

How Trump shakes up the Middle East

Blog post by Senior Associate Thomas Gratowski, 13 June 2017

It's only been three weeks since Trump's visit to Saudi Arabia, but the repercussions could be felt the moment he left. Only a few hours after his departure to Israel, Bahraini security forces stormed a Shiite village where protesters had staged sit-ins in support of a top Shiite cleric, who Manama accused of supporting foreign interests, meaning Iran. A week later, Egypt's President Al Sisi enacted a new law restricting NGOs. Up until then, he had been reluctant to sign the law because of pressure from US Congressmen. And a week ago, Qatar was isolated by half a dozen Arab states, not least because its critical Al Jazeera news station has annoyed their leaders for many years.

So, what did Trump do in Riyadh? Part of the answer is a new US policy towards the region, based on what he called 'Principled Realism'. Drawing from that, Trump offered the roughly 50 heads of Arab and Muslim states a new kind of relationship. At its core lies a simple trade. Countries in the region should unite to fight terrorism and isolate Iran. In return, Washington would not push for political reform and high human rights standards in their countries. While the first aspect is a familiar theme of US policy, the second could prove to be a significant change. Both the Bush and Obama administrations had thought that ultimately democratisation would be best to fight extremism and instability.

But Trump's new approach alone wouldn't spark such swift reactions. It is the deep sense of vulnerability and insecurity emanating from domestic discontent, Iranian influence and Islamist terrorism at home that is spooking Riyadh and many of its allies. The Arab Spring was a shock to the region, but Gulf countries were mostly successful in shielding themselves from the gravest consequences by ramping up welfare programmes. However, the 2014 oil price crash has diminished their ability to buy off their citizens (see figure below). Yemen's swift descent from hope to disaster - less than a year passed between the successful conclusion of the National Dialogue and the Houthi seizure of the capital Sana'a - has dramatically increased the sense of encroachment in Riyadh and Abu Dhabi. The nuclear deal with Iran was the final strategic challenge that strengthened Riyadh's resolve to act when Obama left office. The Saudi Deputy Crown Prince, Mohammad bin Salman, admitted in May his country would seek to carry the battle to Iran before it would reach Saudi soil.

Governments across the Middle East face increasing budget deficits



General government balance, % of GDP

Source: IMF

In reality, Trump's 'Principled Realism', intended to reduce the terrorist threat for the US homeland, could turn out to be self-defeating and destabilising. He might not be aware of the dynamics his new approach creates, especially how governments in the region might use it to pursue their own agendas. It is an invitation to go after domestic dissent, which risks promoting - rather than preventing - radicalisation. It also provides an opportunity to make gains vis-à-vis regional rivals, thus further dividing - not uniting - the Middle East. The GCC, despite all its shortcomings, is the most successful integration project in the Middle East, and has now been weakened. Even a breakup of the bloc looks possible. Rifts could not only deepen in the Gulf, but also in countries that need to walk a fine line between Tehran and Riyadh, such as Lebanon and Iraq. More confrontation won't stabilise them. And terrorist groups are among the first to benefit from turmoil and deeper social and sectarian divisions.