

Israel and the Gulf states: Two pillars of US fossil capitalism

Adam HaniehFederico Fuentes, April 12, 2025Issue 1428World



Saudi Arabian Prince Mohammed Bin Salman (left) and Israeli Prime Minister Benjamin Netanyahu. Photos: Wikimedia (CC By SA)

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Hanieh will be in Australia for the Ecosocialism 2025 conference in Naarm/Melbourne on September 5–7.

In the second part of our interview, Federico Fuentes speaks with Hanieh about Israel's genocide in Gaza and the growing influence of the Gulf states and Iran in the Middle East. Read part one [here](#).

Competing explanations have been offered about Western support for Israel's war on Gaza. What is your view? How does the process of normalisation between Israel and Arab nations fit into this?

We should view the US-Israel relationship within the context of the wider region, and not simply through the lens of what is going on inside Palestine or the motivations of individual Israeli leaders.

This requires foregrounding US imperialism and the centrality of the region to global fossil capitalism.

The rise of the US as the dominant capitalist power was closely connected to the shift to oil as the leading fossil fuel in the mid-20th century. This gave the Middle East — as the centre of world oil exports — a very important role in the US' global project.

Within the Middle East, Israel has been a key pillar of US influence, especially after the 1967 [Arab-Israeli] war, where it demonstrated its ability to defeat Arab nationalist movements and anti-colonial struggles.

In this sense, the US has always been in the driving seat of this relationship — not Israel, and certainly not an Israel lobby.

The other pillar of US power in the Middle East has been the Gulf states, in particular Saudi Arabia.

Since the mid-20th century, the US has built a privileged relationship with the Gulf monarchies, acting as a backstop to their survival so long as they remained within the US' wider system of regional alliances.

This meant guaranteeing the flow of oil into the world market and ensuring oil was never used as a “weapon”. It also meant the trillions of dollars earned by the Gulf states through oil sales were largely recirculated into Western financial markets.

But, as with its global status, US dominance in the region has eroded over the past two decades. This is reflected in the growing role of other foreign states in the region (such as China and Russia), and the struggle of regional powers to expand their influence (for example, Iran, Turkey, Saudi Arabia and the United Arab Emirates).

Importantly, there has also been an eastward shift in the Gulf's oil and gas exports, which now flow predominantly to China and East Asia, rather than to Western countries.

In response, the US has sought to draw together its two key regional allies by normalising political, economic and diplomatic relationships between the Gulf states and Israel.

We need to read Israel's actions and the genocide in Gaza through this lens. Even now, in the aftermath of October 7 and the genocide, and amid talk of further expelling Palestinians from their land, the US' goal remains the normalisation of ties between Israel and the Gulf states as a means to reassert its primacy in the region.

Surely Trump's proposal to ethnically cleanse Gaza makes it harder for governments in the region to normalise relations with Israel?

Trump's proposals for the further ethnic cleansing of Gaza clearly resonate with much of the Israeli political spectrum.

There are, however, many obstacles to this, starting with the fact that states such as Jordan and Egypt do not want to see such large numbers of Palestinian refugees displaced into their territories.

But countries such as Saudi Arabia, Jordan and Egypt are not on a fundamentally different page to the US' project. In principle, the Saudi monarchy has no problem normalising relations with Israel.

At the same time, it is obviously very difficult for this project to move forward without the defeat of Palestinians in Gaza and elsewhere, and some kind of Palestinian acquiescence.

The potential solution to this dilemma is found in the West Bank, in the form of the Palestinian Authority (PA). The PA is key because it has created a layer of Palestinian politicians and a Palestinian capitalist class whose interests are tied to accommodation with Israel and who are willing to facilitate regional normalisation.

So, we should not read the Arab states as somehow being genetically opposed to ethnic cleansing and normalisation in the way Trump proposes.

How do you explain the role of the Gulf states, which have sought to increase their influence in the region?

Associated with this relative weakening of US power, other actors, including the Gulf states, have sought to project their own regional interests.

They have used a variety of mechanisms: sponsoring different armed groups or political movements or hosting different political forces (the case of Qatar stands out here); providing financial aid to states such as Egypt and Libya; military intervention in places such as Yemen and Sudan; and by controlling ports and logistics routes.

This partly has to do with the aftermath of the 2011 Arab uprisings, which rapidly spread across the region, destabilising long-standing authoritarian rulers, such as in Egypt and Tunisia. The Gulf states played a major role in trying to reconstitute these authoritarian states in the wake of the uprisings.

There are also rivalries between Gulf states, particularly Saudi Arabia and Qatar, but also between Saudi Arabia and the UAE. They do not necessarily see eye to eye on everything, and sometimes support opposing sides — for example, in Sudan where Saudi Arabia backs the Sudanese Armed Forces in the ongoing civil war, while the UAE assists the Rapid Support Forces.

However, despite its relative decline, the US remains the major imperialist power in the region. The US is still the final backstop — militarily and politically — for the Gulf regimes.

Is the term “sub-imperialist” — which usually describes countries that are subordinate to an imperialist power but operate with certain autonomy in their sphere of influence — useful for understanding the Gulf states?

While the term sub-imperialism can capture some of what these states represent, the Gulf states do not necessarily have the ability to project their military strength in the same way that Western powers do.

That is not to say that they are not building up military capacity, but they still largely operate through proxies and rely heavily on a US military umbrella.

That said, the export of capital from the Gulf into the wider region — and increasingly also the African continent — is very evident. These exports of capital reflect cross-border transfers of value.

It is also very clear that Gulf-based conglomerates have been major beneficiaries of the neoliberal wave that swept the Middle East during the past few decades, in which economies were opened, and land and other assets privatised. If you look across the region at sectors such as banking, retail, agribusiness, you will see both state and private Gulf-based conglomerates.

This is why it is so important to think about the region in the context of capitalist interests and patterns of capital accumulation, not just inter-state conflict.

Iran is considered by some to be spearheading an anti-imperialist “Axis of Resistance” in the region. How do you view Iran’s role?

The term “Axis of Resistance” is misleading as it implies too much unanimity between a quite heterogeneous set of actors with different interests, social bases and relationships to politics, both domestically and regionally. It basically seeks to place a plus sign where [former US president George W Bush] put a negative sign with his “Axis of Evil”. It is a simplistic way of doing politics.

We need to clearly and unequivocally oppose any kind of Western imperialist intervention in Iran or the wider region (whether that be directly, or through Israel). That means not just military intervention but economic and other forms of intervention. Sanctions are a big one in the case of Iran.

At the same time, we should recognise that Iran is a capitalist state, with its own capitalist class, which has its own objectives in the region and more broadly. Much like the Gulf states, Iran tries to project its regional power. It is true that Iran does so sitting outside the US’ project for the region. But recognising the capitalist character of the Iranian state means we must also stand in solidarity with progressive social and political movements in Iran.

These are movements that we, as socialists, should stand with, in the framework of anti-imperialist politics.

The starting point is to be consistently anti-capitalist in how we think about states and movements, which means giving no political support to capitalist governments.

We can be in solidarity with people in struggle while opposing imperialist intervention, and not reduce the complexities of capitalism in the Middle East to some kind of Manichean geopolitics.