



The Impact of Oil on U.S. Foreign Policy in The Middle East

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ABSTRACT

The global oil economy has long shaped international relations, with U.S. strategy particularly influenced by Middle Eastern petroleum resources. This paper investigates a central puzzle: Why does the United States remain deeply involved in the Middle East despite a dramatic decline in direct oil import dependence? We review the historical role of oil in U.S. policy, from the World War II era “oil for security” bargain with Saudi Arabia to the 1973 Arab Oil Embargo and subsequent energy shocks. We compare that legacy with recent trends: the 2000s shale revolution transformed the U.S. from a major oil importer into the world’s largest producer. Our research asks: How has oil historically shaped U.S. engagement in the Middle East? And in what ways has the shale boom altered America’s strategic approach to the region? Using a mixed methods approach, combining historical case studies with contemporary policy analysis, we find that oil remains a necessary but not sufficient motive in current strategy. While oil continues to influence U.S. interests (for example, in deterring supply disruptions), the shale era has enabled policy tools beyond direct military intervention. Today, U.S. policy emphasizes sanctions (notably against Iran’s petroleum sector), alliance building (with Gulf partners and Israel), and burden sharing through diplomatic pressure. The findings suggest that America’s “energy dominance” grants strategic flexibility: with secure supplies at home, the U.S. can focus on global price stability and counterterrorism rather than traditional resource wars. The paper concludes that oil still matters in U.S.-Middle East policy, but the nature of influence has shifted. Going forward, climate change and energy transition pressures will further reshape this relationship.

INTRODUCTION

Background and Context

Oil has been central to modern international politics, powering economies and militaries. Energy scholar Daniel Yergin famously describes oil as vital “lifeblood” of global power structures. Since World War II, U.S. foreign policy in the Middle East was often justified by oil concerns: for example, President Roosevelt declared that “the defense of Saudi Arabia is vital to the defense of the United States” because of its vast petroleum reserves. The postwar era featured a classic “oil for security” bargain: Washington guaranteed security for oil sheikhs (e.g. Saudi Arabia) in exchange for stable production and favorable pricing. OPEC’s rise and oil shocks, notably the 1973-74 Embargo by Arab producers, underscored U.S. vulnerability. The 1973 Embargo quadrupled oil prices and exposed U.S. dependency on Middle Eastern oil. In response, policymakers created a Strategic Petroleum Reserve and declared the Persian Gulf a vital interest (The Carter Doctrine of 1980).

At the same time, the energy landscape has transformed. Since roughly 2010, hydraulic fracturing and horizontal drilling triggered a U.S. shale revolution. In only a few years the United States became a net oil exporter (2019) and the world’s largest oil producer. In practical terms, America’s direct dependence on Middle Eastern oil fell: by the 1990s, only about 5% of U.S. oil imports came from the Gulf. Yet paradoxically, U.S. involvement in the region has not waned proportionally. Washington still maintains tens of thousands of troops and a network of bases in the Gulf, for example. This raises the central puzzle of this study: Why does the U.S. remain deeply engaged in Middle Eastern security and politics even as its oil dependence declines?

Problem Statement

The key problem is the apparent contradiction between America’s decreased reliance on Middle Eastern oil and its enduring strategic footprint there. Traditional explanations, that the U.S. is “defending oil”, seem less straightforward today. Indeed, some analysts argue that energy security can now be maintained without major wars or occupations. Yet the U.S. continues to conduct military patrols through critical choke points (e.g., the Strait of Hormuz), build military coalitions, and counter regional threats often framed in terms of protecting access to oil. Existing studies on oil and foreign policy often treat oil as a constant driver of U.S. strategy across eras; this raises the question: Has the shale era fundamentally changed how oil shapes policy, or do old patterns persist? There is a gap in understanding how recent U.S. policy shifts (e.g., “maximum pressure” sanctions, diplomacy) fit into the oil narrative.

Research Questions

- How has oil historically shaped U.S. foreign policy in the Middle East?
- In what ways has the shale boom and new U.S. energy abundance altered America’s strategic engagement with the region?
- How much has the United States depended on energy diplomacy and economic sanctions instead of military intervention?

- What ongoing effects do events in the global oil market, like OPEC+ decisions and disruptions in the Strait of Hormuz, have on U.S. strategic behavior?
- What effects will the global energy transition and the rise of superpowers like China have on oil's future place in US-Middle East policy?

Research Objectives

- To trace the historical role of oil in U.S.-Middle East policy
- To examine how the shale revolution has changed U.S. strategy and engagement in the region.
- To assess the United States' dependence on energy diplomacy and economic sanctions instead of military intervention.
- To find out the effects of events in the global oil market, like OPEC+ decisions and disruptions in the Strait of Hormuz, on U.S. strategic behavior.
- To figure out the effects of the global energy transition and the rise of superpowers like China on oil's future place in US-Middle East policy.

Hypothesis:

H1: The shale revolution increased reliance on sanctions and energy diplomacy while decreasing the possibility of significant U.S. military interventions in the Middle East.

H0: The shale revolution did not significantly alter U.S. foreign policy tools toward the Middle East.

LITERATURE REVIEW

Scholars have long debated oil's role in international relations. Foundational works position oil as a key factor in U.S. policy. Daniel Yergin's *The Prize* (1991) portrays oil as intricately tied to capitalism and power: "the relationship of oil to the rise of modern capitalism, the intertwining relations between oil, politics, and international power". Michael Klare's *Resource Wars* (2001) argues that states will use force to secure vital resources; he contends that competition for oil has been a root cause of many conflicts since the Cold War. Similarly, Terry Karl's *Paradox of Plenty* (1997) analyzes oil-rich states, noting that oil wealth often destabilizes politics ("booms, weakening broader state capacity").

The importance of Middle Eastern oil has changed, but not diminished, as a result of the United States' energy abundance, according to recent contributions. While O'Sullivan (2017) and Krane (2024) emphasize that energy abundance offers leverage without waiving strategic commitments, Guliyev (2020) demonstrates how Trump's "America First" strategy shifted energy policy toward short-term price stabilization and domestic industry support. Similar to this, Houshisadat (2025) investigates how the shale revolution affected the behavior of Middle Eastern producers, demonstrating that changes in U.S. policy have an impact on regional markets.

U.S. energy independence does not protect the economy from global price volatility, according to policy-oriented studies by the U.S. Energy Information

Administration (2023, 2025) and the International Energy Agency (2022). The necessity of ongoing U.S. engagement is further supported by Congressional Research Service analyses (Brown et al., 2025), which demonstrate that disruptions at choke points like the Strait of Hormuz continue to threaten global stability. Despite Washington's experiments with sanctions and climate diplomacy, scholars like Saab (2023) and Young (2025) contend that oil is still a part of the larger U.S.-Gulf relationship.

Realist perspectives

Realist perspective emphasizes oil as a material interest that drives alliances and force. Realists like John Mearsheimer and Stephen Walt argue that states prioritize securing vital resources to survive. Henry Kissinger exemplified this view: as a realpolitik strategist, he famously treated oil as a strategic weapon and argued that superpowers must secure access to oil supplies for balance of power reasons. For instance, Kissinger likened controlling Gulf oil to containing Soviet ambitions during the Cold War. In this vein, one recent analysis notes "the strategic importance of oil to U.S. national security" has been a central theme in Middle East policy. Juneau (2020) investigates that Obama's policies were partially aligned with defensive realism. By defying calls to launch a massive intervention in Syria and in his fight against the Islamic State, he demonstrated restraint in the use of force, realism also aligned with the nuclear agreement with Iran.

Liberal and Institutional Perspectives

Liberal and institutionalist account focus on interdependence and cooperation. Robert Keohane and Joseph Nye's theory of complex interdependence suggests that global oil markets bind states through trade and institutions. The United States has supported multilateral energy institutions (like the International Energy Agency) and trade regimes to manage oil flows. Under this view, U.S. interventions partly aim to preserve an open, integrated energy market. For example, liberal scholars argue that U.S. defense of Persian Gulf shipping lanes serves not only American needs but global economic interdependence (e.g. ensuring OPEC oil reaches world markets). Prince Smith (2002), shows that oil has played a major role in U.S. foreign policy, with securing energy access frequently serving as justification for actions abroad. He presents oil as a force behind liberal international order and military action in addition to being an economic resource

Constructive Approaches

Constructivist approaches highlight ideas and narratives. Timothy Mitchell's Carbon Democracy (2011) offers a critical view of how oil shaped political systems: oil's abundance enabled "infinite growth" economies in the West, making Western democracy strangely reliant on an "undemocratic Middle East". Mitchell argues that oil has produced specific political "imaginaries" (e.g. the discourse of "energy security" and the "oil weapon"). Indeed, U.S. policymakers have repeatedly "securitized" oil - framing threats to oil supply as existential. These scholars would note how concepts like "the oil weapon" (OPEC

Embargo) entered political language, influencing U.S. policy beyond mere material interests. Herbstreuth (2014) claims that because of cultural depictions of the Arab world as America's "Other," reliance on Middle Eastern oil is presented as a national security threat, even though imports from Canada are presented as harmless interdependence

Historical Case Studies

Historical case studies in the literature abound. The 1973-74 Arab Oil Embargo is often cited as a turning point: it "sent economic shockwaves" through the U.S. economy and convinced policymakers that American power projection must protect Gulf oil. Jimmy Carter's 1980 State of the Union address explicitly made the Persian Gulf a U.S. national interest; the Carter Doctrine famously stated that any attempt to control the Gulf would be "regarded as an assault on the vital interests of the United States". During the 1990-91 Gulf War, analysts debated oil's role: George Shultz and John Deutch argued the war served broader interests (upholding international law and deterring aggression), but many acknowledged that protecting oil exports from Kuwait and Saudi Arabia was a factor. For example, Joseph Nye noted that even though only about 5% of U.S. oil came directly from the Gulf by 1990, because oil is fungible any supply cutoff would affect global markets.

Contemporary Debates

Contemporary debates reflect the shale reality. Jeffrey Colgan's *Petro Aggression* (2014) examines how oil wealth affects state behavior: he finds that oil income can both increase and decrease a regime's belligerence depending on domestic politics. His work implies that oil-producing states in the Middle East (e.g. Iran, Iraq, and Saudi Arabia) have strategic interests shaped by petrodollars. Meghan O'Sullivan's *Windfall* (2017) focuses explicitly on the shale revolution, arguing that America's new energy abundance is transforming geopolitics: she asserts that the shift from global scarcity to abundance "is shaping the interests and strategies of governments around the world". O'Sullivan's thesis suggests that U.S. foreign policy might pivot from defending Gulf oil to stabilizing prices or using energy as leverage. Other analysts like Gholz and Press (2010) have argued that the U.S. can defend its Gulf interests from "over the horizon," using fewer ground troops than in the past. Critics such as Andrew Bacevich (2016) have contended that even if oil is important, it cannot fully explain the U.S. "Long War" in the Greater Middle East, they point to ideology, weapons proliferation, and alliance politics as alternative drivers.

Identified Research Gaps

Most scholarship on oil and U.S. policy is rich on the Cold War and immediate post-Cold War era, but relatively sparse on the post-2010 context. While works like O'Sullivan (2017) and Gholz & Press (2010) begin to address energy abundance, few studies systematically examine how U.S. policy tools have changed in response to shale. In particular, there is a gap in linking the shale revolution and changing U.S. energy outlook to specific policy shifts (such as greater reliance on sanctions, diplomacy, and regional allies rather than military

intervention). This paper builds on the above literature by updating the analysis for the shale era and identifying how continuity and change in U.S. strategy reflect evolving oil dynamics.

Theoretical Framework

This study draws on multiple international relations theories to interpret U.S. policy:

- **Realism:** From a realist standpoint, oil is a material strategic interest. States value energy for military and economic strength, so they will protect their access. Realists emphasize power and security; thus U.S. military presence and alliances in the Middle East can be seen as efforts to safeguard “the prize” of oil. This perspective explains why oil rich regions often attract great-power rivalry and why oil-exporting states like Saudi Arabia and Kuwait became security partners of the U.S. The concept of deterrence and preemption (e.g. Gulf War, Carter Doctrine) fits realist logic of preventing adversaries from controlling vital resources.
- **Liberalism (Interdependence):** Liberal or institutionalist approaches focus on how interdependence and regimes mitigate conflict. Oil markets create complex interdependence between consuming and producing states. This theory suggests U.S. policy in the Middle East also involves creating institutions and norms to manage oil (for instance, backing IEA cooperation, promoting diversification, or funding multinational security frameworks).
- **Constructivism:** Constructivists highlight how ideas about oil and energy are socially constructed. Narratives like “energy security,” “supply shock,” or the “oil weapon” shape policy preferences. For example, the discourse of oil scarcity in the 1970s led to institutional responses (SPR, DOE), while today talk of “energy independence” and climate transition influences attitudes. Constructivism would note how American identity as a major oil producer (a newfound narrative) and the declining stigma of domestic drilling affect policy
- **International Political Economy (IPE):** IPE perspectives integrate economics and politics. Relevant concepts include petrodollars (the recycling of oil revenues into U.S. debt), the role of the dollar’s reserve currency status (supported by oil trading in dollars), and sanctions regimes (which leverage oil markets). From this view, U.S. foreign policy tools include financial measures that affect oil flows (e.g. freezing petrostate assets, cutting off oil sales) as much as military ones. IPE theory suggests the U.S. monetary and fiscal power works alongside traditional diplomacy to shape Middle Eastern regimes.
- **Analytical Model:** Bringing these strands together, we posit that perceived vulnerability, not just actual oil imports, drives U.S. policy. If Americans fear global price spikes or disruptions will harm their interests (through economic shock or empowering adversaries), the government responds. However, as domestic shale output grows, perceptions of vulnerability shift. Even if the U.S. doesn’t import much from the Gulf, it still has an interest in stable global markets. We model U.S. behavior as influenced by **material interests**

(realism), market interdependence (liberalism), and security narratives (constructivism/IPE), with the shale era altering the weight of each factor.

METHODOLOGY

Along with the historical case study, the author combines it with contemporary policy analysis and thereby, by examining why the United States continues to have a presence in the Middle East is a question of analyzing the United States' historic behavior and also the change of the same (whether that behavior has changed). The main part of the work is of a qualitative nature though descriptive indicators such as oil production, import shares, and Iranian export figures are used for support purposes. Primary sources (e.g., presidential speeches, doctrines, reports, and books) from secondary data (e.g., sources such as the Congressional Research Service, the U.S. Energy Information Administration, and the International Energy Agency) are used here. For the analysis purpose, purposive sampling was used to select the Cases covering the two periods, the pre-shale era (1945-2010) characterized by the oil-for-security bargains, the 1973-74 Embargo, Carter Doctrine, Gulf War, and Iraq War, while the post-shale era (2010 onward) is reflected by the Iran nuclear deal and "maximum pressure," the Yemen conflict, and Trump era, and so on.

The analysis proceeds with qualitative content analysis and comparative historical analysis for each case. The main tool of policy (i.e., military force, sanctions, alliance building, or energy diplomacy) is used to code every case; the coded tools are then compared across the two periods to test H1 against H0, with the shale revolution as the independent variable and the selection of the policy tool as the dependent variable. The results are viewed through the prism of realism, liberalism, and constructivism/IPE, with a perceptual vulnerability model connecting energy conditions and policy behaviors. It becomes more credible by the process of triangulation, which means statements are confirmed against multiple, mainly peer reviewed and official, sources. But in the first place, limitations of the research are that neither interviews nor classified documents have been employed here, and oil production cannot Factors like Israel security, anti-terror measures, and rivalry between powers, Therefore, such different interpretations are included in the Analysis chapter that comes after.

RESULTS AND DISCUSSION

Historical Context: Oil and U.S. Policy (1945-2010)

In the aftermath of World War II, U.S. strategy toward the Middle East was fundamentally shaped by oil. In February 1945, President Franklin Roosevelt met King Ibn Saud at Great Bitter Lake and told him that "the defense of Saudi Arabia is vital to the defense of the United States". This set the stage for decades of U.S. security guarantees to Gulf oil producers. Through the Cold War, successive presidents sought to keep Gulf oil supplies open - partly to prevent Soviet influence and partly to fuel the American economy and allies.

The first major energy crisis came with the 1973-74 oil Embargo. Arab members of OPEC retaliated against U.S. support for Israel by cutting oil exports. The Embargo "ceased U.S. oil imports from participating OAPPEC nations" and quadrupled world oil prices. The resulting inflation and shortages convinced

Congress to pass the 1975 Energy Policy and Conservation Act, which created the Strategic Petroleum Reserve.

Jimmy Carter framed the Persian Gulf explicitly as a U.S. security priority. His January 1980 State of the Union address declared the Carter Doctrine: “An attempt by any outside force to gain control of the Persian Gulf region will be regarded as an assault on the vital interests of the United States,” to be repelled by force if necessary. This mirrored the 1903 British guarantee that no foreign power would control Gulf oil fields. In practice, the Carter Doctrine led to increased deployments (e.g. stationing Marines in Oman) and underpinned U.S. support for Iran against the Soviet invasion of Afghanistan.

The 1990-91, Gulf War was the next major demonstration of oil’s influence. When Saddam Hussein invaded oil rich Kuwait, President George H.W. Bush led a 35 nation coalition to drive him out. President Bush and Secretary of Defense Dick Cheney cited protecting Gulf oil exports as a U.S. interest, alongside broader goals of stability and law. Analysts like Joseph Nye later explained that, despite only about 5% of U.S. imports coming from the Gulf, oil was an “interest” because of market interdependence. After that war, the U.S. left a significant military presence to enforce no-fly zones and protect Saudi Arabia.

By 2010, on the eve of the shale boom, the U.S. still consumed ~20 million barrels per day of oil and imported about half of that. The majority of imports came from the Americas, Africa, and the Middle East, though Gulf imports were relatively small (the Atlantic notes “America’s direct energy dependence on the Gulf is less than five percent”).

The Shale Revolution and Its Impact

The last decade has witnessed a dramatic shift: U.S. oil independence is no longer a distant goal, but a reality. Technological breakthroughs in hydraulic fracturing, and horizontal drilling has unlocked vast shale formations. According to one energy industry analysis, U.S. oil production increased by 5.3 million barrels per day from 2014 to 2019, roughly the output of an entire country like Canada. By 2018 the United States became a net exporter of oil for the first time since the 1940s. This surge made the U.S. the world’s largest oil and gas producer, accounting for about 20-25% of global output. Energy experts say this “energy revolution” has significantly reduced American vulnerability to foreign supply cuts.

Shale’s rise caused a strategic reorientation. In the past, U.S. strategy often prioritized supply security (defending oil fields abroad). Now that domestic production can buffer shocks, U.S. focus shifted toward price stability and market dynamics. Policymakers no longer feared shortfall so acutely; instead, they fret about how foreign producers might manipulate prices (e.g. via OPEC cuts) and how geopolitical crises can still send prices up. The shale boom also contributed to rhetoric of U.S. energy “dominance”, promoting policies to export LNG to allies and integrate global markets, rather than relying on foreign producers alone.

Crucially, lower U.S. dependence has altered military appetite. With a growing SPR and huge domestic output, U.S. leaders appear more reluctant to

commit troops overseas solely for oil protection. As one study notes, American adaptive mechanisms (like tapping reserves and market adjustments) can compensate for most supply shocks, suggesting the U.S. can defend its key Gulf interests with a “less intrusive, ‘over the horizon’ posture”. In practice, this means fewer large-scale invasions and more remote or indirect tools. For example, the U.S. has maintained a reduced troop presence in Iraq and shifted resources to Afghanistan and Asia under Obama’s “pivot,” reflecting a broader strategy where direct force is used more sparingly. Sanctions and diplomatic pressure have gained prominence: under Trump the “maximum pressure” campaign sought to strangle Iran’s oil exports by financial means, forcing exports down to around 150,000 barrels per day by 2020.

Contemporary U.S. Policy Tools

With the energy landscape changed, U.S. foreign policy employs a mix of military presence, economic measures, and diplomacy in the Middle East:

- **Military Presence:** The U.S. still maintains an extensive footprint. As of 2025, American forces operate in over a dozen Middle Eastern countries, from large bases in Qatar, Kuwait, and Bahrain to naval task forces in the Gulf and Red Sea. However, this presence is calibrated differently: instead of large armies, the U.S. relies on agile air/naval power and Special Forces. These deterrence deployments serve multiple goals - deterring Iran, protecting allies (Israel, Saudi Arabia, Gulf states), and responding to crises (e.g. anti-ISIS operations in Syria/Iraq). Importantly, this forward posture is smaller than the all out occupations of the early 2000s, reflecting both war weariness and the idea that oil security no longer demands permanent armies overseas.
- **Sanctions and Financial Coercion:** Economic tools have taken a front seat. The Trump administration’s withdrawal from the Iran nuclear deal reinstated sweeping sanctions on Iranian oil, nearly halting its exports and crippling its economy. The U.S. has similarly sanctioned Venezuelan and Russian oil sectors, trying to reshape energy politics through the dollar and banking restrictions. These measures illustrate how U.S. strategy now leverages its financial system and consumer markets rather than only military threats. Analysts note that by targeting Iran’s oil revenues, the U.S. imposed more pain than a direct military blockade would have, achieving much with fewer troops.
- **Alliance Building and Partnerships:** Washington continues to deepen ties with traditional partners (Saudi Arabia, the UAE, and Israel) but also works on broader coalitions. The Abraham Accords (UAE/Israel normalization) were partly motivated by shared concerns about Persian Gulf security. Joint military exercises (e.g. CSG deployments with Arab navies) and arms sales (F-35 jets to Gulf States) reflect burden-sharing approaches. U.S. policy also seeks new partnerships (the “I2U2” forum of India, Israel, UAE, U.S., or QUAD in Asia-Pacific) to diversify security networks. These alliances serve to hedge against disruptions: if Saudi or Gulf states can deter Iran (and China/Russia) themselves, the U.S. need not intervene unilaterally.

- **Offshore Balancing:** Modern U.S. doctrine often emphasizes offshore balancing. For example, the Obama administration's "pivot to Asia" signaled a willingness to reduce direct Middle East involvement, trusting allies (Gulf Arab states) to counter threats. Trump's "America First" rhetoric also favored pulling back from nation-building in exchange for higher Gulf defense spending and unconventional agreements (e.g. strategic oil reserve releases in lieu of stationing more troops). The U.S. military presence is no longer an occupation model but a network that can surge if needed.
- **Energy Diplomacy:** The U.S. now engages Gulf producers as market partners rather than feudal lords of oil. High-level dialogues on energy (e.g. annual U.S.-Saudi Strategic Dialogues) include discussions on production levels and pricing. The U.S. Navy still conducts freedom-of-navigation patrols, but these are often framed as general security missions rather than purely oil-related. Recent events show this: during the 2023 Houthi attacks in the Red Sea, U.S. naval escorts of commercial ships (notably in the U.S. Gulf Fleet) were justified partly by the need to keep global trade (including oil and LNG) flowing.

While military force remains a tool, U.S. strategy increasingly relies on economic sanctions and diplomatic frameworks. This reflects a shift from securing own oil shipments to maintaining global stability. As one report notes, U.S. policymakers now argue that threats to oil access can be managed with a lighter footprint, given market adaptiveness.

Case Studies in the Shale Era

Iran Nuclear Deal (2015) and "Maximum Pressure" (2018-2019)

The 2015 Joint Comprehensive Plan of Action (JCPOA) lifted sanctions on Iran in exchange for nuclear restrictions. It also implicitly allowed Iran to resume oil exports (which had been limited under older sanctions). However, in 2018 President Trump withdrew the U.S. from JCPOA and re imposed sanctions. U.S. measures "slashed Iran's oil exports from 2.8 million barrels per day in May 2018 to just 150,000 barrels per day by mid-2020". This extreme economic coercion demonstrates the post-shale strategy: rather than military intervention, the U.S. used its financial leverage to choke Iran's key revenue (petrodollars). The Biden administration (2021-2024) has engaged in indirect talks to revive a version of the deal, but overall strategy remains undergirded by sanctions that punish oil exports until Iran limits its nuclear program.

Saudi Arabia & Yemen Conflict (2015-2020)

During the Yemen civil war, U.S. support for the Saudi led coalition exemplified continued Gulf entanglement. Washington provided arms, intelligence, and logistics to Saudi Arabia and the UAE in their campaign against the Iran aligned Houthi rebels. The motivation was partly to bolster U.S. allies and counter Iranian influence, but oil considerations were implicit: the U.S. wanted to ensure that a potentially hostile Yemen-turned-Iranian outpost could not threaten shipping or Gulf oil neighbors. Human rights and humanitarian concerns caused the Biden administration to curb support, reflecting a broader skepticism of costly interventions. Notably, throughout this period U.S. rhetoric

never emphasized oil; instead, it framed Yemen purely in security terms (Houthi missile attacks, etc

Trump's "Maximum Pressure" and OPEC Relations (2017-2020)

President Trump's tenure saw unconventional engagement with oil politics. Early on, Trump signaled skepticism of OPEC, even accusing it of keeping prices high. He urged Saudi Arabia (and later Russia) to increase production to lower global prices, framing it as a consumer benefit. This culminated in a rapid U.S. intervention after Russia and Saudi cut production in 2020, leading to a price crash; Trump called on Congress to bail out the U.S. shale industry. These actions reflect how the U.S. now views oil output as both an economic and geopolitical tool. Domestically, the boomlet meant that high oil prices were politically costly, so the administration sought to influence OPEC decisions. Meanwhile, the Iran sanctions campaign restricted one producer while courting others (like Iraq and Gulf allies) to fill the gap, again using diplomacy alongside sanctions.

Biden Era (2021-2024): Energy Shocks and Diplomacy

President Biden inherited a complex picture: disengagement from Afghanistan, an Israeli-Palestinian conflict flare-up, and the sudden reemergence of oil as a political issue due to the 2022 Ukraine war. Russia's invasion sent global oil and gas prices soaring, even as the U.S. faced criticism for not producing more. In early 2022 Biden visited Saudi Arabia (despite earlier warnings to "keep your oil") and privately urged Crown Prince Bin Salman to pump more oil. At home, Biden released SPR barrels and promoted alternative fuels. Internationally, the crisis highlighted U.S. and Western dependence on Gulf & US allies for quick supply diversions. The administration also linked energy and climate in foreign policy, pushing Gulf producers (OPEC+) to limit investment in new oil fields to combat climate change, a stance welcomed by environmentalists but contrary to producers' near term interests.

Simultaneously, the Biden administration has tried to revitalize alliances (re engaging Iran talks, fostering an "energy security partnership" with Europe, and even rearmament deals with Israel and Gulf states). For example, in 2023 the U.S. brokered a Saudi-Iran rapprochement, partly to stabilize oil markets by easing regional tensions. This multi faceted policy, pressuring Iran's oil while courting Saudi cooperation, underscores how the U.S. now juggles oil concerns alongside broader security goals.

Counterarguments and Alternative Explanations

While this analysis emphasizes oil's continuing relevance, we acknowledge other drivers in U.S. Middle East policy:

- **Israel's Security:** The U.S.-Israel alliance is a major factor. Some argue U.S. Middle East involvement is primarily to support Israel (for strategic or ideological reasons), with oil interests secondary. For instance, critics of U.S. policy often note that military aid to Israel has continued regardless of oil issues.

- **Counterterrorism:** Especially after 9/11, the U.S. launched wars in Afghanistan and Iraq under the banner of combating terrorism and WMDs, not explicitly oil. Operation Enduring Freedom and the Global War on Terror were justified in non-energy terms. Many analysts point out that oil wealth and human rights concerns often pull U.S. policy in the same direction (e.g., targeting Saddam Hussein's regime advanced both democracy and access goals).
- **Great Power Rivalry:** During the Cold War, the U.S.-Soviet competition in the Middle East often revolved around ideology and alliance-building, with oil as one interest among many. Today, U.S. engagement is influenced by rising Chinese presence in the Gulf (China now imports large quantities of Gulf oil). Some say the U.S. is in the region to counter China's maritime and economic expansion, or to maintain U.S. influence globally, beyond pure energy motives.

CONCLUSIONS AND RECOMMENDATIONS

This paper has traced how oil has remained an important yet evolving factor in U.S. Middle East policy. Historically, oil shortages and import dependence were cited as key reasons for interventions and alliances (the 1970s energy crises and the Carter Doctrine being classic examples). However, the shale revolution has reconfigured U.S. interests: America's newfound energy abundance means that direct military interventions to secure oil are less necessary. Instead, the U.S. now emphasizes sanctions, strategic alliances, and market oriented tools to manage oil security. For instance, by imposing sweeping sanctions on Iran's oil sector, the U.S. demonstrated that cutting off petrodollars can be as effective as sending troops. At the same time, continuing protection of sea lanes and intelligence sharing with Gulf States shows continuity: oil-rich partners are still entrusted with security tasks.

Although its role has changed significantly, this study affirms that oil still plays a significant role in U.S. foreign policy toward the Middle East. Direct military interventions and long-lasting security alliances have historically been fueled by oil scarcity and reliance on imports. But because of the new domestic abundance brought about by the shale revolution, Washington has relied less on conventional wars and more on market diplomacy, economic coercion, and selective forward deployments. Nevertheless, continuity endures. The management of global price stability, strategic partnerships with Gulf monarchies and sea-lane security continue to be crucial.

This conclusion is supported by recent research. According to analysts like O'Sullivan (2017), Guliyev (2020), and Krane (2024), the Gulf's significance is not diminished by the United States' energy abundance, which offers strategic flexibility. Disruptions in the Gulf continue to have an impact on the world, according to policy reports from the IEA (2022) and EIA (2023, 2025), which emphasizes the importance of U.S. leadership in crisis response. Energy diplomacy with Saudi Arabia (Saab, 2023) and sanctions on Iran (Brown et al., 2025) further demonstrate how new instruments now enhance rather than replace established security ties.

The energy transition, growing great-power competition (particularly with China), and regional instability associated with conflicts like Yemen and the Red Sea are the three new challenges that the United States will have to deal with in the future. Although it is no longer the only factor influencing American engagement, oil continues to be a crucial factor in determining the location, timing, and manner of power projection. How well Washington combines energy security with alliance management, climate policy, and geopolitical rivalry will determine the direction of U.S.-Middle East relations in the future.

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