

# United States Economic Interests and the Arab-Israeli Conflict, 2000-2023

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## ABSTRACT

The Arab-Israeli conflict has remained one of the most complex and protracted geopolitical crises of the 21st century, with wide-reaching implications for regional and international peace. Therefore, this study investigated how US economic interest in the Middle East have shaped the Arab-Israeli conflict between 2000 to 2023. The theory of Classical Realism was adopted as the theoretical framework of analysis and also adopted qualitative research design in which data were collected from secondary sources like historical documents, review of relevant literature and published articles, presented in tables and figures, and analysed using thematic content analysis method. The study found that the US' economic interests in the region impacted significantly on the Arab-Israeli conflict which contributed to the protraction of the conflict. Arising from these findings, the study recommended amongst others that the US should align its economic interests with peacebuilding through regional economic cooperation and conditional diplomatic engagements and the United States should decouple its economic agenda from its mediation role in the region by supporting the establishment of a multilateral mediation framework under the auspices of the United Nations or a neutral international consortium.

**KEYWORDS:** *National interest, economic interests, Arab-Israeli conflict, geopolitical crises, international peace.*

## INTRODUCTION

The Arab-Israeli conflict has continued to evolve in complexity throughout the 21st century. At the heart of this conflict are overlapping territorial, religious, political, and strategic interests among regional and international actors (Carter, 2020). Among these actors, the United States has maintained a central role, not only as a diplomatic broker and military ally but also as a power with considerable economic stakes in the Middle East. Between 2000 and 2023, U.S. engagement in the Arab-Israeli conflict has increasingly been shaped by economic considerations, especially in the areas of energy security, arms sales, technological investment, and regional trade stability (Carter, 2020; Gause, 2019).

The US foreign policy in the Middle East has historically oscillated between strategic support for Israel and efforts to maintain favorable relations with key Arab states. While often framed through the lens of democracy promotion and security alliances,

economic interests have quietly but powerfully influenced US actions and alignments in the region (Mearsheimer & Walt, 2007). The region's vast oil and gas reserves, control over key maritime trade routes such as the Suez Canal and Strait of Hormuz, and the emergence of new markets for American military and surveillance technology have made economic engagement a critical factor in US foreign policy calculus (Klare, 2022).

The discovery of natural gas reserves in the Eastern Mediterranean has added a new dimension to US economic engagement in the region. It is against this backdrop this study seeks to investigate how these economic ventures have impacted on the Arab-Israeli Conflict between 2000 to 2023.

## Statement of problem

The Arab-Israeli conflict has remained one of the most complex and protracted geopolitical crises of the

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21st century, with wide-reaching implications for regional and international peace. The US has provided substantial economic and military aid to Israel averaging over \$3.8 billion annually in recent years while simultaneously expanding arms sales and investment partnerships with Arab states such as Saudi Arabia, Egypt, and the United Arab Emirates (Sharp, 2022; Congressional Research Service, 2023). These relationships raise critical questions about the extent to which economic motivations have influenced US diplomatic postures, policy choices, and peace initiatives in the region. While some argue that US economic involvement has stabilized the region through trade and deterrence, others contend that it has exacerbated the conflict by emboldening actors, sustaining asymmetries, and undermining negotiations (Mearsheimer & Walt, 2007; Gause, 2014).

Moreover, the post-9/11 security climate, the global war on terror, the 2003 invasion of Iraq, the Arab Spring, and the signing of the Abraham Accords have all introduced new economic configurations that complicate U.S. engagement in the Arab-Israeli conflict. It is against this backdrop, this study investigated how US economic interest in the Middle East have shaped the Arab-Israeli conflict between 2000 to 2023.

### **Aim and Objectives of the study**

The aim of the study is to investigate how US economic interest in the Middle East have shaped the Arab-Israeli conflict between 2000 to 2023. The objectives of the study are;

1. examine the various economic interests of US in the Middle East between 2000 to 2023
2. investigate the impact US economic interests on the Arab-Israeli Conflict between 2000 to 2023

### **Research Questions**

This study is guided by the following pertinent research question

1. what are the various economic interests of US in the Middle East between 2000 to 2023?
2. How have US economic interests impacted on the Arab-Israeli Conflict between 2000 to 2023?

### **Conceptual review**

#### **Concept of Economic Interest.**

The concept of economic interest has received divergent scholarly clarifications. However, economic interest is a foundational concept in political economy, international relations, and development studies, referring broadly to the pursuit and safeguarding of material resources and economic advantages by individuals, groups, or States. Economic interest generally refers to the motivations and actions aimed at securing economic benefits, such

as wealth accumulation, resource control, or favorable trade conditions (Stokes & Raphael, 2010).

Similarly, Jackson (2021) argues that economic interests are central to the formation of political orders, especially in societies where elites use their control of economic resources to maintain dominance and suppress competitors. Economic interest in this view is tightly linked to power dynamics and institutional constraints. According to Adam Smith (1776) in Gilpin (2001), economic interests refer to the pursuit of material gains, including wealth accumulation, resource control, and financial security, which influence States, individual and collective decision-making in economic and political spheres. Also, Thaler and Sunstein (2008) aver that economic interests are not always rational but are influenced by political factors, biases, and social preferences, affecting financial decision-making. Therefore, economic interests play a central role in political economy, shaping individual, States and collective decision-making in markets, governance, and policy formulation.

#### **Concept of Conflict**

Just as other concept of Social Sciences, Conflict also defies a universally acceptable definition. Elemanya (2018) averred that the concept of conflict has attracted various definitions from the academia, security, political, religious and social because of its importance in the social circle. He sees conflict as pertaining to those interests that nations and groups pursue which they cannot reconcile with peaceful means. Thwala (2022) who sees conflict as a confrontation between at least to interested parties arising from indifferent goals, lack of incentives and interference.

Wright (1965) in Babatola (2012) defines conflict as opposition among social entities directed against one another. It is distinguished from competition which is defined as opposition among independent social entities, striving for something of which the supply is inadequate to satisfy all. Stanger (2017) defines conflict as an incompatibility, disagreement or dissonance within or between social entities. Burton (1990) in Elemanya (2018) defines Conflict as an action over non-negotiable human needs which for him are different from dispute

#### **Concept of National Interest**

The concept of national interest plays a central role in the understanding of the driving force in international conflict and in the study of international relations. According to Gilbert (2013) national interest represents a country's goals and objectives in the international arena. National interest is often seen as a self-interested pursuit of power, security, and wealth

that nations seek to achieve through their foreign policies. Moreover, the pursuit of national interest may sometimes conflict with the interests of other States, which can lead to tensions and conflicts (Gilbert, 2013).

In the words of Dyke (1972) in Eminiue (2013), national interest is a short-hand expression of the sum total of the objectives and goals of a nation-state. Rosenau (1969) in Eminiue (2013) goes on to posit that national interest is the key to any explanation of goal-seeking behavior that states pursue in their international relationships. However, national interest could be considered as the simplest means of explaining or understanding why and how nations do what they do when they engage in international action

### Theoretical framework

This study adopted the theory of Classical Realism as the theoretical framework of analysis. The proponents of Classical Realism are Thucydides (460-400 BCE), Niccolo Machiavelli (1469-1527), Thomas Hobbes (1588-1679), Otto von Bismarck (1815-1898), and Sun Tzu (544-496 BCE) (Gilbert, 2013). At the heart of Classical realism is the belief that States act primarily in pursuit of power and the projection and protection of their national interests. This is highly relevant to understanding US actions in the Arab-Israeli conflict between 2000 to 2023. Also, the theory is very relevant in understanding the actions of Israel, Palestine, Egypt, and other Arab States like Lebanon, Syria in the Arab-Israeli conflict. The main assumptions of realism are: State-centricity; the State as a unitary, rational actor; the notion of power; the primacy of national security issues; and the emphasis on power structure. These core assumptions of classical realism resolve around States national interests which are encapsulated in; statism, survival, and self-help.

**Statism:** States are the major actors in the international system and sovereignty is its distinguishing characteristics. States like Israel, US, Egypt, Lebanon, Syria, Iraq and others are seriously engaged in the conflict to protect its sovereignty. Israel has constantly remained aggressive to protect its territorial sovereignty and doesn't hesitate to go to full scale war with any Arab States that attempts to undermine its sovereignty in the Middle East. The same also explain the efforts of Arab States like Syria, Yemen and Iran are protecting their sovereignty by ensuring Israel relinquishes its occupied territories, stop further occupation of their territories and also ensure the creation of a sovereign Palestinian State in the region. The US is equally supporting Israel to secure its Israel's sovereignty and

strengthen its own sovereignty through economic survival in the Middle East.

**Survival:** The argument is that, in international system, the predominant goal of States is survival. From the ongoing conflict, the ultimate concern of States in the conflict is survival which made them to constantly pursue their security and protect its territories from invasion and attacks. Israel is fighting seriously to ensure its survival as a State in the Middle East. Palestine is also fighting to ensure its survival as a State by ensuring that the two-state solution recommended by UN does not succeed, thereby insisting Israelis to vacate their territory. Other Arab States like Egypt, Syria and Lebanon are also supporting Palestine to secure the survival of her kits and kins in the region, protect their survival as a sovereign State and as well wade of European ideological encroachment that threatens the survival of their ideologies in the region.

On the other hand, the United States' consistent involvement in the conflict, whether through diplomacy, military presence, or economic aid has been driven by its geostrategic and economic survival. This is why the US is strategically safeguarding its national interests such as securing access to energy resources and oil in the Middle East, maintaining dominance over key maritime chokepoints for easy transportation of Oil and Energy, such as the Suez Canal, the Strait of Hormuz, and the Bab el-Mandeb and protecting Israel, a key ally and strategic partner in the region. This helps explain why these interests outweigh ideological commitments to international law, democracy, or human rights, which are often used rhetorically but subordinated to national interest

**Self-help:** Classical realism assumes that the international system is anarchic, meaning there is no overarching authority above States. The security of a State can only be realised through self-help due to the anarchical nature of the international system. This reality best describes the actions and inactions of United States of America, Israel, Palestine and other Arab States in the conflict. Israeli Government has constantly adopted self-help to fight PLA, Hamas, Hezbollah and other groups in its territory and borders before supports from its allies start coming. Palestinian Authorities, Hamas and Hesbollah equally resorts to self-help before supports start coming from other Arab States, this manifested in the first and second intifada. In the same context, the US operates on the logic of self-help, seeking to prevent any regional power from threatening its hegemony or its allies in the region. This can be seen in the US military presence across the region, intelligence and



military support to Israel and the containment of hostile regimes like Iran and Syria which challenge US-Israeli dominance. These actions illustrate that the US often adopts policies not necessarily aimed at conflict resolution per se, but at sustaining a balance of power favorable to its national interests through self-help.

### Methodology

This study adopted qualitative research design in which data were collected from secondary sources like Department of Foreign Relations of the United States (FRUS), The Middle East Research and Information Project (MERIP), Charters of the United Nations and League of Arab States, Journal of Foreign Affairs, The Middle East Journal, ResearchGate Publications, and Academia Edu. Also, the study reviewed historical documents, relevant literature and published articles. These data were presented in tables, and analysed using thematic content analysis method

### Results and Discussion

#### What are the Economic Interests of US in the Middle East?

The economic interests of the US in the Middle East include ensuring the free flow of oil/energy, ensuring sales of its military weapons, protecting its trades and investments, and participating in the production, refining and transportation of oil and energy from the Middle East which strengthens its powerful global economic status. Below is the detailed discussion of each of the revealed economic interests of the US in the region

**1. Ensuring The Uninterrupted Flow of Oil/Energy from The Region:** One of the most enduring economic interests of the United States in the Middle East is ensuring the uninterrupted flow of oil/energy from the region to global markets. While US also dependence on imported oil has declined significantly due to domestic shale production, the global economy including the American economy remains vulnerable to oil supply disruptions. The Middle East accounts for approximately 30% of global oil production, with the Strait of Hormuz serving as a strategic chokepoint through which about 21 million barrels of oil pass daily (EIA, 2023). The US has historically deployed naval forces in the Persian Gulf to secure this waterway, particularly amid regional tensions involving Iran and the Gulf States. Even as the US transitions toward renewable energy, protecting the global oil market remains essential due to its systemic impact on prices, inflation, and economic stability. According to the findings of O'Sullivan

(2022), maintaining stability in oil-producing States like Saudi Arabia, Iraq, and Kuwait is seen as a global economic safeguard, not just a national interest. So, this economic values in the Middle East contribute in shaping US foreign policy over time. The economic growth of the United States is closely linked to the world economy as a whole, and virtually every aspect of the daily lives of its citizens are touched by goods, grains and fertilizers transported from the region through the various chokepoints and waterways.

#### 2. Participates In the Production, Refining, And Transportation of Oil and Energy in the Middle East:

Due to the wealth of the region in oil and energy, the United States participates in Oil and energy production, refining, and transportation. The US operates eight (8) oil companies which partners with indigenous oil companies in the region as shown in Table 1 below. These oil companies participate in the refining and transporting of the oil and energy in the region. Therefore, beyond importing oil, American energy companies have long been involved in the extraction, refining, and transport of oil and gas in the Middle East. Major players like ExxonMobil, Chevron, and Halliburton have decades-long partnerships with national oil companies in Saudi Arabia, Iraq, and the UAE. In Iraq, for example, ExxonMobil has operated in the West Qurna oilfield, one of the largest in the world. Similarly, Chevron has partnered with the Kurdish Regional Government in northern Iraq, while Halliburton and Schlumberger provide drilling and oilfield services throughout the Gulf region (Paul & Morgan, 2019). American companies are also engaging in the region's transition to alternative energy sources. In the UAE and Saudi Arabia, US firms are involved in developing solar energy infrastructure and carbon capture technologies. These partnerships signal a strategic adaptation to global energy trends while maintaining economic leverage in the energy sector. Moreover, US involvement in pipeline construction and oil shipping logistics ensures continued influence over how energy resources are distributed, providing leverage over both producer and consumer nations. The US has also supported the development of liquefied natural gas (LNG) terminals in the region to diversify energy exports and reduce European dependence on Russian energy.

S/N	Name of Company	Host States	Partners in Host States
1	ExxonMobil	Saudi Arabia	Joint venture with Saudi Aramco in Kingdom's oil and gas sector
		UAE	Partnership with ADNOC in offshore oil concession
		Qatar	Partnership with Qatar Petroleum (QP) in North Field gas project
		Iraq	Partnership with Iraq's State Oil Marketing Organization (SOMO)
		Israel	Partnership with Delek Drilling and Noble Energy
2	Chevron	Saudi Arabia	Partnership with Saudi Aramco in Kingdom's oil and gas sector
		- UAE:	Partnership with ADNOC in Shah Gas project
		Kuwait	Partnership with Kuwait Oil Company (KOC)
		Iraq	Partnership with Iraq's State Oil Marketing Organization (SOMO)
		Israel	Partnership with Delek Drilling and Noble Energy
3.	ConocoPhillips	UAE	Partnership with ADNOC in Shah Gas project
		Qatar	Partnership with QP in Al Karaana petrochemicals complex
		Saudi Arabia	Partnership with Saudi Aramco in Kingdom's oil and gas sector
4	Occidental Petroleum (Oxy)	Oman	Partnership with Oman Oil Company (OOC)
		UAE	Partnership with ADNOC
		Qatar	Petroleum's (QP) North Field gas project
5	Hess Corporation		Partnership with QP in Al Karaana petrochemicals complex
		UAE	Dhabi's offshore oil concession
			Partnership with ADNOC
		Iraq	Partnership with Iraq's State Oil Marketing Organization (SOMO)
6	Marathon Petroleum	Israel	Partnership with Delek Drilling and Noble Energy
		Saudi Arabia	Partnership with Saudi Aramco in Kingdom's oil and gas sector
		UAE	Partnership with ADNOC
7	Valero Energy	UAE	petrochemicals, Partnership with ADNOC
		Saudi Arabia	Partnership with Saudi Aramco
8	Phillips 66	UAE	Partnership with ADNOC
		Saudi Arabia	Partnership with Saudi Aramco
		Israel	Partnership with Delek Drilling and Noble Energy

**Table 1 US Oil Companies and Their Major Partners in The Middle East 2000-2023**

**Sources: Adapted from US Department of Energy and Israeli Ministry of Energy, 2024.**

Table 1 above shows the various United States Oil Companies operating in the various states in the Middle East, their hosts States and major partners in the region. From the table the United States operates eight (8) different oil companies in Israel, Saudi Arabia, United Arab Emirate (UAE), Iran, Iraq, Oman, Qatar and Kuwait. These oil companies also partner with the indigenous oil firms of their host States, operating in the upstream (exploration and production) and downstream (refining and distribution) sectors in the region

**3. Protecting US Investments in the Region:** The US has investments in the region running to billions of US dollar as shown in Table 2 below which it seeks to protect in the region. The US has substantial trade and investment interests in the Middle East that span beyond oil and defense. American companies operate in construction, banking, telecommunications, health care, and technology sectors in countries like the UAE, Saudi Arabia, and Qatar. The US-UAE trade relationship is a notable example, with the UAE being the largest Middle Eastern export market for the US for over a decade. In 2023 alone, US exports to the UAE exceeded \$20 billion, including goods such as aircraft, vehicles, and machinery (US Department of

Commerce, 2023). In addition to goods and services, American investments are protected through bilateral investment treaties and military presence. American firms have also benefited from reconstruction contracts in conflict-ridden countries such as Iraq, Afghanistan, and Syria. These contracts, often funded by the US government through USAID or the Department of Defense, provide both economic opportunities and soft power leverage. More so, institutions like the US International Development Finance Corporation (DFC) have increased their investments in infrastructure and energy projects in the region to counter China's Belt and Road Initiative and to promote US business standards and values.

Year	Exxon Mobil	Chevron	Conoco Phillips	Occidental Petroleum	Total US Investment	Key Investment
2000-2004	5.2	4.5	2.1	1.8	13.8	Iraq exploration; JV in Saudi Arabia
2005-2009	7.5	6.8	3.2	2.5	20.0	Expansion in UAE; Qatar LNG projects
2010-2014	9.8	8.1	4.0	3.4	25.3	Refinery upgrades; pipeline infrastructure
2015-2019	8.7	7.4	3.5	3.2	22.8	Joint ventures in Oman and Iraq
2020-2023	6.5	5.9	2.8	2.7	17.9	Renewable integration; tech upgrades in oil fields
Total	37.7	32.7	15.6	13.6	99.6	

**Table 2: Investments of US Oil Companies in the Middle East (In Billion USD), 2000-2023**

**Source: Adapted from ExxonMobil Breakdown by Country, 2024**

Table 4.2 above presents the investment patterns of major US oil corporations (ExxonMobil, Chevron, ConocoPhillips, and Occidental Petroleum) in the Middle East between 2000 and 2023

- 4. Securing Sales of US Military Weapons:** Ensuring sales of US military weapons is another economic interest of US in the region as shown in Table 3 below. The Middle East is a crucial market for US arms manufacturers. The sale of military weapons to the region supports American defense contractors while deepening strategic alliances with key partners such as Saudi Arabia, the United Arab Emirates, Egypt, and Israel. Sales of arms are an important tool that United States use to exercise its global hegemony and also protects its national interests in the region (Al-Sarhan, 2017 & Otu 2018). According to the Stockholm International Peace Research Institute (SIPRI, 2024), the US accounted for over 50% of arms transfers to the Middle East from 2019 to 2023. These transactions have included advanced fighter jets, missile defense systems, drones, and surveillance technologies. For instance, the \$110 billion arms deal signed with Saudi Arabia in 2017 further developed in subsequent years has significantly boosted sales for US firms like Lockheed Martin, Raytheon Technologies, and Boeing. The economic logic behind these arms deals is twofold: they support high-paying jobs in the US defense sector while reinforcing political and military alliances that secure American interests in a volatile region. Moreover, these sales often come with training, maintenance, and logistical support contracts, further increasing long-term revenue for American firms. Therefore, Middle East is a key driver of the global trade in weapons hence the FDI of US in the region. Due to its volatile nature, this region is heavily militarised, therefore, some States in the region are major purchasers of arms from the United States as shown in Table 2 above.

Country	2000-2004	2005-2009	2010-2014	2015-2019	2020-2023	Total
Saudi Arabia	12.0	18.0	25.0	30.0	28.0	113.0
Israel	10.0	12.0	15.0	18.0	16.0	71.0
UAE	6.0	9.0	11.0	13.0	12.0	51.0
Qatar	2.0	4.0	6.0	8.0	7.0	27.0
Egypt	3.0	4.0	5.0	5.0	4.0	21.0
Kuwait	1.5	2.5	3.0	3.5	3.0	13.5
Jordan	1.0	1.5	2.0	2.5	2.2	9.2
Grand Total						309.7

**Table: 3 US Military Sales to Countries in the Middle East (2000-2023)**

**Source: Adapted from US Congressional Research Service Reports, 2024**

Table 3 above presents the estimated value of US military sales to seven key countries in the Middle East between 2000 and 2023, broken down into five-year intervals. The sales figures (in billions of USD) include foreign military sales (FMS), direct commercial sales (DCS), and, in some cases like Israel and Jordan, military aid grants

In conclusion, the United States' economic interests in the Middle East are diverse and deeply embedded in the political, military, and infrastructural fabric of the region. From ensuring the steady flow of oil to global markets, to maintaining robust arms sales, to protecting expansive trade and investments, and participating in the extraction and refining of hydrocarbons, US engagement remains multifaceted and strategically aligned with broader global economic imperatives. Recent empirical findings from Hassan and Williams (2023) and Rakhmat (2023) confirm that while the region's dynamics are shifting due to global energy transitions and emerging multipolarity, the Middle East remains central to America's economic calculus.

### **How have the United States' economic interests impacted on the Arab-Israeli Conflict?**

The study found that the US' economic interests in the region impacted significantly on the Arab-Israeli conflict which contributed to the protraction of the conflict. These impacts are discussed below;

**1. Ensuring Sales of US Military Weapons and The Arab-Israel Conflict:** The US has consistently remained the largest arms exporter globally, with the Middle East being its most significant market as shown in Table 2 above. Between 2000 and 2023, Israel, Saudi Arabia, Egypt, and the United Arab Emirates were among the top recipients of US military equipment (SIPRI, 2023). Israel alone has received more than \$3.8 billion annually in military aid under a 10-year Memorandum of Understanding signed in 2016 (Sharp, 2022). This aid includes advanced fighter jets F-35s), missile defense systems (Iron Dome), and intelligence-sharing capabilities.

Saudi Arabia, UAE, and Egypt which are Arab States capable of brokering peace in the region are not only the largest weapons purchasers in the world; they are also the largest purchasers of US weapons as shown in Table 3. However, the US cutting weapons transfer and sale to these States would mean cutting profits from weapons sales, which in turn would reduce their support for US and Israel in the region. Therefore, the reliance of these States on US military supplies renders them incapable of brokering peace in the conflict, thereby contributing to the protraction of the conflict. Therefore, Donald Trump and Joe Biden

administration's prioritisation of US military sales and Israeli interests are another important factor that impede and still impeding designs for a peaceful resolution of the Arab-Israeli conflicts in the Middle East (Robert, 2020).

More so, the US arms supply to Israel has directly influenced the dynamics of the Arab-Israeli conflict. Equipped with superior US-made weaponry, Israel has maintained military superiority over its adversaries, allowing it to conduct operations in Gaza, the West Bank, and Lebanon with minimal existential threat (Ben-Yishai, 2020). These operations often provoke retaliatory measures from Palestinian groups, leading to cycles of violence. The imbalance in firepower largely due to US arms, creates a military asymmetry that perpetuates hostilities rather than facilitating resolution (Khalidi, 2021). Also, US military sales strengthen Israeli military hegemony in the region, thereby making it stubborn for negotiation. To balance this perceived Israeli dominance, Arab States have also pursued massive arms purchases from the US and other Western countries. For instance, Saudi Arabia's arms deal with the US from 2010 to 2020 exceeded \$100 billion, much of which is framed as countering Iran and indirectly balancing Israeli strength (Blanchard & Humud, 2022). This regional arms race diverts resources from developmental needs and sustains a militarized atmosphere that is antithetical to peacebuilding. While the US often positions itself as a broker of peace in the Arab-Israeli conflict, its role as a dominant arms supplier compromises its neutrality. From this finding of this study, it is obvious that the US prioritises lucrative defense contracts over conflict de-escalation. For example, during the 2021 Gaza conflict, the US approved a \$735 million arms sale to Israel amid international criticism, reinforcing perceptions of bias and undermining peace initiatives.

**2. Ensuring the Free Flow of Oil/Energy and the Arab-Israeli Conflict:** The study revealed that since the 20th century, ensuring the uninterrupted flow of oil from the Middle East has been a cornerstone of US foreign policy. While the US has reduced its direct dependence on Middle Eastern oil due to domestic shale production, global energy markets and by extension US economic stability remain sensitive to disruptions in the region (Yergin, 2020). The Strait of Hormuz and the Suez Canal are vital chokepoints through which significant volumes of oil transit. Therefore, to secure oil flow, the US has often supported stable, pro-Western regimes in the Gulf such as Saudi Arabia, the UAE, and Egypt, some



of which have normalised relations with Israel (UAE under the Abraham Accords). This has transformed the traditional Arab consensus on Israel and alienated the Palestinian cause, creating new fault lines within the Arab world (Miller & Sokolsky, 2021). This fragmentation weakens collective Arab pressure on Israel to engage in meaningful peace negotiations.

Also, Oil-rich Gulf States have increasingly aligned with Israel, motivated in part by energy diversification, technology sharing, and shared concerns about Iran. The US has facilitated these realignments to bolster its energy security framework in the region. However, these alignments often marginalise the Palestinian question, reducing incentives for Israel to compromise (Lynch, 2022). The 2020 Abraham Accords, brokered by the US, exemplify this shift, where economic and energy interests overshadowed conflict resolution. Moreso, Energy corridors and pipelines like the East Mediterranean Gas Pipeline (EMGP) intersect contested zones involving Israel, Lebanon, and Palestine. The militarisation of these zones to protect energy assets has led to skirmishes and increased regional tensions (Cohen, 2021). The US's role in funding and securing such infrastructure indirectly embeds it in the geopolitical contestation

**3. Protecting US Trade and Investments and the Arab-Israeli Conflict:** The Middle East remains a region of significant trade and investment for the United States as shown in Tables 2 and 3. According to the Office of the United States Trade Representative (2021), US goods and services trade with the Middle East totaled over \$150 billion in 2020, with Israel being one of the largest trading partners. In addition to Israel, US companies have substantial investments in Arab countries, particularly in infrastructure, defense, technology, and energy sectors. However, Israel hosts a thriving high-tech industry and military technology sector. US investments in Israel's defense technology, cybersecurity, and intelligence sectors have been growing steadily since the early 2000s. This economic partnership contributes to the US's consistent political and military support for Israel, which in turn has impacted the peace process. Also, the American bias, stemming not only from political ideology but also economic alignment has contributed to Palestinian perceptions of injustice and has emboldened hardline Israeli policies (Mearsheimer & Walt, 2007; Khalidi, 2020).

This study further revealed that the Arab-Israeli conflict threatens regional stability, which could

jeopardize US investments in neighboring Arab States such as Jordan, Egypt, and the Gulf States. To mitigate such risks, the US has often promoted normalized relations between Israel and Arab nations (the Abraham Accords). However, this effort, while stabilising bilateral relations between States has largely ignored the Palestinian issue, thereby failing to resolve the core conflict and instead potentially triggering renewed violence, such as the 2021 and 2023 Gaza-Israel clashes (Human Rights Watch, 2023). More so, the US support for the Abraham Accords (2020) exemplifies how economic interest aligns with political strategy. By fostering Israeli trade with the UAE, Bahrain, and Morocco, the US sought to create new markets for American corporations while simultaneously isolating Palestinian demands. Scholars argue this "economic peace" strategy substitutes economic normalisation for genuine conflict resolution, further complicating the Arab-Israeli conflict (Lynch, 2021).

**4. Participating in the Production, Refining, and Transportation of Oil and Energy and the Arab-Israeli Conflict:** As observed earlier, Oil has long been at the heart of US foreign policy in the Middle East. While Israel is not an oil-rich nation, it sits within a volatile region that includes several key oil-producing countries. The proximity of Israel to vital oil routes and the importance of maintaining favorable relationships with both oil-producing Arab nations and Israel have created a balancing act for the US (Klare, 2019). However, the study revealed that the US interest in oil/energy production and transport has encouraged the establishment of security alliances that include both Arab oil-producing States and Israel. With Israel's emerging role in natural gas production (the Leviathan field) and regional cooperation on energy infrastructure, including plans to export gas to Europe via Egypt and potentially through Jordan, US companies have vested interests in regional energy integration (Energy Information Administration, 2021). This integration, however, marginalises Palestinians from energy benefits and infrastructure development, exacerbating socioeconomic grievances and fueling conflict. Moreover, Israeli control over East Mediterranean energy assets, supported by US interests, has created new flashpoints of tension with Lebanon and Palestine (Cohen, 2021).

Furthermore, the US has played a significant role in ensuring the security of maritime routes critical for oil transportation, such as the Suez Canal and the Strait of Hormuz. Instability in the Levant threatens the



security of these energy corridors. Thus, US support for Israel's military dominance, particularly missile defense systems like Iron Dome and David's Sling, is viewed not only as defense for Israel but also as protection for energy infrastructure in the region. Also, American energy firms such as Chevron and ExxonMobil have expanded operations in the Eastern Mediterranean, including Israeli and Cypriot offshore fields. The geopolitical implications of these developments are profound, as they tie the US further into the political dynamics of the region. Increased energy cooperation with Israel, at the exclusion of Palestinian or Lebanese stakeholders, inflames regional grievances and undermines efforts at inclusive conflict resolution (Cohen, 2021 & Klare, 2019)

Conclusively, from 2000 to 2023, US economic interests in trade, investment, and energy have significantly shaped its approach to the Arab-Israeli conflict. While these interests have fostered stronger bilateral ties between Israel and some Arab States and have supported US economic expansion, they have also contributed to an imbalance in the peace process. The prioritisation of economic normalization over political justice has weakened the prospects for a comprehensive solution to the conflict. US participation in regional energy production and infrastructure, often at the expense of inclusive dialogue with Palestinians and other marginalized actors, underscores the complexity of aligning economic interests with long-term peace.

### Conclusion

The Middle East is rich with economic values which has continued to attract the attention of the United States' foreign policy before, during and after World War II till date even in the face of the ongoing conflict between Israel and Arabs. Due to its economic interest, the United States' actions and inactions demonstrates bias in favour of Israel (a party in the conflict). This biased attitude was worse under President Donald Trump's administration. His policies include recognition of Jerusalem as Israel's capital and moving the US embassy from Tel Aviv to Jerusalem, defunded NGOs such as UNRWA and USAID which undermined their operations in the Palestinian territory, withdrew from UN bodies that was hostile towards Israel, and the recognition Israel's sovereignty over Golan Height. Therefore, this study concluded that the protraction of this conflict is heavily rooted on the US economic interests in the Middle East

### Recommendation of the study

Arising from the findings of the study, the following recommendations were put forward

1. The US should align its economic interests with peacebuilding through regional economic cooperation and conditional diplomatic engagements. This can be achieved through providing trade incentives, direct investments, and development aid to Israel and Arab States on the condition of halting settlement expansions, upholding ceasefires, and resuming negotiations.
2. The United States should decouple its economic agenda from its mediation role in the region by supporting the establishment of a multilateral mediation framework under the auspices of the United Nations or a neutral international consortium. This would reduce the influence of its geostrategic and economic interests, particularly regarding access to strategic chokepoints, oil/energy access and arms sales on the peace process and allow for a more balanced and credible approach to conflict resolution.
3. The United States should relinquish its dominant mediation role and support the establishment of a Multilateral Peace and Development Forum (MPDF) that will involve other actors like Israel, Russia, China, Arab States, UN, EU, Arab League and Palestinian representatives. The Multilateral Peace and Development Forum (MPDF) will offer a realistic and effective way to reduce the perception of US dominance in the peace process, build trust among conflicting parties, and retain US interests in the region.

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