



The Arab Gulf States
Institute in Washington
Building bridges of understanding

**CHATHAM
HOUSE**
The Royal Institute of
International Affairs



Gulf Geopolitics Forum
Workshop Report



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The Arab Gulf States Institute in Washington (AGSIW), launched in 2015, is an independent, nonprofit institution dedicated to increasing the understanding and appreciation of the social, economic, and political diversity of the Gulf Arab states. Through expert research, analysis, exchanges, and public discussion, the institute seeks to encourage thoughtful debate and inform decision makers shaping U.S. policy regarding this critical geostrategic region.

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About This Report

This report captures the discussion from the “Gulf Geopolitics Forum,” co-hosted by AGSIW and Chatham House on February 24, 2017. The workshop built on discussions from the inaugural “Gulf Geopolitics Forum,” in London in November 2016. The workshop brought together experts from government, business, academia, and the policy world to discuss U.S.-Gulf Arab relations, and the foreign policies and geostrategic concerns of the Gulf states, particularly with respect to Iran. Participants also analyzed the domestic factors driving the Gulf Arab states’ external policies.

The workshop was held under the Chatham House Rule and the views expressed here are those voiced by the participants. Every effort has been made to provide a fair representation of the discussion, although it may not fully represent individual opinions and analysis.

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Welcome Letter

Dear Colleagues,

On behalf of AGSIW and Chatham House, it is my pleasure to share with you the report of the Gulf Geopolitics Forum, co-convened by AGSIW and Chatham House through two workshops held in London and Washington, DC.

In the weeks since convening our discussion a number of events have transpired with the potential for long-term impact on the Gulf Arab states. In particular, we have witnessed the dramatic shift in Saudi royal succession, and the embargo imposed on Qatar by three of its GCC neighbors and Egypt. Nevertheless, we are confident that the discussion reflected in the pages that follow offers important insight and context that remains deeply relevant to our understanding of the profound changes underway in both the United States and the Gulf region. The need for informed, policy-oriented analysis of economic and political transitions in Saudi Arabia, rising tensions between Iran and its Gulf neighbors, energy market shifts, and emerging trends in U.S. domestic and foreign policy – particularly the role of the United States in Gulf and broader Middle Eastern security affairs – has only grown more pronounced in light of recent events.

The forum was comprised of two workshops hosted in London and Washington, DC, in November 2016 and February 2017, respectively. During each workshop, experts from the United States, Europe, Asia, the Gulf Arab states, and Iran explored the principal transformations taking place in the Gulf region, delved into trends and power transitions among the main players, and proposed recommendations for a more sustainable security environment in the region.

This final report lays out the scenarios and trends, the positions and priorities of the principal powers, and possible actions that might be taken to mitigate the most negative consequences of this period of rapid and unpredictable change.

I hope you find this report informative and useful, and as always, look forward to receiving your feedback and comments.

Sincerely,



Ambassador Marcelle M. Wahba
President, Arab Gulf States Institute in Washington



Peter Salisbury
*Senior Research Fellow, Arabian Peninsula,
Chatham House*

Executive Summary

On February 24, 2017, experts from government, business, academia, and the policy world met at the Arab Gulf States Institute in Washington to discuss U.S.-Gulf Arab relations, and the foreign policies and geostrategic concerns of the Gulf states, particularly with respect to Iran. Participants also analyzed the domestic factors driving the Gulf Arab states' external policies. The meeting built on discussions from the inaugural "Gulf Geopolitics Forum," also co-hosted by AGSIW and Chatham House, in London in November 2016. That meeting took place shortly after the U.S. presidential election won by Donald J. Trump.

The Trump presidency has led to significant changes in the tenor of the U.S.-Gulf relationship. Early indications have been that the Trump administration will reinvigorate ties with traditional Gulf allies and adopt a harder stance against Iran – moves that have been well received by the Gulf Arab states.

Challenges for the Trump administration will include dealing with the fallout from the Joint Comprehensive Plan of Action (JCPOA) – the Iran nuclear deal – and the passage through Congress of the Justice Against Sponsors of Terrorism Act (JASTA). Most participants did not see the Trump administration abandoning the nuclear deal, but Gulf participants were hopeful that Trump would increase punitive measures against Iran's ballistic missile development program and push back more robustly against Iranian expansionism in the Middle East. There was concern that JASTA, and more generally "America First" policies under Trump, might disrupt mutually beneficial investment and trade.

The consensus among participants was that the Trump administration would offer new opportunities around shared policy goals. The Gulf Arab states would be able to build a relationship with the administration by demonstrating their contribution to counterterrorism and regional stability by continuing to develop both military capabilities and reconstruction efforts.

There was a broad recognition that Gulf Arab states will face domestic challenges that test their commitment to regional intervention and security. The fiscal constraint of lower oil prices, along with the demographic challenge of a substantial youth bulge, has added a new urgency to austerity measures and diversification plans. Leadership transitions in the region have prompted changes in priorities, and may augur nationalist policies that parallel Trump's "America First." Participants noted that regional insecurity and foreign military engagements by Gulf states were contributing to a new nationalism and fortress mentality.

The Gulf Arab states' strategic postures are also being shaped by the return of Russia as a power player in the Middle East, and by Iran's role in the region. Participants agreed that instability in the Middle East is exacerbated by the rivalry between Gulf Arab countries and Iran. Meanwhile, Russia adds a significant new dimension in regional geopolitics. However, both Iran and the Gulf Arab states treat the former Cold War power with mistrust.

To help structure the conversation, participants were divided among three groups and tasked with discussing one of the following scenarios for U.S. engagement in the region: continuation of the pre-2017 status quo, a reduction in engagement, or an expansion of engagement.

All three groups broadly agreed that whichever scenario played out, the United States would likely continue weapons sales and military engagement in the region, and the Gulf Arab states would continue to expand their own defense capabilities and strategic alliances. The groups discussing the likelihood of a maintenance of the status quo and reduction in U.S. engagement each agreed that a terror attack on U.S. soil would lead to an intensification of U.S. activity in the Gulf and broader Middle East, making the expansion scenario most likely. All three groups agreed that the United States would maintain the JCPOA and push for greater burden sharing by key Arab allies.

While participants differed in their analysis of the driving force behind mounting Iran-GCC tensions there was broad agreement that – due to a shared perception of threat from Iran and the need to confront the danger posed by jihadist groups such as the Islamic State in Iraq and the Levant and al-Qaeda – cooperation between the United States and Gulf Arab countries would continue.

Recommendations

For the Trump administration

- Develop a more predictable foreign policy
- Strengthen alliances with, and promote cooperation among, U.S. partners

Regarding Iran

- Promote dialogue between Iran and Gulf Cooperation Council states while opposing Iranian intervention in Arab states
- Maintain and enforce the JCPOA, but avoid prompting or excusing Iran's withdrawal

Combatting ISIL

- Recognize the complex challenges inherent in simultaneously combatting ISIL and containing Iran
- Recognize that even if ISIL is defeated, fanatic individual extremists will remain and any successor group could be worse

Coping with Yemen

- Name a U.S. special envoy to ensure a political agreement is pursued
- Encourage dialogue between the United States, Arab states, and Iran to resolve the conflict
- Work with all parties to alleviate the humanitarian crisis

For the GCC states

- Embrace self-reliance and broad regional engagement
- Value the national diversity within the council as an asset
- Avoid economic nationalism and protectionism

Introduction

The Gulf Geopolitics Forum is a joint initiative of the Arab Gulf States Institute in Washington and Chatham House. The forum's first phase took place over the course of two workshops: one at Chatham House in London in November 2016 and another at the Arab Gulf States Institute in Washington in February 2017. The forum brought together experts in government, business, and academia, as well as prominent former policymakers, to assess the state of U.S.-Gulf Arab relations. Participants were asked to analyze and discuss relations between Gulf Arab countries and regional and global powers, particularly Iran. Focal points of discussions at both workshops were the likely foreign policy course of the new U.S. administration of President Donald J. Trump, and the domestic factors informing Gulf states' foreign and regional policies. This report summarizes the findings of the second workshop, and provides a series of conclusions and recommendations for the Trump administration and Gulf Cooperation Council states on the basis of conversations across the duration of the forum.

President Trump, U.S. Foreign Policy, and the Gulf

The election of Trump as president of the United States has significant implications for the Gulf. Workshop participants explored the Gulf Arab states' relations with the new administration, dissecting the challenges and opportunities arising from the White House's evolving policy positions and the obstacles they are likely to face. The discussion then turned to the impact domestic politics in the Gulf Arab states and Iran were likely to have on regional geopolitics.

U.S.-GCC Relations

Trump's "America First" campaign rhetoric appears to be developing into a more nationalistic foreign policy agenda. However, Trump seems to have a positive view of the Gulf Arab states, although he expects them to bear their "fair share" of the regional security burden. Building on strong historical cooperation, Trump sees potential for collaboration between the GCC states and the United States on many issues, particularly his stated priorities: confronting Iran, including in Yemen; combatting terrorist and extremist groups such as the Islamic State in Iraq and the Levant and al-Qaeda; and providing GCC capital for investment in the United States.

The GCC states view the Trump administration with optimism following a strained relationship with former U.S. President Barack Obama. One participant said, "It will never ever be worse than the previous eight years." Addressing U.S.-Saudi relations, the participant added that the two countries are nonetheless "strategic allies, no matter what; it doesn't matter who

comes and goes.” Although Trump had criticized Gulf states during his presidential campaign, his tone has now changed – a positive shift that began when the president spoke with Saudi Arabia’s King Salman bin Abdulaziz during his initial days in office. The Gulf Arab states, particularly Saudi Arabia and the United Arab Emirates, also see a potential for cooperation with Washington on energy issues.

Challenges for the Trump Administration

The Joint Comprehensive Plan of Action remains a major challenge. On the campaign trail, Trump repeatedly said he would dismantle the nuclear deal, but as president has taken no steps to do so.

One participant said the president seemed predisposed “to find Iran cheating on the deal.” There are fears, especially among Europeans, that continued sanctions and other pressures could slowly kill the deal rather than Trump directly dealing it a “deathblow.” There is disagreement in Washington over what a breach of the JCPOA from either side would look like.

While some see intensified sanctions and targeting the Iranian financial sector as legitimate actions to counter Iran’s influence in the region, others argue they could be tantamount to a breach of the nuclear deal. One participant noted there would likely be outreach from the European Union to sustain the deal “as a necessary component of the regional security framework.”

The Gulf Arab states don’t want the JCPOA to be abandoned, but rather strictly enforced. However, they remain concerned that Iran could develop nuclear weapons after the agreement expires. More importantly, Gulf Arab countries are concerned about Iran’s ballistic missile development and testing program and, above all, Iran’s activities in the region, particularly in Iraq, Lebanon, Syria, and Yemen – and the potential for these activities to expand further when funds frozen under nuclear sanctions are released.

The Gulf Arab states don’t want the JCPOA to be abandoned, but rather strictly enforced.

Another challenge for the Trump administration is the Justice Against Sponsors of Terrorism Act, which allows U.S. citizens to sue foreign governments or officials for alleged involvement in deadly terrorist attacks on U.S. soil. A number of lawsuits are now pending against Saudi Arabia for its alleged involvement in the 9/11 attacks. One participant suggested members of Congress didn’t sufficiently consider the unintended consequences of the legislation, particularly for the U.S. military and diplomats. A constituency in Congress would like to revisit the issue and find a legislative “fix” for the law. But doing so could prove politically difficult. Another participant noted that the long-term impact of JASTA remains to be seen. Because Saudi Arabia doesn’t have anything to hide, this person argued, there should be little ultimate harm to U.S.-Saudi relations. The participant noted that JASTA could “harm the United States before it will harm the other countries.”

While Gulf Arab leaders may dismiss Trump’s past remarks about Muslims and his attempts to restrict travel to the United States from Muslim-majority countries, their citizens might not be as sanguine about his perceived Islamophobia, and this could ultimately damage bilateral relations. One participant noted that the Trump administration could threaten a historical

sense of mutual cultural respect and understanding.

Finally, Trump's approach to counterterrorism and regional conflicts may be formed without considering long-term issues including stabilization and reconstruction. European countries are concerned about the administration's "preoccupation with the counterterrorism lens," one participant said, and worry that he will fail to address the political and social root causes of radicalization. Europe has focused on stabilization efforts in Iraq and North Africa, as well as the challenge of reconstruction in Syria. The participant suggested that "there is a lot of fear that [the Trump] administration will be very disengaged with the stabilization process that will come as part of a constructive, in [the European] opinion, counterterrorism policy." Another concern according to one participant is that the "emerging clear trajectory for a more aggressive policy on Iran" will be played out in Yemen against the Houthis but will prove "a short-term solution" lacking the necessary political follow-up and, especially, a national reconciliation process to ensure long-term stability.

Opportunities for the Gulf Arab States

In recent years, a common perception among the Gulf Arab states has been that the United States is pulling back from the region, and that the Gulf Arab states have been forced to play a more proactive regional role to fill the vacuum. Historically conservative when it comes to military action, the Gulf Arab countries' involvement in the civil wars in Yemen and Libya, as well as the deployment of the GCC Peninsula Shield force to Bahrain in 2011 and support for allied forces in Syria, Iraq, Lebanon, and elsewhere, point to a bold new foreign policy course.

Trump has repeatedly argued that many U.S. partners do not contribute enough to their own defense, and rely too heavily on Washington. While campaigning he specifically demanded that the Gulf states do more. One participant noted that the current moment is an opportunity for the Gulf Arab states to highlight the cooperation they have extended to the United States, including offering overflight and military basing rights.

The Gulf Arab states have played a role in development, reconstruction, and humanitarian efforts in much of the Middle East, including many war-torn areas. However, one participant noted they tend not to play traditional roles in postconflict reconstruction and have a very different approach to multilateral peace building. The Gulf Arab states are less trusting of foreign nongovernmental organizations and multilateral efforts, and are more likely to want direct control of reconstruction processes. The participant suggested there is a "value for money" ethic in their foreign aid policy, and a "brick and mortar understanding of reconstruction efforts." This approach does not necessarily fit well with demobilization and reconciliation programs that have often proved effective in other postconflict environments.

The Impact of Gulf Domestic Politics

Internal Politics

Domestic political issues – of which there are many – often inform the Gulf Arab states' foreign policymaking. Several Gulf Arab states are in the midst of major social, economic, and political

shifts driven by reform measures, in turn prompted by a prolonged period of low oil prices. Leadership transitions across the region are also adding to a sense of flux, and have led to a desire among the Gulf Arab states to strengthen national identity and patriotism.

Economic and Demographic Challenges

Saudi Arabia is confronting a number of challenges as it seeks to diversify and reform its economy. The Vision 2030 reform program being rolled out in the kingdom implies a change in the social contract that has existed between the government and its citizens, and it is not clear that all

will welcome this change. Saudi Arabia has a growing number of unemployed young people, many of them Western-educated and competing with foreign workers

There has been a shift under King Salman to a “Saudi first” outlook, wherein Saudi Arabia will no longer serve as a “check book” to other states.

for jobs. In the last year, the Saudi government has cut compensation to government employees by 20 percent, increased utility prices by about 30 percent, and implemented a program to raise utility prices to the global market rates within three years. All of this, the participant said, was done without major pushback from the public, suggesting that Saudi citizens have understood the necessity of such changes. With decisive and dynamic leadership, there is a strong likelihood of success in tackling these challenges, the participant argued.

Leadership Transitions

The change in leadership from King Abdullah bin Abdulaziz to King Salman bin Abdulaziz had implications for many facets of Saudi life, including foreign policy. According to one participant, the Saudi elite had felt that King Abdullah was too easily taken advantage of – for instance by Egypt, to which Saudi Arabia has given large amounts of aid with little tangible benefit. There has been a shift under King Salman to a “Saudi first” outlook, wherein Saudi Arabia will no longer serve as a “check book” to other states. The kingdom is prioritizing its relationships with countries most important to its interests including Yemen, its GCC allies, and, to a lesser extent, Jordan. This narrowing down of priorities is partially a result of economic conditions, but also stems from the desire of a younger leadership to pay more attention to advancing Saudi national interests.

The “Saudi first” policy could have some impact on how the GCC functions, one participant argued, particularly in its capacity as an intergovernmental economic union. The same participant added that pressure from domestic expenditures has pushed Saudi Arabia to increase tariffs on many imported goods, placing the kingdom in violation of GCC regulations and jeopardizing economic integration with its neighbors.

Nationalism

The Gulf states increasingly perceive the wider Middle East as being “on fire.” This has fueled a surge of nationalism and a “fortress mentality,” driven by the perception of being

under attack and needing to build up defenses. In the United Arab Emirates, one participant noted, this has been used to justify increasing militarization and regional engagements in Yemen and elsewhere, including the Peninsula Shield intervention in Bahrain.

Such actions are seen through the lens of national security, and specifically as part of the struggle against Iran. In Saudi Arabia, there has also been an increased perception of threat and a concomitant surge in nationalism. Saudi public opinion has been supportive of the intervention in Yemen, though one participant noted that, as casualties increase, people are starting to question the Saudi-led military campaign.

Gulf-Russia Dynamics

While Iranians have a historical mistrust of Russia dating back to the colonial era, Tehran has gradually come to form a pragmatic collaboration with Moscow in the Middle East. According to one participant, U.S. pressure has pushed Iran toward Russia and China. Although Russia supported the Iraqi invasion of Iran in 1980, following that conflict Moscow adopted a more constructive policy toward Iran, trying to establish a strategic relationship and promote military cooperation. The Iranian public is unenthusiastic about the partnership however, given deep-seated mistrust of Russian agendas.

Most GCC states, with the possible exception of the UAE, also harbor a deep skepticism of Russia. However, according to one participant, there has been a gradual improvement in relations over the years, particularly through cooperation on oil markets and production agreements. One participant suggested public support for improved relations with Russia could be driven by the perception the United States under Obama had disengaged from the region; Saudis tended to view Russian President Vladimir Putin as a more reliable figure and a “man of his word.” However, Russia’s support for the Syrian regime hurts Moscow’s brand among the Saudi public.

GCC-Iran Relations

A good deal of instability in the Middle East is exacerbated by the tensions, lack of trust, and rivalry between Gulf Arab countries and Iran. Participants agreed this enmity is ultimately a lose-lose proposition for all parties, but several suggested there are issues on which they could find common ground if there was the right level of political will. Much depends on the development of real dialogue between Riyadh and Tehran.

...it will be necessary to address the threat perceptions and security needs of Iran as well as the Gulf Arab countries.

A participant argued that a good place to start discussions would be on Syria and combatting terrorism, an issue that threatens both Riyadh and Tehran.

Another participant noted that Saudi Arabia and Iran managed to improve relations in the early 1990s, and there have been efforts from Iran to engage with the Gulf Arab states recently, including trips by President Hassan Rouhani to Kuwait and Oman following an invitation to dialogue from the GCC.

However, the Gulf Arab states remain skeptical of Iranian intentions, in no small part because a number of Iranian officials persistently engage in rhetoric around “wiping out” the UAE, or asserting that Bahrain should be Iranian territory. Saudi Arabia believes Iran is trying to engineer regime changes in the Gulf Arab states, and therefore views Iran as an existential threat. Consequently, one participant noted, this perspective does not leave much room for compromise.

According to another participant, Iran perceives the United States and Arab countries as the primary threat to its security, going back to the Iraqi invasion of Iran, which was supported by the United States, Gulf Arab states, and much of Europe. The participant continued that it will be necessary to address the threat perceptions and security needs of Iran as well as the Gulf Arab countries.

Another participant asked if there could be new approaches for the GCC states to work together to build a new and more constructive relationship with Iran, rather than “recycling the same rhetoric and policy options of containment, sanctions, and isolation.” In response, another participant said that the GCC states, including Oman, need to work together collectively to respond to Iran. The participant stressed that the global significance of the region, with its all-important energy reserves and the strategically vital Strait of Hormuz, requires the engagement of the international community to ensure regional security and stability. However, the participant suggested, this international dimension is complicated by Russia’s role in Syria.

Scenario Analyses

Participants were divided among three breakout groups and tasked with discussing the future trajectory of U.S. relations with the Gulf Arab states. To structure the discussion, the groups focused on different scenarios:

1. The continuation of the status quo
2. A reduction in U.S. engagement
3. Expanded U.S. engagement

The groups were also provided with background briefings on Russian, Iranian, and Saudi perspectives on the different scenarios to help inform their evaluations. The following are summaries of those briefings.

On Russia:

- The key points of interest for Russia are the Syrian conflict, the JCPOA, and Saudi-Iranian tensions.
- The regime of Syrian President Bashar al-Assad will survive in the medium term due to continued support from Russia and its allies.
- However, if the momentum in Syria were to shift toward the opposition, it is unlikely that Tehran would resort to an additional escalation so that it risks its other domestic and regional security arrangements.
- If Assad remains in place, it is possible ISIL will be entirely removed from Syrian territory by an odd-couple cooperative agreement between “the West (mainly represented by the U.S. Air Force, special forces, and regular military on the ground on a limited scale) and the Russian-Turkish-Iranian amorphous alliance.”
- Syria will nevertheless remain a country divided between a Russia- and Iran-backed, Assad-controlled territory and other areas held by “the so-called radical Islamic opposition (initially supported by the United States, Saudi Arabia, Bahrain, Qatar, and Turkey).”
- Trump remains largely focused on domestic political issues, permitting a continued vacuum for other players (Russia in particular) to exploit in Syria and beyond.
- The Yemen war is likely to continue in a stalemate until the end of the decade, with minimal gains made by all parties to the conflict.
- The death of Iran’s supreme leader remains a key concern, and potential destabilizing force for Iran.

On Saudi Arabia:

- A revitalization of the U.S.-GCC relationship is a top priority for Saudi policymakers.
- So, too, is tougher enforcement of the JCPOA; there is little appetite for the deal being overturned entirely, which would allow the Iranian nuclear program to be rejuvenated with few prospects of recreating the international sanctions regime.
- The global energy environment, especially the United States' growing oil and gas production capacity, will continue to undermine arguments for greater U.S. engagement in the region.
- It remains possible that Trump will actually downsize the U.S. presence in the region if he does not see a benefit to greater or even sustained engagement.
- This, in turn, could push the Gulf Arab states toward an accommodation with Iran, although that would require a large-scale change in attitudes.
- It seems more likely that the United States will either maintain its current level of engagement or even increase its role in the region.
- In particular, the United States may play a greater role in Yemen, where Saudi Arabia leads a military intervention.
- Increased counterterrorism cooperation could also lead to a deepening of the U.S.-GCC relationship.

On Iran:

- The key issue is the presidential election. Elections are scheduled for May, with the current president, Rouhani, generally perceived as the favorite to win.
- The most likely outcome is a second Rouhani term featuring attempts to harvest benefits from the JCPOA.
- The death of Iran's supreme leader (who will turn 78 years old in 2017, and speculation is mounting over who might succeed him) will be crucial to Iran's trajectory. A centrist successor would likely continue to attempt to balance different factions, but a hard-liner might adopt a more assertive, and isolationist, foreign policy.
- Renegotiation or collapse of the JCPOA would also have a major impact. The Trump administration seems likely to take a more aggressive approach toward Iran, and a key pressure point will be the JCPOA. Tehran has implemented most of the technical requirements of the deal but sanctions relief from the West has been slow. Recent Iranian missile tests and other issues could lead to renewed or additional non-nuclear sanctions.
- Syria, meanwhile, will continue to sap Iranian resources and political bandwidth. While Assad has regained some ground, his ultimate victory is far from assured. With the Trump administration seemingly keen to work more closely with Russia, Tehran may become more open to a negotiated agreement on Syria to insulate itself against potential marginalization.

Breakout Group Findings

The “status quo” group concluded that an unchanged U.S. position would see the Trump administration continuing Obama administration policies of defense equipment sales, in the context maintaining a transactional U.S. foreign policy toward the Gulf Arab states. This would include some military support in regional conflicts, including drone strikes, bombing raids, and targeted actions by special forces units as part of anti-ISIL and other campaigns in Iraq and Syria – but without the broader commitment of U.S. troops or other military resources.

Participants agreed that the maintenance of the JCPOA would continue to be a policy priority for the Trump administration as well as its Gulf allies. However, participants foresaw efforts by the Trump administration to undermine the spirit, and some argued, the letter of the deal by increasing the range of non-nuclear sanctions on Iran. Maintaining the status quo, in this sense, may be the strategy, but the outcome of such policies could be quite different if Iran is forced to withdraw from the agreement due to the death of the deal by a thousand cuts. Provocations could lead to reciprocal attacks, especially at sea (in Yemeni coastal areas or Gulf waterways, for example) that could lead to an unplanned and unwanted U.S. military engagement in the Gulf region.

The second scenario group considered the likelihood and potential impact of a drawdown of the U.S. presence in the Gulf as part of an isolationist foreign policy stance. Most participants found the scenario unlikely and the group generally concluded that a policy of maintaining the status quo was more likely albeit with considerable risk of escalations that could lead to deeper U.S. engagement. One participant, however, argued that the reliance of Gulf Arab states on the United States for their security was unlikely to return to pre-2011 levels and that they will continue a policy of expanding their own defense capabilities and pursue additional, alternative security coalitions. In this participant's view the likelihood of some Gulf Arab states, particularly the UAE, intervening militarily to achieve their interests in the region will persist.

The third group evaluated the likely outcome of an intensification of U.S. engagement in the Gulf prompted by either a regional crisis or a U.S. domestic security crisis, such as a terrorist attack linked directly to Iran or ISIL. This black swan event scenario was deemed a moderate possibility by the group and indeed by the wider group convened at the workshop. The group also believed that a modest increase in U.S. engagement in the region in order to combat terrorism and confront Iran was a plausible, if not probable, scenario, even without a regional crisis or major terrorist attack on U.S. soil originating from the Middle East.

All three groups agreed that the United States would seek to maintain the JCPOA and push for greater burden sharing by Washington's key Arab allies in ways that will require broader military cooperation, military equipment sales and support, and intelligence sharing. They also agreed that humanitarian and human rights concerns would be much less likely to impede U.S. weapons sales to Gulf Arab countries in coming years.

Gulf nationals who participated in the workshop expressed strong suspicion of Iran's intentions in the region, both regarding potential meddling in the domestic politics of the Gulf states and a willingness to use violent non-state actors, including terrorist groups, to engage in proxy battles in Yemen, Syria, Lebanon, and Iraq. Several other participants saw more nuance in

Iranian foreign policy and therefore downplayed the threat Tehran poses, especially to the internal affairs of Gulf Arab states. One Iranian participant argued that it is the Gulf Arab countries, especially Saudi Arabia, that promote extremism and terrorist groups in order to pressure Iran and its allies in battlegrounds such as Syria and Iraq. Yet most participants agreed that Iran's pattern of asymmetrical military strategies and use of nonstate proxies continue to pose a threat to the United States and its Gulf Arab allies. Because of this shared perception of threat from Iran, and common danger posed by violent extremist groups like ISIL and al-Qaeda, cooperation between the United States and the Gulf Arab countries seems set to continue apace, if not significantly intensify.

Recommendations

While participants understandably differed in outlook and policy preferences, several themes emerged that could inform the Trump administration's Gulf strategy. Highlighting the Obama administration's lack of consistent engagement and poor communication style, and the early volatility in the Trump administration, participants agreed that there is a need *...there is a need for the United States to identify and articulate a clearer and more predictable policy toward the region and indeed at a global level.* To support this policy, the United States must strengthen its alliances through information sharing and promoting cooperation toward shared objectives.

The question of policy on Iran divided opinions, yet there was some consensus that the promotion of dialogue between Iran and the GCC states while opposing Iranian intervention in the Gulf countries and Middle East region was a sensible course of action. Participants were united in seeing the maintenance and enforcement of the JCPOA.

Participants agreed on the need to combat ISIL. In designing its anti-ISIL strategy, participants argued, the Trump administration needs to acknowledge the clashing challenges of both rolling back ISIL and containing Iran. There is a strong need for policy planning for a post-ISIL Iraq and Syria, as the elimination of the group's territorial holdings is likely to lead to an uptick in lone-wolf terrorist attacks. Failure to hold territory and engage local populations could mean ISIL simply being replaced by another, hardly more palatable, militant group.

The Yemen war generated much discussion and debate, but there was general agreement that the United States must remain proactive in finding means to end the costly conflict. The United States should encourage dialogue among all parties to the conflict, including the Saudi-led coalition and Iran, perhaps by naming a U.S. special envoy to Yemen to ensure emphasis on a political agreement. Participants agreed that the United States should work with all parties to alleviate the humanitarian crisis.

The emphasis on burden sharing by the Trump administration along with the newfound assertiveness and growing capability of key Gulf Arab states augurs a more independent Gulf policy in the region. The Gulf states should embrace this self-reliance and play a constructive role in the region. In doing so, however, there is a need to recognize the national diversity among GCC states, and indeed, to value these diverse perspectives as an asset. As the GCC

looks to increase its cooperation and strengthen its unity, it should avoid economic nationalism and protectionism.

Conclusion

A reduction of U.S. engagement in the Gulf is unlikely. Instead, Washington will likely find itself drawn into a sustained, or possibly intensified, presence in the region. Some policymakers and a large portion of the broader public in the United States remains skeptical of additional military engagements in the Middle East, however.

The Trump administration's "America first" approach could easily lend itself to a reduced U.S. role in strategic areas such as the Gulf region, if not an isolationist foreign policy. However, given the new administration's emphasis on containing Iran and combating terrorism, such an outcome looks unlikely. Instead, Washington, while still cautious, is nonetheless finding itself drawn deeper into regional conflicts in Yemen, Syria, and Iraq. This trend is most likely to intensify.

Finally, a dramatic event such as a major attack on U.S. interests in the Middle East, or one on U.S. soil that originates from the Middle East, would almost certainly draw the United States into the region even more deeply. The likelihood of further U.S. disengagement over the next five years appears to be remote.

Nonetheless, it is very much in Washington's interest to promote the peaceful resolution of ongoing conflicts in the Middle East. While a tougher attitude toward Iran is a virtual certainty, it appears the new administration will not walk away from the JCPOA. Because of the destabilizing impact of the rivalry between Iran and Gulf Arab states, and the way in which these tensions tend to exacerbate regional conflicts, it is essential that key outside powers such as the United States prioritize developing a dialogue between Tehran and the Gulf Arab countries that can eventually lead to understandings on regional security and stability. This is ultimately in the interests of the Gulf Arab countries and Iran as well, not to mention the rest of the region and the international community at large.

Such undertakings can and should facilitate the complex, lengthy, and dangerous battle to defeat terrorist and extremist groups such as ISIL and al-Qaeda, and avoid pitfalls such as the emergence of more dangerous successor organizations or the dispersal around the world of individual terrorists. Resolving conflicts, ensuring regional stability and security, and countering terrorism are all, at least in theory, in the common interests of the United States and its Arab allies, as well as Iran. Therefore, while antagonism remains very high, the potential exists for dialogue and even constructive engagement. Washington can help to set the stage by reassuring its Arab allies, sending a clear signal to Iran about the limitations of what will be tolerated, and still serve to encourage dialogue. New understandings between these parties will also be essential to ending the conflicts in Syria and Yemen, restoring greater peace and stability in Iraq, and addressing the humanitarian crises arising from these conflagrations.

The internal politics of the Gulf Arab countries and Iran, as well as the United States, will play an important role in determining whether progress toward greater stability and security can be achieved. The GCC states face growing economic and demographic challenges, at the

same time that key Gulf states – Saudi Arabia, Oman, and Kuwait – are anticipating important leadership transitions. The divergent positions of Gulf Arab states on a range of issues is often misperceived as a problem, although it could prove to be an asset as the Gulf monarchies seek to manage several regional conflicts simultaneously. None of the parties have truly benefited from the past five years of tension, conflict, and upheaval in the Gulf region and the broader Middle East. Since it is in all of their interests to find effective means to reduce tensions, avoid additional confrontation, and enhance stability and security, this should be the primary focus for the next five years, for global powers such as the United States and Russia, and for the regional actors themselves.

