angry that this evidence was not available before the elections, but many voters will have no doubt have kept the issue in mind as they cast their votes. As the peace plan will be announced in early June, Netanyahu will still be Prime Minister then and we will not have the full decision of the state prosecutor. One party in coalition talks with Netanyahu are willing to push through a vote granting Netanyahu immunity whilst he is on office, as long as they receive key ministry appointments and other benefits through the coalition forming process. The next elections are likely to be in a year and a half or two years, as any coalition will be quite unstable.

The US peace plan does not rely on Netanyahu being in power, as potential replacement Prime Ministers from within Likud and his coalition share his views or are in fact much further to the right. Ironically, Netanyahu has been a stabilising influence in government and has cautioned against major hostile moves against the Palestinians. It is helpful to Trump to have Netanyahu in office as he is more willing to negotiate than some of the hard-liners.

If the peace plan is rejected, will Netanyahu be forced to go through with annexation?

Annexation was previously a ‘third rail’ in Israeli politics, but ultra-nationalist influences within and beyond the Knesset over the past decade have boosted mainstream support for the notion that ‘land for peace’ has failed and that Israel should pursue a unilateral solution relying on annexing part or all of the West Bank. Following increasing political support for pro-annexation parties, Netanyahu announced that Likud would support annexation the weekend before the elections, but he did not specify if he meant the entire West Bank or ‘Area C’. Area C represents 60% of the territory of the West Bank and it is home to all of the Israeli settlements. The settlements occupy a minority of Area C, but much of the area is taken up by security corridors and installations. From Israel’s perspective, this would solve the settlement problem whilst only taking in 100,000 Palestinians. Despite the protests and efforts of

much of the international community, in the past several years Israel has pushed many Palestinians out of Area C and into other parts of the West Bank.

The process of coalition formation may push Netanyahu to pursuing annexation because the joint-list of the Jewish Home–Otzma Yehudit members of the Knesset have made annexation a precondition of supporting a Netanyahu-led government. These members want to control key ministries that would be involved in administering annexation, or at least judicially confirming the process. Netanyahu will certainly face pressure to seriously consider annexation.

How far can Iran afford to go in provoking Saudi Arabia? Does it have the political will to threaten to close the Straits of Hormuz, launch cyber-attacks, or pursue any other strategies?

Iran has several tools it could use against Saudi Arabia. The principal one is its ‘train and equip’ relationship with the Houthis in Yemen, and the possibility of escalating this through proliferating missile supplies to them via Hezbollah. This has already led to drone strikes and missiles being launched on Riyadh (imprecisely). This could continue and increase. Iran would only want to take such a blatant step through the Yemen crisis if the international community does not continue to support the JCPOA and purchase Iranian oil.

Iran has previously launched cyber-attacks on Saudi Arabia, and it has expanded its capacities to do so. It regularly threatens to close the Straits of Hormuz (and has already threatened to do so over the latest announcement on the oil export waivers), but this would harm Iran just as much as it harms Saudi Arabia, as well as substantially inflaming other international players. Iran may be more assertive in the Persian Gulf by harassing US ships and neutral fishing vessels, or it could return to extensive testing of ballistic missiles. Ultimately, Iran will not engage in tit-for-tat retaliation with Saudi Arabia but will use such tools to shore up support from other potential partners.