

Special Contribution

“The Middle East in 2025 : A Geopolitical Assessment”

Mr. Bilahari Kausikan

Distinguished Fellow of the Middle East Institute of
the National University of Singapore

Former Permanent Secretary of Singapore's Ministry of Foreign Affairs



The barbaric terrorist attack by Hamas on Israel on 7 October 2023 and the ferocious Israeli response has changed the geopolitics of the Middle East and reshaped the region’s strategic landscape. The ultimate direction of the changes is, however, as yet uncertain. It is doubtful that 2025 will bring any greater clarity. For the foreseeable future, the Middle East confronts us with seven (7) paradoxes:

- This is the longest conventional conflict that the Middle East has experienced in decades – only the Iran-Iraq war of 1980 to 1988 was longer and bloodier -- yet the risk of regional conflict sparking a global conflagration has never been lower;
- America’s status as the only major external power able to affecting developments in the Middle East has been underscored, but how the US will use its power under the second Trump administration is as yet uncertain;
- Israel has decimated Hamas and Hizbollah as coherent forces, severely degrading them as immediate threats. But Israel has never been more internationally isolated and internally divided;
- Iran has never been weaker, but it has nevertheless never been more potentially dangerous with Tehran possibly on the cusp of momentous decisions about its nuclear weapons programme;
- The brutal Assad family regime was toppled after 53 years in power, but Syria’s future is uncertain as ever, perhaps even more so;
- The Palestinian question has been brought back to centre stage, but the prospects for a two-state solution have never been dimmer; and
- Despite all these risks, the most important and consequential development in the Middle East remains the largely successful efforts of Saudi Arabia, the UAE, Qatar, Oman and other Gulf monarchies to transform their economies and societies.

Global Risks

In almost all of Israel's previous wars – in 1956, 1967 and 1973 -- the 1948 war of independence was an exception since the odds were overwhelmingly against Israel – as well as the Iran-Iraq war, the involvement of major external powers, particularly the US and the former Soviet Union, risked a regional conflict leading to a global confrontation. That risk is now zero or close to it. Russia is preoccupied with Ukraine and China's ability to influence the conflict is practically non-existent. The global economic effects of this Middle East conflict have been minimal. Oil prices as measured by the Brent Crude Index have remained in the mid USD 70 range over the past year with only short-lived spikes to around USD 80, which is not unduly high. Even Houthi attacks on Red Sea shipping have not caused serious disruptions to global supply chains which have quickly adapted.

US Dominance

The Biden administration's decision to withdraw from an unwinnable war in Afghanistan (both the Obama and first Trump administration had tried to do so without much success) led to much over-excited commentary about America's so-called 'retreat' from the Middle East. But the US 5th Fleet remains in Bahrain and the US Air-force remains in Qatar and the UAE, and there is no sign that withdrawal of these assets is contemplated. Rather than a 'retreat', US policy in the Middle East is better understood as a recalibration of the US strategic posture from direct intervention on the ground to maintaining what stability is possible in an intrinsically unstable region as off-shore balancer through air and naval power.

The deployment of two American air-craft carrier battle groups and a cruise missile-armed nuclear submarine during the current conflict and its periodic bombings of targets in Iraq, Yemen and Syria, is typical off-shore balancer behaviour. It sent a strong message to Iran. Tehran has made clear to the US that it does not want a wider conflict. Only the US could force a temporary cease-fire in Lebanon and seems on the cusp of brokering a temporary cease-fire in Gaza as well.

Apart from the US, no other external power has the diplomatic and military capability to affect developments on the ground in the Middle East. The UK and France which were the traditional powers in the region, are today, in the most charitable description, only adjuncts to the US. The rapid fall of the Assad regime in Syria exposed Moscow's powerlessness. Stretched as it is in Ukraine, Russia could not intervene as it did in 2015 to save Bashar Assad and could only offer him refuge in Moscow. Russia seems to be preparing to withdraw at least some of its assets from its military bases in Syria.

China's influence in the Middle East had been grossly over-estimated. China's economic footprint in the Middle East has been increasing and will continue to grow. But we cannot make straight-line extrapolations about its geopolitical influence from its economic presence. The

10th March 2023 restoration of relations between Saudi Arabia and Iran may have been announced in Beijing, but China's role was minimal and Beijing was brought in only at the end of the process. It was Oman with the help of Iraq that had played the most crucial role, quietly working behind-the-scenes for two years to make it possible. Most significantly, on 9th March 2023, the day before the Beijing announcement, the Wall Street Journal announced, clearly from a Saudi leak, that Riyadh was prepared to join the Abraham Accords in return for American security guarantees against Iran and a nuclear cooperation agreement. Only the US can provide the kind of security guarantees against Iran that Riyadh requires and US-Saudi talks on these issues had been making significant progress. The 7 October terrorist attack by Hamas was intended to forestall such a development.

China's ability to simultaneously maintain stable relations with Israel, Iran and Saudi Arabia is only possible during peace-time – that is to say when it's influence is least required. Beijing's refusal to condemn the 7 October terrorist attack by Hamas has exposed where it really stands, not just to Israel but also to the Gulf monarchies. Of course, Israel and Saudi Arabia, like all countries in the Middle East, will never stop dealing with China. But during the current war, Beijing has been largely disregarded by the combatants. China's political initiatives, for example the meeting of Palestinian factions it hosted in July 2024, are performative rather than substantive and the so-called 'Beijing Declaration' calling for a Palestinian national unity government, was ignored even by its signatories. Beijing is not taken seriously as a strategic player in the Middle East.

What will the US do with its power? The in-coming second Trump administration injects an element of uncertainty, although some parameters are clear enough: the US will continue to support Israel and will do nothing to compromise Israeli security; the US will not get involved in ground wars or nation-building or democracy promotion experiments --Trump has already said the US should not get involved in post-Assad Syria – and a second Trump administration will be tough on Iran. But these broad parameters still leave important questions unanswered: How much lee-way will the US give Israel? How will Trump react if Tehran continues to enhance uranium to just below weapons grade or makes a dash for nuclear weapons? Will the US throw its weight behind a solution to the Palestinian issue? This essay will venture some guesses to these questions, but only time can provide definitive answers.

Israel and Iran

For Israel, the 7th October terrorist attack was a triple failure: a failure of intelligence, a failure of military readiness, and a political failure – the belief among key Israeli leaders that some combination of deterrence and incentives had successfully 'domesticated' Hamas and Hizbollah and kept their hostility within acceptable bounds, was proven tragically wrong. Following these serious failures, the vital – indeed existential – Israeli interest was to restore deterrence, not just against Hamas and Hizbollah, but more crucially, against their patron, Iran. In this respect, the Israeli response was brilliantly successful.

The war – the longest in Israel’s history -- has shattered Hamas and Hizbollah as coherent political and military organizations. They are still dangerous, but not as organized forces. The ‘pager attack’ on Hizbollah in September 2024 and the assassination in Beirut a few days later of Hizbollah’s leader, Hassan Nasrallah and other top commanders, proved that Israeli intelligence had thoroughly penetrated the organization. With its top leaders dead, surviving leaders in hiding, its communications compromised, and the major part of its arsenal of missiles destroyed – up to 80% according to Israeli’s former Defense Minister, Yoav Gallant – Hizbollah is no longer an organized threat. Although Hizbollah has retaliated, the kind of massive coordinated missile barrages designed to overwhelm Israeli air-defenses that many had feared, has not materialized because the command and control structures to undertake such coordinated attacks no longer exist.

It will take a very long time for Hizbollah and Hamas to recover, if they ever can. The current tenuous ceasefire in Lebanon is not the end of the story. The same will be true if there is a ceasefire in Gaza. Israel will not stop attacking Hizbollah and Hamas to further degrade their capabilities and even after the war formally ends, will continue to hunt down their surviving leaders as it hunted down the terrorists that murdered Israeli athletes during the 1972 Munich Olympics.

Iran’s inability to protect its clients and to effectively respond to Israel’s attacks on its own territory, has made its weakness manifest to the entire region. Iran’s attempts to retaliate were ineffective, causing almost no significant casualties or damage. In the Middle East the perception of power or weakness is crucial, more so than in other regions. Israeli attacks on Iran included the humiliating assassination of top Hamas leader, Ismail Haniyeh, in the heart of Tehran during the inauguration of the new Iranian president and the destruction of some of Iran’s most advanced air-defense systems. These attacks as well as earlier assassinations of top Iranian nuclear scientists and the spiriting away of truckloads of documents about Iran’s nuclear programme from a secure warehouse in Southern Tehran in 2018, made clear that Israeli intelligence had also thoroughly penetrated Iran as well as its clients. Tehran now stands exposed as ineffectual.

Hizbollah and Hamas were key elements of Iran’s forward defense strategy. They were guns pointed at the heads of Israel and the Sunni Gulf monarchies. With its main clients decimated, Iran’s forward defense is in tatters. Of its ‘axis of resistance’, only the Houthis remain relatively undamaged.

True, with 50,000 or more killed in Gaza and Lebanon, including women and children and Gaza on the brink of a humanitarian catastrophe, Israel has never been more internationally isolated. The UN General Assembly (UNGA) has passed resolutions highly critical of the Gaza war, the International Court of Justice (ICJ) has ruled against Israel, and the International Criminal Court (ICC) has issued warrants for the arrests of Prime Minister Netanyahu and

other Israeli leaders. But to Israel, the restoration of deterrence against Iran and its clients is an existential issue weighed against which these reputational costs are probably acceptable. UNGA resolutions are non-binding, the ICJ ruling is unenforceable, and the possibility of the ICC arrest warrants being executed is negligible. To Israel, international condemnation at the UN and elsewhere are sunk costs – Israel’s attitude is: ‘you are going to condemn me no matter what I do, so I will do what I must’. Indeed, that international condemnation has not stopped Israel probably enhances its deterrence because the non-state actors that threaten Israel do not abide by international norms.

The main thing that counts for Israel is American support. Despite tensions with the Biden administration and criticism from some liberal American Jewish organizations, US support has held. President Biden was clearly angry with Netanyahu, but continued to supply Israel with the weapons it needed. Personal relations between Trump and Netanyahu are reportedly tense. But American support for Israel will remain strong. Trump, who recognized Jerusalem as Israel’s capital and the annexation of the Golan Heights during his first term, may want to end the war. He has reportedly told Netanyahu to “get your victory quickly” because “the killing has to stop”. But he is unlikely to force any outcome that hurts Israel’s security. Trump has also threatened that there will be “hell to pay” unless the hostages in Gaza are released before his inauguration. Trump’s policy of ‘maximum pressure’ on Tehran during his first term had demonstrated that he is unlikely to be soft on Iran.

Syria and Israel’s Security Dilemmas

It was probably Israel’s exposure of Iran’s weakness and its degradation of Hizbollah that emboldened the motley group of Syrian rebels loosely led by Hay’at Tahrir al-Sham (HTS), to launch the lightning offensive that quickly brought down the Assad regime. This was a catastrophe for Iran and its clients who were already reeling from Israeli attacks and deprived Tehran of another key element of its forward defense strategy by cutting the land-supply route to Hizbollah. Israel moved swiftly to destroy Syrian army weapon stockpiles, including chemical weapons and their precursors, and to expand its buffer zone in the Golan Heights. It is unlikely to withdraw from the additional territory it occupied anytime soon.

This is prudent since ‘rebel forces’ is a misleading trope imposing a false coherence on entities that in reality are far from united, including HTS which was formed by a coalition of Sunni Islamist groups. Now that they no longer have a common enemy in the Assad regime, will these groups begin fighting among themselves as happened in Libya after Gaddafi was killed? It is at least even odds that they will do so. Israel cannot contemplate chaos on its northern border with equanimity. HTS has broken ties with Al- Qaeda and after its victory over Assad, its leader has made moderate statements intended to win international support. But HTS translates as ‘Organization for the Liberation of the Levant’. The Levant conventionally includes not just Syria, but Lebanon, Jordan and Israel. The nom de guerre of HTS’ leader, al-Jolani, translates as ‘Golan’.

Still, Iran remains the primary threat. With its conventional defenses proven ineffectual, nuclear weapons become more attractive as the most viable remaining deterrent option. Tehran has been steadily inching towards refining uranium to weapons grade. Will it make a dash for nuclear weapon status? There is certainly a serious debate among top Iranian political, religious and military leaders about doing so and many analysts have concluded that Tehran is perhaps within a year of testing a nuclear device. But with its economy failing, serious internal tensions, and a second Trump administration soon to be in place, this is not a decision that Iran will make lightly. If there is credible evidence that Iran is going for nuclear weapons, this will almost certainly trigger a coordinated attack by Israel and the US with perhaps participation by some Gulf monarchies and western states. It has been long-standing US policy not to allow Iran to acquire a nuclear weapon. Although Trump is generally reluctant to involve the US in wars, this may well be the exception.

A Palestinian Solution?

Where does all this leave Palestine? Ostensibly, it was in support of a Palestinian state that Hamas and Hizbollah attacked Israel. But this was one of the most serious miscalculations in the long history of Palestinian miscalculations. Ironically, the prospects for a two-state solution, never bright, have now become even dimmer even as the issue has reclaimed centre stage internationally.

After a series of failed wars against Israel, enthusiasm for the Palestinian cause waned as most Arab governments increasingly looked to their own national interests, while paying lip-service to Palestine. The 1979 Iranian revolution catalyzed a fundamental change in the threat perceptions of most Sunni Arab states away from Israel towards Tehran. During the 1980s and 1990s, their engagement in the Palestinian cause increasingly became pro forma diplomatic and political (in some cases, financial) support. In 1979 Egypt recognized Israel, followed by Jordan in 1994. The 2011 Arab Spring turned the attention of the Gulf Monarchies even further away from Palestine as they grappled with the far more crucial issue of regime survival, and focused on economic and socio-cultural reforms. Palestine is irrelevant to this goal. Israel can potentially play a very significant role in their economies. The 2020 Abraham Accords which saw the UAE, Bahrain, Morocco and Sudan recognizing Israel marked the formal marginalization of the Palestinian issue.

The Abraham Accords are in effect a US-sponsored anti-Iran coalition in which Israel provides military heft in return for the legitimacy of Arab recognition. Since the geopolitical conditions that led to the Abraham Accords have not changed, sooner or later the process of Arab-Israel normalization will resume, delayed but not diverted by 7 October terrorist attack and Israel's response.

Hamas is an off-shoot of the Egyptian Muslim Brotherhood which is anathema to Saudi Arabia, the UAE, Bahrain, Jordan and the Egyptian military. It is open to question whether anyone in Riyadh, Abu Dhabi, or Cairo is really losing much sleep over Israel's attempt to eradicate the Hamas and Hizbollah. No country has left the Abraham Accords over the Gaza war. Etihad and Emirates Airlines never stopped flying to Israel. Israel's fundamental war aims of restoring deterrence against Iran and destroying its principal clients as organized military forces are in the interests of most Sunni Arab states, in particular, Egypt, Jordan Bahrain and Saudi Arabia and the UAE.

Of course, the collateral civilian casualties in Gaza have evoked strong emotional reactions among the peoples of Sunni Arab states. But this is primarily a domestic political problem that these governments must manage. The statements and actions of these states in the UN, the OIC, and other forums, should be seen in this light. The Sunni Arab states' protests against Israeli attacks against Shia Hizbollah and the collateral civilian casualties in Lebanon have been perfunctory. Managing the domestic politics of the Gaza war is serious internal complication for these states. It is particularly serious for Jordan whose internal stability is precarious and whose history of relations with the Palestinians has been fraught with tensions. But it is doubtful that these internal complications have changed the external geopolitical calculations of the majority of Sunni Arab governments in any fundamental way.

Saudi Arabia will be key. In November 2024, Saudi Arabia convened an Extraordinary Arab and Islamic Summit in Riyadh which reaffirmed the "centrality" of the Palestinian cause and was sharply critical of Israel. At the summit, Mohammad bin Salman accused Israel of 'genocide' and earlier in September, he said Saudi Arabia would not normalize relations with Israel until the Palestinians had a state.

However, none of this changes Saudi threat perceptions of and strategic calculations about Iran. Nor does it change the reality of Palestine's lack of strategic weight as compared to Israel's military capabilities, including its undeclared nuclear weapon capabilities. If Tehran seriously prepares to exercise its nuclear-weapon option, Saudi Arabia deciding to join the Abraham Accords even in the absence of a Palestinian state, cannot be ruled out. A nuclear Iran would be an existential threat to Saudi Arabia as it is to Israel. A nuclear Iran would not be an existential threat to the US. Israel's deterrence of Iran is thus more credible than American deterrence. By comparison, Palestine's future is a very secondary consideration. It would nevertheless be easier – but not essential -- for Riyadh to reverse position if there is a Palestinian fig-leaf. Whether or not this is possible depends on the balance between Israeli domestic politics and the in-coming Trump administration's goals in the Middle East.

Outside Israel it is almost axiomatic that a two-state solution is the only viable way to ensure peace and lasting security for Israel. But this is not the opinion within Israel. We should not underestimate the trauma of the 7 October attacks on Israeli society. Israel is a small country and almost every Israeli is only one-degree of separation away from those murdered or taken

hostage. This has shifted Israeli politics rightwards. This is a popular war and after 7 October, there almost zero political support for a two-state solution in Israel. Protests by secular Israelis against Netanyahu are mainly about his willingness to allow religious Zionists and the Ultra-Orthodox to change Israeli society in order to ensure his political survival. It is not entirely clear whether in itself Saudi recognition would be a big enough a prize to reorient Israeli politics. However, the need to maintain American support plus Saudi recognition might tip the balance.

The Abraham Accords was a significant foreign policy achievement by the first Trump administration. Will the second Trump administration want to build on and extend it, particularly if visions of a Nobel Peace Prize are dancing before Donald Trump's eyes? It cannot be ruled out, but only time will tell whether it will materialize. What is certain is that only the US has the clout to change Israel's calculations if it chooses to bring its weight to bear in support of a Palestinian state.

However, we should have no illusions that even if a second Trump administration decides to do so, it will not be the kind of Palestine envisaged under the Oslo Accords but a much-reduced Palestine; only a formality of a statelet rather than a viable state. Israel will demand buffer zones under its control in Gaza and the West Bank, and it is highly unlikely that all existing settlements on the West Bank will be evacuated as were the Gaza settlements in 2005. Trump will probably accept such Israeli conditions. Will Saudi Arabia and the other Arab states do so? It is not to be taken for granted that the majority of the Sunni Arab states will reject such a diminished Palestine because they will want to get the issue out of the way to focus on their economic and socio-cultural reforms.

When we think of the Middle East, we think most naturally of conflict and its tragic consequences. This is indeed an endemically turbulent region. However, we should not lose a sense of perspective. The biggest story in the Middle East is not the Palestinian issue or the war that has dominated headlines for the past year. It is in fact the efforts of Saudi Arabia, the UAE, Qatar, Oman and other mainly Sunni Arab states to transform their economies and societies. These efforts – of which the redefinition of Islam as primarily a personal matter and one that looks outwards and forward rather than allowing its narrow, inward looking variants to dominate politics or the public sphere, is a particularly important aspect – have been largely successful and have not been diverted by the violence of the last year. These efforts will continue in 2025 and potentially will have the farthest-reaching long-term consequences, including geopolitical consequences, for the Middle East.

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Bilahari Kausikan spent his entire career in the Ministry of Foreign Affairs of Singapore (MFA). Over 37 years in MFA, he served in a variety of appointments at home and abroad. These included Ambassador to the Russian Federation, Permanent Representative to the United Nations in New York, Deputy Secretary for South-east Asia, Second Permanent Secretary, and subsequently Permanent Secretary. Upon retiring in 2013, he was appointed Ambassador-at-Large, a position he held until 2018.

Mr Kausikan became Chairman of the Middle East Institute, an autonomous institute of the National University of Singapore, in 2017, and retired in 2024, but remains associated with the institute as Distinguished Fellow.

Mr Kausikan has published three books -- "Dealing with an Ambiguous World" (2016), "Singapore Is Not An Island" (2017) and "Singapore Is Still Not An Island" (2023) -- along with many articles in local and international journals. He continues to lecture on global geopolitics, and developments in North-east Asia, the Middle East, and South-east Asia, to universities and other educational institutions in Singapore and abroad, as well as corporations and financial institutions.

Raffles Institution, the University of Singapore and Columbia University all attempted to educate him, but should not be held responsible for the consequences.

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