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In the three decades following President Carter’s dramatic expansion of the American commitment to the Middle East, the United States has consistently served as the region’s security guarantor and its most dominant external actor. The U.S. government’s robust approach to the region stemmed from a desire to secure three enduring interests: the free flow of Middle Eastern energy from the region, the continued security and well-being of Israel, and the reduction of terrorist and rogue actor threats. To achieve these ends, the United States committed substantial diplomatic, economic and military resources to secure the support of its regional allies, while proving willing to intervene militarily when it perceived its interests to be threatened.

As the Obama administration has increasingly realized, however, this traditional approach to the Middle East no longer matches shifting regional dynamics. Put simply, American interests in the region have narrowed. An unprecedented increase in domestic oil and natural gas production has rendered the United States considerably less reliant on Gulf energy, with economists predicting that the United States will become completely self-sufficient by 2030. Meanwhile, our partners in the Gulf Cooperation Council (GCC) have made some modest strides in providing for their own security. Additionally, while the United States remains committed to Israel’s security, Israel today has become a more capable regional power that no longer needs unconditional U.S. support to survive. Lastly, while jihadist terrorism remains a real threat, the number of terrorist organizations capable of launching a large-scale attack on the homeland has decreased since the years immediately following 9/11.

At the same time, the traditional, robust approach has often proven ineffective at confronting regional problems, as the U.S. government’s costly and lengthy engagement in Iraq can attest. Increasingly, the United States’ ability to effect positive change in the Middle East unilaterally—even with a substantial investment of economic and military resources—has come into question. The lack of positive results, combined with massive expenditures and emerging challenges in other parts of the world, has reduced American resolve to continue investing in the region’s future.

Recognizing these new realities, the Obama administration has significantly scaled back U.S. engagement in the region, preferring to act only when there is a direct threat to American security and when there is widespread multilateral support, while refraining from large-scale interventions. However, this report argues that the administration has overcorrected: from hailing a “pivot” to Asia to remaining hesitant to act in crises gripping Syria and Iraq, the United States has created a perception that it has left the region without responsible leadership and direction. As a result, other actors have come to “lead” in ways counter to U.S. interests, as evidenced by Saudi and Qatari funding of extremists in Syria and Israeli expansion of settlements in the West Bank.

Drawing on original research and information gleaned from field interviews with
government officials, academics, and civil society leaders across the Middle East, this
report argues that only a reassertion of U.S. leadership and renewed engagement in the
region will secure American interests in the long run.² This should be accomplished
through a new strategy of calibrated leadership in which the United States (1) clearly
defines what resources the U.S. government is willing to commit to resolve regional
challenges, (2) leads the international community in developing strategic frameworks for
approaching today’s major regional problems, and (3) uses the U.S. government’s unique
convening authority to bring allies to the table to agree upon shared plans for resolving
those challenges.

² For a full list of interviewees, please refer to Appendix II of this report.
The United States maintains an interest in ensuring energy flows, safeguarding Israeli security, and reducing the threat of violence from terrorists and rogue actors in the region. However, rising foreign dependence on Middle Eastern oil and natural gas, Israel’s growth as a competent regional power, and the U.S. government’s shift away from the notion that insecurity anywhere threatens security everywhere collectively suggest that the United States does not possess the same degree of direct and overwhelming interest in the region that it once did. Given the dilution of the United States’ national interests and past policy failures, there must be a commensurate reevaluation of the U.S. government’s traditional approach to the Middle East.

We propose that the United States pursue a new strategy of calibrated leadership in the region by:

1. More clearly articulating the resources the U.S. government is willing to commit to resolve regional challenges
2. Leading the international community by developing strategic frameworks for approaching today’s major regional problems
3. Applying the United States’ unique convening authority more compellingly to bring allies to the table to agree on shared plans for resolving those challenges
Applying this strategy would lend greater coherence to U.S. policy approaches to regional challenges – including the Syrian civil war, the Middle East peace process, counterterrorism initiatives, and Gulf security – and would provide a consistent framework with which to respond to future crises that may arise in the region.

**Strategic Outcomes**

This strategy outlines a new character for U.S. leadership in the Middle East—one that strengthens the United States’ ability to influence outcomes in the region, but that is also consistent with contemporary political and resource realities. Calibrated leadership sets clear commitments and limits on American resource inputs to regional issues. It requires clear communication that the United States will not serve as the sole force behind resolving regional challenges. At the same time, the strategy demonstrates that the United States remains committed to working with allies to support a secure and prosperous Middle East. It does so by exercising the United States’ traditional convening authority, articulating U.S. willingness to commit resources to resolve problems, and facilitating international strategic discussion among key players. In this way, the U.S. government will still play a central role in shaping outcomes.

One of the most common criticisms levied against the U.S. role in the Middle East is that the U.S. government has lost credibility in the region, from either failing to follow through on its words with action, perpetuating policy ambiguities that make it difficult for partner countries to know where the United States stands, or from taking a diffuse, often ad hoc and reactive policy approach that fails to consistently concentrate U.S. efforts and national resources to produce effective outcomes.

While credibility is not in and of itself a U.S. interest, regaining it in the region is essential to exercising effective leadership there. U.S. allies, partners, and rivals must believe that the United States has the capability and the will to do what it says. For the U.S. government to play an effective role in the Middle East peace process, for example, it must be seen as a credible mediator that listens to both sides, and that is also willing to provide incentives to and exact consequences from both sides when necessary. Calibrated leadership requires the United States to clearly state what it will and will not do, to operate within a multilateral context, and to follow through on its promises, thereby building credibility.

Finally, this strategy of calibrated leadership provides a framework for regional U.S. engagement that stimulates regional partners to leverage their own resources to address regional problems in a way that concentrates efforts to achieve unified outcomes, rather than having a series of isolated efforts by individual countries potentially working at cross-purposes. In doing so, the United States will build the credibility to better mobilize material resources and political will toward achieving the United States’ desired outcomes in the Middle East, commensurate with the nature of U.S. interests in the region.
Effective application of this strategy will require four key components:

(1) **Effective domestic communications:** The administration must communicate more effectively with the American public. This includes clearly articulating both the policy choices and the reasoning behind them, as well as having a transparent conversation with the American public about how those policy choices fit into an overall strategic vision for the U.S. role in the Middle East.

(2) **Defined decision-making:** U.S. leadership should make clearer and more definitive decisions about what resources—in terms of diplomatic engagement, material resources, military assets, and other elements of U.S. power—the United States is able and willing to bring to bear on various regional issues.

(3) **Consistent follow-through:** First, the United States must be willing to follow through consistently on its promises and pledges. Second, when the United States says it will not engage in an issue unless certain conditions (such as partner support) are met, the U.S. government must be willing to bear the consequences of inaction. A critical component of this commitment to following through must also be consistent U.S. commitment to solving regional problems in a multilateral—rather than unilateral—manner.

(4) **Alliance management and messaging:** While strong relationships with traditional regional allies remain important, calibrated leadership relies on the recognition that U.S. interests in the Middle East have evolved, rendering the United States less directly dependent on a handful of traditional allies. The United States should pursue greater diversity in its regional relationships, and should exert greater leverage when necessary with allies that have traditionally been more insulated from U.S. pressure. This renewed independence should be reflected in U.S. messaging, which should more directly articulate U.S. expectations from regional partners. For example, the U.S. government should recommit to speaking out against Israeli and Palestinian policies that impede progress toward peace. Effective messaging with regional partners is essential to building credibility.

These four elements are critical to the U.S. government’s ability to effectively communicate what it is and is not willing to commit toward regional issues, to act as a credible convener on the international stage, and to spearhead multilateral efforts to address the region’s most complex and pressing issues.
What would a more calibrated U.S. leadership role in the Middle East actually look like? The following section applies the proposed strategy to a selection of pressing policy challenges gripping the region, including the crisis in Syria, counterterrorism initiatives, the Middle East peace process, and the future of Gulf security.3

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3 The writers of this report acknowledge that there are many other serious challenges to U.S. interests in the region, including the potential for a nuclear Iran, instability in Iraq, the uncertain future of the U.S.-Egypt relationship, and ongoing crises in Libya and Yemen. Although constraints prevent us from including a detailed application of the strategy to each of these issues, the framework has been designed with them in mind and can be applied consistently across the diversity of regional challenges.
**Regional Case Study 1:**

**Renewing U.S. Leadership in the Syria Crisis**

Any discussion of future U.S. strategy in the Middle East cannot ignore the Syrian civil war, which remains the epicenter of instability and conflict across the region. The war to date has claimed almost 200,000 lives and generated a refugee crisis that threatens to undermine the stability of Syria’s neighboring countries, as depicted below. At the same time, the conflict has created fertile new operating space for jihadist terror organizations, including Jabhat al-Nusra and the Islamic State of Iraq and the Levant (ISIL).

![Map of Syria showing the spread of conflict and refugee crisis](image)

Source: BBC, January 2015

The widespread instability stoked by this crisis poses threats to U.S. interests in the region. First, the lack of rule of law in Iraq threatens the flow of energy from the region, while the growing threat of extremism could affect Saudi Arabia’s oil output. Second, the conflict provides a significant recruitment opportunity for terrorists. While that fact alone is insufficient to warrant a large-scale U.S. military action, it nonetheless poses a potential future risk to U.S. citizens and interests. Third, the perception among American allies and foes that the U.S. government will not assume a leadership role to resolve the conflict undermines the United States’ ability to pursue effective leadership on a range of
policy issues. Lastly, humanitarian concerns have captured much of the U.S. government’s attention throughout the crisis—and rightly so. If left unchecked, the Syrian civil war could prove to be the bloodiest conflict in decades.

**Core Assumptions:**

- The preferred outcome in Syria is a negotiated agreement between the regime and the opposition.
- Currently, the regime has no reason to negotiate in good faith as it is winning the battle in key areas.
- As in Bosnia in the early 1990s and in other civil wars, only a mutual hurting stalemate can bring the parties to negotiate effectively.
- The United States will lead the charge to bring about this stalemate by more aggressively supporting the opposition, but will not serve as the main provider of financial and military resources in this effort.
- Regional powers’ attempts to bring the conflict to an end have made the conflict worse rather than better. In order for U.S. allies in the region to take constructive leadership roles, the United States needs to gather regional allies around one plan for Syria.

**Outlining a New Approach**

The time has come for the United States to resume its leadership role in the region by outlining a more assertive, comprehensive plan to address the Syrian crisis and by incorporating strategic input and resource contributions from U.S. partners. By doing so, the United States will improve its credibility in the region—paving the way for a more trusted leadership role in the future—and work to secure its key interests in the Middle East.
This new U.S. strategy will maintain the U.S. government’s core objectives in the country, including the alleviation of human suffering, the reduction of extremist threats, and a concerted push toward a political solution. However, the strategy seeks to achieve these objectives in a new way, one that will require significantly more resources from U.S. and international partners. This Syria strategy builds on the strategy the Obama administration has already developed for Iraq.

**To achieve these objectives, the United States and coalition partners should:**

- Expand the train-and-equip program to enable the opposition to bring fighting to a mutual hurting stalemate.
- Establish a safe zone in northern Syria to create a viable model for local governance that will then be copied in other areas.

**PARAMETERS:**

- The United States will form a coalition of Arab and European partners to help the opposition defend itself and will support a Syria in which Bashar al-Assad is not in power in the long-term.
- The United States will allocate greater financial and military resources to alleviate humanitarian suffering in Syria and support the opposition, *conditional* upon Arab and European partners contributing significantly more resources to the effort.
- All financial and material contributions to the opposition will be authorized by the coalition first. Coalition members must commit to stem any private funding flowing through their borders to the warring parties.
- To receive training and support from the United States and coalition partners, opposition elements must commit to:
  - Severing ties to radical Islamist organizations (including Jabhat al-Nusra and Ahrar al-Sham)
  - Respecting the rights of ethnic and religious minorities both during the conflict and afterward during the reconstruction and governance phase
  - Accepting a vision in which Assad remains part of a short-term transition period
- Any negotiated agreement will require enforcement mechanisms. Members of the coalition will have to commit to contribute their share to post-conflict peacekeeping operations.
- If Arab and European countries reject this call to action or are unwilling to contribute a substantial portion of the financial and military resources, the United States will not proceed on its own.
IMPLEMENTATION:

The United States should push for enforcing an “air-exclusion zone” (AEZ) in northern Syria along the Turkish border. The U.S. government will clearly indicate its willingness to commit military assets to such an effort, but only with the support of Turkish ground forces and other Arab and European forces around the safe zone area to prevent atrocities on the ground. Moreover, the United States must press its Arab partners to finance the majority of the costs of enforcing the AEZ through the contribution of both funds and physical assets, including fighter jets and ground troops.

If coalition countries agree to such conditions, the United States will take the lead in coordinating these efforts and will increase its contributions as well, in the form of additional jetfighters, Patriot batteries on the Turkish border, and more military advisors to assist the operation. However, the U.S. government must make clear to its coalition partners that it will deploy no ground combat forces into Syrian territory. At the same time, the United States will expand its train-and-equip program with funding from Arab countries and contributions from European countries.4

EXPLAINING THE STRATEGY TO THE U.S. PUBLIC:

Rallying American public opinion behind an expanded operation in Syria will be difficult. Polling suggests that the majority of Americans are concerned about the threat posed by ISIL, and that they desire a clearer vision for U.S. foreign policy. Therefore, the administration should focus its public messaging around the following:

- This conflict is destabilizing a part of the world that is important to the United States, and is providing an opportunity for terrorist recruitment.
- The United States cannot resolve conflicts around the world unilaterally. However, when we have a coalition of willing partners, and we have a unique ability to help people, we have an obligation to do so.
- The United States still has a role to play as a force for good and, as the president has said, when the United States can act with allies to stop atrocities, it should.

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4 The precedent for such funding exists in recent French and German contributions to assist Kurdish forces.
Establishing a safe-zone in northern Syria will:

- Alleviate human suffering by offering civilians a safe-haven from government airstrikes
- Facilitate aid delivery to Syrians affected by the crisis
- Afford the Free Syrian Army an opportunity to pursue effective governance in a safe area, which can serve as a model for other areas in Syria and which will allow prominent opposition figures to move back into a Syrian safe-haven
- Provide a suitable training ground for the Syrian opposition, which, when prepared, will move to combat the Syrian regime and ISIL in other areas, possibly with coalition air support
- Offer Syrians a safe-haven and alternative to supporting radical extremists
- Improve the U.S. image and credibility in the region

Potential Obstacles and Responses:

1. **Arab and European countries reject the proposal:** If members of the coalition decide that they are not willing to invest significant resources to this plan, the United States will not execute it. The U.S. government will maintain its plan to use $500 million to train and equip the opposition and will continue to allocate limited funds to humanitarian aid.

2. **Iranian opposition:** Iran remains the biggest supporter of the Assad regime and will vehemently oppose this policy. It is possible Tehran will use its proxies to target American forces in Iraq or elsewhere as retaliation. Furthermore, a more aggressive stance on Syria may affect Iran’s stance in ongoing P5+1 negotiations. In a best case scenario, a more aggressive policy in Syria could demonstrate to the Iranians that the United States remains willing and able to apply military force to the region, thereby placing more pressure on Tehran. On the other hand, this policy could easily undermine the limited trust Washington and Tehran have developed throughout the negotiations, as Iran will view this policy as an unjust Western incursion.

3. **Russian opposition:** Moscow, which continues to view Syria as part of its historical sphere of influence, has stated previously that enforcing an AEZ will constitute a violation of international law, and Russia has pledged to oppose the policy through international forums if such a plan is executed. However, as this policy does not constitute an overt attack against the Assad regime, it is possible that Russia’s response will not be as extreme. In order to mitigate a Russian response, the United States should first inform Russia of its plans to pursue this policy. A firm U.S. commitment to follow through on the policy could prompt Russia to make limited concessions and offer an alternative, more appealing plan to U.S. interests, as happened during the chemical

weapons removal negotiations. If and when Russia offers an alternative course, the U.S. government should only consider the plan if it facilitates the ultimate objective of bringing both parties to the negotiation table. To mitigate the risk of Moscow stalling and prolonging the status quo, the U.S. government should put forth a deadline by which it expects Russia’s response to the AEZ plan.

(4) Jabhat al-Nusra, ISIL and other radical extremists: Terrorist organizations such as ISIL and Jabhat al-Nusra will likely try to target the safe-zone and destabilize it. However, Turkish forces on the ground and aerial support will serve to minimize the effectiveness of such attacks.

(5) Escalation by the Assad regime: The Assad regime will view an AEZ as a violation of its sovereignty and could respond with military force. Such retaliation could involve attempts to shoot down coalition planes, the use of partners such as Hezbollah to destabilize the safe-zone, or even an attack on Israel. However, in recent years Israel has already executed aerial strikes against the regime, including shooting down a Syrian jetfighter in south Syria, and Assad has refrained from retaliation. Furthermore, it remains unclear whether Assad will actually perceive such an AEZ as an existential threat to his survival, as the plan would not influence his centers of control in the capital, along the Lebanese border, and along the Syrian coast. Last, it remains possible that a Syrian military commander could act on his own accord and shoot down a coalition jetfighter. In that scenario, the coalition will have to act responsibly to avoid escalating the situation, potentially by executing only a limited strike against the unit that fired the missile.
The U.S. government has come to a crossroads in its fight against terrorism: the threat itself has evolved, as has the U.S. government’s strategy to counter it. On the one hand, the past fourteen years of focused military action, diplomatic engagement and assistance, expanded intelligence activities and robust homeland security measures have all reduced the threat of a catastrophic attack on U.S. soil. By some estimates, Al Qaeda core today has 80 percent fewer members than it did immediately after 9/11. Until the end of 2013, U.S. government intelligence officials assessed that only two jihadi terrorist groups had the capacity and intent to attack the U.S. homeland, and the probably of a catastrophic attack was relatively low. On the other hand, new, and in some ways, more extreme, jihadi terrorist groups have emerged, including ISIL (for more, see Appendix I). Terrorism experts both within and outside the U.S. government agree that ISIL is not currently focused on attacking the United States. However, the organization has attracted thousands of foreign fighters and poses a threat to American allies and interests in the Middle East, as well as a potential future threat to Americans at home.

Unfortunately, ISIL represents just one of many new militant groups to have emerged from the crisis in Syria. Organizations such as Khorasan and Jabhat al-Nusra in Syria and Welayat Sinai (formerly Ansar Bayt al-Maqdis) in Egypt could also pose a threat to U.S. security in the long term. Last, many close U.S. allies in the Middle East, from Egypt to the United Arab Emirates, argue that Islamist organizations of all stripes pose existential threats to regional security in the aftermath of the Arab uprisings.

The U.S. government’s counterterrorism strategy has also evolved dramatically in the thirteen years following the September 11th attacks. Initially, President Bush’s administration viewed democracy promotion as the most viable way to reduce terrorist radicalization. As understanding of the process of terrorist radicalization and recruitment evolved, so, too, did the U.S. government strategy to counter it. President Obama’s administration, by contrast, has pursued a strategy of containment, which employs “targeted action against terrorists” to reduce threats, “effective partnerships” to address the proliferation of extremist groups, and “diplomatic engagement and assistance” to reduce the drivers of terrorism. It has proven largely effective.

The new U.S.-led campaign against ISIL represents a shift in U.S. counterterrorism strategy, to an unclear end. Though the campaign’s stated goals are to “degrade and defeat” ISIL, it is hard to foresee a future in which ISIL is destroyed while the conflict in Syria endures and continues to provide fertile ground for radicalization.

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evidence suggests that long and costly large-scale military campaigns rarely defeat terrorist organizations; instead, they often stimulate recruitment and radicalization. While the current military campaign against ISIL has already degraded the organization’s communications and logistics capabilities, the operation remains unlikely to completely defeat the organization and continues to incur substantial costs. Consequently, fighting a drawn-out war aiming to destroy ISIL may not serve the United States’ long-term interests.

The application of “calibrated leadership” to U.S. counterterrorism strategy therefore depends, in a large part, on U.S. government policy in Syria. This report recommends a two-phased approach. The steps in the short-term phase aim to move the American public and allies to a place in which a return to the Obama administration’s containment strategy in the long term is possible. These recommendations also recognize that there is no “ideal” policy in the short term that addresses both the conflict in Syria and the rise of violent extremism, and acknowledges that the U.S. government must make difficult choices about what is ultimately in the United States’ best interest.
This paper proposes the following two options for action in the short-term, defined as the coming year:

**OPTION 1**

*Expand and reorient the campaign against ISIL to focus on bringing the conflict in Syria to a stalemate, in line with the proposal put forward in the Syria case study in this report.*

This policy prescription poses many risks, but also offers the prospect of truly reducing the source of radicalization for ISIL, Jabhat al-Nusra, and other groups in the long-term.

**OPTION 2**

*Define more limited goals in the counter-ISIL campaign to degrade, but not destroy, the organization. These more limited objectives would include continuing to reduce the organization’s logistical and communications capabilities.*

The current campaign against ISIL requires the United States to fundamentally reconsider its counterterrorism strategy in the region. In the short term, the United States should redefine the war to focus on bringing the conflict in Syria to a stalemate and stabilizing Iraq, while degrading, but not destroying, ISIL. In the medium term, the United States should return to a counterterrorism strategy that more closely mirrors the president’s existing strategy of containment. In this revised counterterrorism strategy, U.S. policy should focus on defining the resources the United States will commit to counterterrorism in the region, convening key stakeholders to develop a shared framework for approaching counterterrorism and communicating a new narrative about the terrorist threat with the American public.

As such, the U.S. government should work to accomplish the following:

1. Convene key stakeholders to develop a shared framework for approaching counterterrorism
   - *Return to a narrower vision of counterterrorism:* Work with allies to shift the focus of counterterrorism to preventing large-scale attacks and reducing the sources of extremism. Continue military training programs and Foreign Internal
Defense missions to support foreign militaries in fighting extremist groups within their own territories. Use forums such as the Global Counterterrorism Forum to refine and socialize this vision with key stakeholders.

- **Focus on preventing large-scale attacks:** Focus on securing nuclear materials from terrorists and detecting and preventing large-scale attacks. Identify and expand the most effective programs in helping foreign governments build greater security around nuclear materials in their countries (including programs in the Departments of Energy, State and Defense).

- **Cultivate, through dialogue, a shared understanding with allies of the drivers of extremism:** Engage in high-level discussions with allies about how political repression and torture can lead to radicalization. Pressure governments bilaterally to reduce oppression and the use of violence against those they deem to be terrorists in their own countries.

(2) Define the type and extent of U.S. counterterrorism contributions in the region

- **Avoid large military operations against a terrorist organization:** By far, the most significant cost of U.S. counterterrorism operations stems from extensive wars in Iraq and Afghanistan, and now the new campaign against ISIL. As noted above, these operations rarely prove completely effective in eliminating terrorist threats. In the context of U.S. military operations, military campaigns may indeed degrade a terrorist organization’s capabilities, but are unlikely to destroy the organization entirely. Recognizing this, the United States should instead focus on taking targeted military action through the use of unmanned aerial vehicles and special operations forces missions against terrorist organizations that are planning an attack, or have already conducted an attack (such as ISIL beheadings of American journalists).

(3) Open a new dialogue with the American public about the true nature of the terrorist threat

- **Redefine the American narrative about the threat of terrorism:** In order to pursue a counterterrorism strategy that is financially viable in the long term, it must be politically feasible for U.S. leaders to accept more risk in their approach to counterterrorism. U.S. political leaders must speak more candidly to the American people about the threat posed by terrorism today, much like President Obama did in a speech at the National Defense University in May 2013. This group’s interviews with political and foreign policy experts suggest the best way to build greater resilience to terrorist attacks among Americans is to clearly and candidly articulate the threat, what the United States is doing to counter it, and then put it into proper context with other challenges facing Americans today.
A reassertion of U.S. leadership in the Middle East will also require renewed efforts to resolve the region’s most entrenched challenge: the Palestinian-Israeli conflict. The two-state solution remains the most viable plan for peace and has received the endorsement of the United States, the Arab world and both parties in the conflict. Nevertheless, this vision has not materialized.

**Observations on the Present Situation**

Despite the fact that both sides have endorsed the two-state solution, current conditions on the ground preclude progress towards a final status agreement. This impasse stems from a mix of personal, political, and leadership issues that render significant political concessions unfeasible. Specifically, neither the Israeli nor the Palestinian administrations are ready to make concessions for long-term peace, and the United States' role maintains limited legitimacy in the eyes of both sides.

Still, the current status quo is unsustainable. Inaction will result in deteriorated conditions for both sides and increase contentious activity such as settlement building and violence in Jerusalem. The current dynamic will not create more favorable conditions for future negotiations, but only enforce more entrenched positions that hinder a peace agreement in the future.

With comprehensive negotiations infeasible on the one hand, and destructive outcomes for lack of action on the other, policymakers must define limited but obtainable goals for the short-run. To demonstrate calibrated leadership in the region, the United States should alter its policy in the short-term to make long-term peace viable. This new direction in policy must be both realistic for the parties involved and focused on promoting the long-term vision. Our research recommends the following gradual, two-stage approach:
The United States should focus on achieving the following three specific objectives in the short-term: (1) reverse the current deterioration dynamics, (2) build trust between the Israeli and the Palestinian administrations and also between each party and the United States, and (3) create more favorable conditions on the ground for a future long-term solution, including working towards the economic disentanglement of Israel and the Palestinian territories, addressing humanitarian crises, and building state-like institutions for Palestinians.

With the focus on building trust, this stage should not require either side to make difficult concessions on the core issues of the final status agreement. **The United States should use the following guidelines when directing actions for this period:**

1) Focus on actions that do not escalate tensions between either side or with the United States

2) Focus on actions that change the reality on the ground in favor of the long-term vision

3) If possible, create operating frameworks in which the both sides can address problems through dialogue. If not, promote actions that do not require full cooperation from either side.

**Challenges and Spoilers**

Pushing for incremental improvements as an initial phase is not a new idea, and history shows that it is typically challenged by detrimental actions taken by both sides to promote their stance on the final status agreement. Some recent examples include Israeli settlement activity in the West Bank and the Palestinian push for UN recognition.

As a general rule, the United States should confront the sides on these matters only if the proposed action is fundamentally opposed to the long-term vision. It should avoid confrontation on issues of lesser importance, so that it maintains its brokerage position for the second stage.

**The following is a list of examples for specific actions:**

Assist in supporting Israeli participation in global academic and economic organizations to further Israel's international integration and normalization.

Work to achieve an Israeli and Palestinian agreement on easing restrictions against the purchase and delivery of used medical equipment to the Palestinian Territories.

Reach an agreement on the shipment of goods from the Palestinian Territories, to be checked by less invasive measures, such as larger metal detectors or through a separate certification process for frequent shippers.
Negotiate an interim solution to the Palestinian water crisis based on a trilateral agreement between Israel, Jordan and the Palestinian territories in which each party has a specific role in water desalination, maintenance, and water sharing mechanisms in return for specific security assurances and resources.

Developing Israeli and Palestinian education projects to create magnet programs and shared scholarships for Israeli and Palestinian children in cooperative schools.

At this point, the only viable long-term solution is the two-state solution originally proposed by President Clinton in 2000 through the Clinton Parameters. However, the many alternative proposals presented over the years may include useful options for improving this vision. The first stage of this recommended approach must operate with the two-state solution as its ultimate intended goal, but these years may also be used to revisit some aspects of the solution and update it accordingly.

**STAGE 2**
The Long Term (3-5 years): Decisive Negotiation of a Final-Status Agreement

In the second stage, the United States should draw on its unique convening authority to establish a decisive, time-limited negotiation of a final status agreement. When approaching this stage, the United States, in conjunction with other European or Arab partners approved by both sides, should put forward a clear set of parameters and consequences for Israeli and Palestinian leadership aimed to exert pressure on both sides for compliance.

This stage is only viable if the short-term objectives are at least partially achieved. Thus, parameters for these negotiations should be determined at the end of Stage 1. As realities may quickly change in the region, it will be important to fashion parameters in line with the political environment at the end of the first two years of this approach. These parameters must reflect the key role Arab partners in the region will play for the success of a final status agreement. The two-state solution requires both trust and strong leadership, both of which are hard to come by in current conditions and will remain so if the situation continues to deteriorate. The Obama administration has an opportunity to set the stage for decisive negotiations in the future. Achieving Stage 1 objectives will, in and of itself, serve as a tremendous contribution to an eventual Middle East peace plan and create a more defined, calibrated leadership role for the United States in the region. Only then can Stage 2 be fully realized and a final status agreement bring the long-standing conflict to an end.

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7A comprehensive survey of many of these ideas can be found in WWS Graduate Policy Workshop paper “Exploring Alternatives to the Two-State Solution,” December 2012.
The proposed calibrated leadership strategy recognizes that the United States no longer needs to maintain the same level of robust, costly engagement in the broader Middle East. In the Gulf, this engagement has traditionally involved extensive security commitments to protect the free flow of oil to American markets through strategic chokepoints like the Strait of Hormuz, through which a fifth of the world’s energy resources flow each day. Additionally, U.S. security commitments have served as a deterrent against aggressive regional actors hostile to U.S. interests, from Iraq in the early 1990s to Iran today.

Today, however, the United States has made remarkable strides toward achieving energy independence from Gulf oil, primarily due to technological innovation in shale oil extraction. In 2009, China became the world’s largest importer of Gulf oil, and Asian consumption of Middle Eastern petrol and natural gas continues to rise. At the same time, however, the enduring U.S. military presence in the Gulf constitutes a significant share of the U.S. defense budget. American troop presence remains much higher than in the years before the first Gulf War, when U.S. security strategy in the region focused on prepositioning equipment and ensuring contingency access to partner military facilities in the region.

In light of these narrower interests and sustained costs, some observers have argued for a dramatic drawdown of U.S. military presence in the Gulf. Our research suggests this

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strategy is ill-advised: even though the United States consumes less oil from the Gulf, it remains exposed to global energy prices, and energy supply disruptions affect the health of the overall world economy. Similarly, though the threat of Iranian nuclear power may be reduced through ongoing negotiations, Tehran has not disappeared as a major challenge to Gulf security. Lastly, similar to the British political and military retreat in 1971, a prompt U.S. withdrawal could result in a power vacuum in the region, but this time with no clear Western-friendly replacement power to fill it.  

In this context, our calibrated leadership strategy recommends continued U.S. leadership and security commitments to the Gulf, but with the ultimate aim of seeking greater diversity in the sources of Gulf security by empowering GCC partners to provide more of their own security, while bringing in NATO and NATO-member allies to help share the burden of backstopping security in the Gulf. Ultimately, this strategy envisions a multilateral security arrangement in the Gulf, led by

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11 Additionally, there is little momentum within the U.S. government today to significantly reduce the United States’ military presence in the Gulf. As the Obama administration has repeatedly affirmed, the U.S. government will continue to maintain significant military presence in the region in the foreseeable future, particularly in terms of naval assets. In 2014, for example, Vice Admiral John Miller announced that the $580 million expansion of the 5th Fleet’s base in Bahrain would “extend U.S. operational tenure in the Gulf well into the middle of the century,” adding that “we would not plan for this infrastructure if we did not plan on staying here.” See: “Expansion of 5th Fleet Base Underscores Long Term Gulf Presence,” Defense News, March 27, 2014.
the United States but with considerable input in both vision and resources from trusted partners in the GCC and NATO.12

POLICY RECOMMENDATIONS

In order to bring current policy in line with the calibrated leadership strategy, we recommend that the United States:

(1) Bring NATO and NATO-member allies into the regional security structure: NATO-member interest in Gulf security has grown in the past decade, including a new French military base in the UAE, the inauguration of the Istanbul Cooperation Initiative (ICI)—a NATO defense dialogue with Bahrain, Kuwait, Qatar, and the UAE—and the United Kingdom’s interest in establishing a more robust security presence in the region.13 Moreover, NATO has recently renewed its strategic focus on strengthening NATO-Gulf cooperation. The United States should help channel this increased interest towards bolstering security in the region while decreasing reliance on the United States as the sole source of that security. Specifically, the United States should encourage Saudi and Omani membership in the ICI and link American-GCC Defense Dialogue activities to related ICI activities. Endorsing the NATO Interoperability Platform as a tool for security integration is one way to do this, as is encouraging Gulf countries to join NATO’s counter-piracy operation, operation “Ocean Shield.” The United States should also facilitate a growing UK interest in expanding a military presence in the region through diplomatic channels and by offering to share existing basing infrastructure where possible to help the UK gain a regional foothold more quickly. These actions could eventually lead to a transition from a basing structure dominated by the United States to one dominated by NATO and GCC forces with significant U.S. involvement.

(2) Continue strengthening GCC regional security capabilities: The United States should continue pressing for Gulf cooperation in priority security areas, including missile defense, maritime security, and cybersecurity. Progress in GCC security integration should be tied to clearer timelines for transferring responsibility for specific activities to the GCC. Existing U.S. efforts toward encouraging GCC cooperation would be strengthened by increasing NATO-member involvement in training and interoperability efforts. Given that training is currently the ICI’s primary function, all sides would benefit from pursuing this natural linkage.

12 Given China’s role as the United States’ principal global competitor and potential geopolitical rival, affording Beijing a role in this security framework—even if China consumes the majority of Gulf oil—may not be in U.S. long-term security interests.
13 On December 6, 2014, London signed a landmark deal with Manama to open a naval facility Bahrain, Britain’s first permanent military installation in the Gulf since it withdrew from the region in 1971. See: “Britain to open naval base in Bahrain,” Al-Jazeera, December 6, 2014.
(3) Drawdown the U.S. security role where GCC and NATO allies show increased capability: As GCC and multilateral capabilities expand, the United States should proportionally draw down its presence and, in the long-term, refocus U.S. efforts on prepositioning equipment in the Gulf rather than maintaining active troop rotations.
Accomplishing many of the strategic objectives discussed in this report will require adequate buy-in and resource contribution from Middle Eastern partners, as the United States can no longer shoulder the burden of addressing regional issues alone. To incentivize greater cooperation toward shared regional security and economic goals, this report argues in favor of alleviating a common source of friction between the U.S. and Arab governments—outdated democracy promotion efforts—in favor of channeling resources toward economic development, an area in which U.S. partners actively want American assistance.

**BACKGROUND**

The United States has a mixed track record in promoting democracy in the Middle East, and what has been perceived as the United States’ inconsistent support for this aim has both undermined U.S. credibility among regional populations and created tension in U.S. relationships with regional governments. Our research in the region corroborates that “democracy” in name and the manner in which the U.S. government has promoted it have not been welcome. Meanwhile, the middle-income countries of the region suffer from inadequate and inequitable economic growth that excludes large sections of the
population. Economic structural problems mean aid dollars are often spent without yielding any long-term growth, while youth unemployment has created a powder keg of political instability.

Consequently, this report advocates channeling U.S. democracy promotion efforts into regional economic development programming, focusing U.S. assistance on interventions that provide real job growth and economic development. Spending on economic growth and the expansion of economic opportunity in the Middle East may prove the greatest investment the United States can make in extricating itself from the crisis-response role it has played in the region for the last half-century. Bolstering the growth of the region’s economies, their interdependence, and the opportunities they offer their citizens constitutes an investment in the region’s long-term stability—a goal in line with U.S. interests.

This approach means that, while the U.S. government would still call for democratic reforms both publicly and privately, it would reduce the amount of funding that goes to traditional democracy promotion programming and shift it to economic development-focused programming. This approach could very well support more democratic reforms in the long-term: as many political scientists have offered, wealthier and more educated populaces are more likely to demand their civil and political freedoms in a more sustained and sustainable way.14

![U.S. Foreign Aid to the Middle East and North Africa](image)

Source: USAID, 2015

14 Tunisia, for example, has seen a much better managed democratic transition than many other Arab governments. Though their success can be attributed to a number of other factors, including a small, more homogenous population, experts point to the country’s relatively more educated, wealthier populace as a key catalyst of democratic reform.
POLICY RECOMMENDATIONS

While the policy experts interviewed on this topic agreed that the reduction of democracy promotion programming was a sound and important policy shift, they also called it a political non-starter. However, the endurance of a policy that alienates current and potential allies and fails to deliver the positive democratic outcomes we value is not in the United States’ interest. The U.S. government should not abandon the promotion of liberal values, but it should revisit the way it does so. In other words, the United States should engage in a rebranding effort to shift its focus from traditional democracy promotion programming to a greater emphasis on shared interests in regional economic growth and development. This can be accomplished through the following:

- **Promoting education:** Economic growth through education is more palatable to regional governments because it can alleviate demands for political reform in the short-run. Yet it is also valuable to the United States because populations that are invested in their countries’ economies are more likely to become agents for political reform in the long-run. Specifically, promoting the academic disciplines of science, technology, engineering and mathematics (STEM) in regional universities would allow larger companies to employ local talent. Currently, corporations complain of a mismatch between the demand for highly educated employees and the abilities of those who graduate from local universities, where religion and law are primary areas of education. In addition to promoting STEM programs, investing in vocational training and establishing technical schools would address this gap while providing the region’s populations with concrete, long-term benefits.

- **Funding entrepreneurship:** The Middle East Partnership Initiative (MEPI) emphasizes support for organizations that contribute to social change. Under this program, funding should be increased for enterprises that focus on job creation, regardless of whether their primary objective is social change.

- **Reforming the business environment:** Currently, it is difficult to create firms that can produce output on a scale that rivals government- or crony-run factories, so they cannot compete in the market. Removing the state’s role in business operations would allow smaller companies to compete and grow. Such a large step will encounter strong resistance from rent-seeking governments, but smaller steps towards this reform might not: changes to corporate governance laws can at least begin to open the door to larger-scale non-government-run enterprises, allowing smaller businesses to pool resources and expertise, while not raising alarm bells for governments or other entrenched interest groups.
**Shifting political, economic, and social dynamics** across the Middle East and evolving U.S. interests in the region require a departure from the U.S. government’s traditional approach. Recognizing this reality, the Obama administration has responded by scaling back engagement in the region and emphasizing multilateralism. In doing so, however, the U.S. government has often left the Middle East without clear leadership on its most pressing regional problems.

The **calibrated leadership strategy** presented in this report calls for addressing these overcorrections: by clearly defining the nature of U.S. commitment to regional challenges, refocusing energy on exercising the United States’ convening authority, and developing strategic problem-solving frameworks, the U.S. government can play a more effective role in securing American interests in the Middle East in the future.
While ISIL has between 15,000 and 20,000 members, U.S. intelligence officials have said that there is no evidence the organization plans to attack the United States directly; nor is it clear that the organization maintains the ability to execute any large-scale operation against the U.S. homeland.\textsuperscript{15} ISIL operates in parts of Iraq where defunct chemical weapons caches exist, yet scholarship suggests it is highly unlikely that the group will be able to access, reconstitute and deploy the weapons on U.S. soil.\textsuperscript{16}

President Obama has suggested that the threat of ISIL comes primarily from the future threat that it could pose. The greatest concern in the near-term is that ISIL members with Western passports fighting in Syria might return from the conflict to plan and execute attacks on the United States or American allies in Europe. The challenge of identifying such individuals is unquestionable.\textsuperscript{17} Proponents of this argument point out that nearly 2,500 Europeans and at least twelve Americans have gone to fight in Syria—an extraordinarily large number, in comparison to the number of Western foreign fighters that joined the wars in Iraq and Afghanistan. They also point out that those foreign fighters do not face the same high mortality rate as their forerunners in the past two wars, suggesting that more will be able to return home to plan and carry out attacks.

However, while these arguments are plausible, the threat foreign fighters pose to domestic security must be put into historical context. Over the past fourteen years, radicalized Americans have taken the lives of just fifty-four people since 2001 (including those who have traveled abroad to war zones). Of those fifty-four, 70 percent, or thirty-four people, were killed by “non-jihadists”—individuals that were not radicalized by Sunni extremist ideology. Thus, although the twenty deaths resulting from jihadi homegrown terrorism certainly constitute regrettable tragedies, the risk posed to the overall U.S. population is relatively low. Furthermore, initial research on foreign fighters in Syria suggests that the number of Westerners likely to carry out attacks on their home countries is particularly low.\textsuperscript{18}

\textsuperscript{15} Membership estimates are from the CIA.
\textsuperscript{16} Interview conducted with Stephen Biddle, October 17, 2014.
APPENDIX II: FIELD INTERVIEWS

EGYPT - JORDAN

OMAREL DERINI
VICE PRESIDENT, RED WING SHOES; FORMER CHAIRMAN OF AMCHAM TRADE/INDUSTRY COMMITTEE

HISHAM EZZ AL ARAB
CHAIRMAN, COMMERCIAL INTERNATIONAL BANK

AYMAN KHALIL
DIRECTOR, ARAB INSTITUTE FOR SECURITY STUDIES

HALA MUSTAFA
WRITER, AHARAM NEWSPAPER

ORAIB AL RANTAWI
DIRECTOR, AL QUDS CENTER FOR POLITICAL STUDIES

AMB. OMAR RIFAI
DIRECTOR, JORDAN INSTITUTE OF DIPLOMACY

ISRAEL - WEST BANK

ZIAD ABU-AMR
DEPUTY PRIME MINISTER, PALESTINIAN AUTHORITY

DR. DIMITRY ADAMSKY
ASSOCIATE PROFESSOR, LAUDER SCHOOL OF GOVERNMENT, DIPLOMACY AND STRATEGY AT IDC HERZLIYA

MAJ. GEN. (RET.) GIORA EILAND
FORMER NATIONAL SECURITY ADVISOR

AMBASSADOR DR. ODED ERAN
SENIOR RESEARCH FELLOW, INSTITUTE FOR NATIONAL SECURITY STUDIES (INSS)

AMBASSADOR AVI GIL
SENIOR RESEARCH FELLOW, JEWISH PEOPLE POLICY INSTITUTE (JPPI)

BRIG. GEN. (RET.) EIVAL GILADI
CHAIRMAN, WESTERN GALILEE COLLEGE & CEO, THE PORTLAND TRUST

AMBASSADOR DORE GOLD
PRESIDENT, JERUSALEM CENTER FOR PUBLIC AFFAIRS (JCPA)

ISAAC (BUJI) HERTZOG
KNESSET HEAD OF OPPosition, HEAD OF LABOR PARTY

BASEM KHALDI
REPRESENTATIVE, UNESCO

GHASSAN AL KHATIB
VICE PRESIDENT, BIRZEIT UNIVERSITY

DR. NIMROD NOVIK
CHAIRMAN, ECONOMIC COOPERATION FOUNDATION

COL. (RET.) YOAV ROSENBERG
PROFESSOR, IDC HERZLIYA
MAJ. GEN. (RET.) AMOS YADLIN
DIRECTOR, INSTITUTE FOR NATIONAL SECURITY STUDIES (INSS)

JIHAD AL WAZIR
GOVERNOR, PALESTINIAN MONETARY AUTHORITY

DR. RAZ ZIMMET
PROFESSOR, CENTER FOR IRANIAN STUDIES AT TEL AVIV UNIVERSITY

GULF STATES

SULTAN BARAKAT
BROOKINGS Doha

SUSAN BASTRESS
PATTON BOGGS

JULIA EADEH
US EMBASSY Doha

MS. NOOR AL-MALNI AL-JEHANI
DOHA FAMILY INSTITUTE

MEHRAN KAMRAVA
GEORGETOWN UNIVERSITY

LUAY AL-KHATEEB
BROOKINGS Doha

ALI LEJLIC
US EMBASSY ABU DHABI

CHARLES LISTER
BROOKINGS Doha

MATT MCLEAN
NYU ABU DHABI

DR. SHEIKHA ABDULLA AL-MISNAD
PRESIDENT, QATAR UNIVERSITY

DR. HASSAN AL-MUHANNADI
HEAD OF DIPLOMATIC INSTITUTION, QATAR FOREIGN MINISTRY

GERD NONNEMAN
GEORGETOWN UNIVERSITY

ABDULWAHAB AL-QASSAB
DOHA INSTITUTE

SULTAN AL-QASSEMI
WRITER AND SOCIAL MEDIA FIGURE, UAE

MOHAMMED BIN ABDULLAH BIN MUTIB AL RUMAIHI
MINISTER'S ASSISTANT TO FOREIGN AFFAIRS, QATAR FOREIGN MINISTRY

DR. ROBERT SHARP
NATIONAL DEFENSE COLLEGE, UAE

AMBASSADOR Dana SHELL SMITH
US EMBASSY DOHA

CATHERINE SWEET
US EMBASSY ABU DHABI