

The Immediate Context of The Saudi Arabia-Iran Deal: Strategic Postures and Geopolitical Catalysts

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Abstract:

On March 10th 2023, Saudi Arabia and Iran announced the re-establishment of diplomatic relations in an agreement brokered by China. Analyzing the agreement requires disentangling the object of consideration through a systematic analysis of two levels of context: the extended context and the immediate context. This article focuses on the immediate context dealing with the strategic postures of both nations and relevant international and regional geo-strategic factors. Understanding the immediate context can help evaluate the future prospects of the agreement. This article examines this deal, motivations of both sides to reach it, its content, and its future prospects.

Key words: Saudi Arabia, Iran, expansionism, revisionism, Arabian Gulf.

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1. INTRODUCTION

On March 10th 2023, Saudi Arabia and Iran announced the re-establishment of diplomatic relations in an agreement brokered by China. There is a need to analyze this announcement, its context, the motivations of both sides, the content of the announcement, as well as its future prospects.

This agreement cannot be understood without a systematic reference to context on two levels: the extended level (elements that are analyzed in a separate article, such as civilizational and historical perspectives, major historical events, cultural relations, ...etc.¹) and the immediate level (elements that are discussed in this article, such as the recent geostrategic and geopolitical elements of context). Both levels can help understand the evolution of positions of Riyadh and Tehran towards one another, their entanglements in regional geopolitics, and the impact of the international environment on their bilateral relations. In addition, the investigation of both levels of context requires a multidisciplinary approach and this is reflected in the set of methodologies adopted by this article.

There is sufficient literature on Saudi Arabia apart, on Iran apart, and on bilateral relations in a general sense. However, publications on the role of strategic postures of both countries in bilateral relations and on the deal as well as on its context are insufficient. Hence, this paper aspires to contribute to this specific area of the literature.

This paper examines the immediate context as a first step towards understanding the bilateral relations as well as understanding regional geopolitics of the two states and the international angle which may have contributed to reaching the agreement. In addition, the

¹ The extended context of Saudi Arabian-Iranian relations spans from the year 523 B.C. till today (more than 2500 years). It deals with civilizational and historical perspectives of both nations, major historical events, mutual perceptions, as well as the role of European theories on race, identity, and history in shaping how Iran views itself as well as Saudi Arabia. This level of context is analyzed in a separate article that will appear soon. Both articles were supposed to appear in December 2023 but for technical reasons that didn't happen.

paper will analyze what is known about the content of the agreement as well as its future prospects.

The main research question is: what is the immediate context of the Saudi Arabia-Iran deal?

In order to answer this main question, the paper poses the following questions:

- What are the strategic postures of both Saudi Arabia and Iran?
- How do these strategic postures affect Saudi Arabian-Iranian relations?
- What is the role of the strategic posture of both countries as well as regional, geopolitical dynamics in making the deal?

In order to answer these questions, we need a special methodological framework, which draws on neorealism while benefitting from different methodological tools of other research domains.

The most essential concept in social sciences is the concept of context since scientificity is predicated on it. Analysis is based on explaining by interpreting causality and meaning (Max Weber, 1992, p. 308)². Thick description and historicity; which is the principal of reality, according to Passeron (Jean-Claude Passeron, 1991, p. 87); of the object of investigation, in a comparative “back and forth” (Julien Souloumiac & Arnaud Fossier, 2003, pp. 83-102) between relevant elements, are essential in order to make a *transferable statement* (as opposed to generalizable statements that are made in natural sciences).

In order to clarify what I mean by *transferable statement*, we have to look at the epistemological differences between social sciences and natural sciences. One way of looking at these differences is to consider two points. First, contrary to natural sciences which are positivist, social sciences are constructivist. Natural laws govern natural sciences, and that is verified through a process of “validation”: laws and conclusions are falsifiable and testable across time and space, hence their universality. In social sciences, arriving at “universal truth”

² Max Weber makes this methodological argument about sociology, but its implications are applicable to social sciences in general.

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is not possible. Rather, “truth” is always inscribed in space and time, hence the lack of universality.

The context of the researcher, the topic, as well as that of the scientific field of enquiry (sociology, political science ...etc.) all play a role in the process of constructing “reality”. This is referred to in epistemological debates as “positionality”. As a consequence, the investigation in social sciences is not “validated”, but rather tracked and inspected, through the transparency of the process, the documentation and description of the object of consideration, and the availability of all relevant details for open debates. This is about “credibility” rather than “validation”.

Second, in natural sciences, “validation” justifies “generalizability” of statements. In social sciences, “credibility” offers the possibility of “transferability” of statements, and it is up to researchers to assess their usefulness of *transferring* them to various contexts and how to adapt them to these contexts.

This research paper analyzes the context of the object of consideration by looking at two key dimensions; first, examining the context’s aspects, characteristics, patterns, relational elements ...etc.; second, evaluating the context through the observation of its continuous reconfiguration. Thus, the meanings and the significances of the context as a frame of reference can only be grasped in the continuity of their changes. As such, studying context does not only mean the collection and analysis of a set of data surrounding a given object of consideration. Rather, it is a task of doing the above; and the only way of doing it is to do it again. As a result, what I call “circular analysis of context”, in a repetitive and cyclical way, becomes the second level of studying context. It is like trying to arrest a moving object. This second level comes in addition to the first level which is the collection and analysis of a set of data surrounding a given object of consideration.

The methodological framework of this paper also draws on discourse analysis which can be useful when applied to a sample of texts, not only for analyzing what these texts say (and sometimes,

what they do not say), but also the way in which they say it, especially the way and context in which certain terms are used, which may presuppose a world-view that is not explicitly expressed in the text³.

Observations, or data collection, in this article are gathered through various methods, such as examining the existing literature, official statements, as well as the media coverage of the bilateral relations between Saudi Arabia and Iran and the announced agreement to re-establish diplomatic relations. Literature and media coverage here must be looked at; not as sources of data, analysis, and support of analysis; but rather as topics of investigation. As such, they are transformed from “finished products” into “raw materials”, subjected to analysis themselves.

This approach serves to identify the instances of interest. Once identified, these instances are then examined in order to find common properties, patterns, and themes. This paper accords attention to separating isolated instances from those that are recurrent.

Nevertheless, as a researcher with positionality and biases, I am not immune to concerns about selectiveness, inaccuracy, or even distortion. Part of the responsibility befalls me to do my best to address these concerns in a reliable way. The other part befalls the reader, and hence, critical vigilance of readers is of utmost importance.

2. The Immediate Context of the Bilateral Relations

Understanding the agreement between Saudi Arabia and Iran in March 2023 requires a systematic analysis of the immediate context of the bilateral relations which is, because of space limitations, selectively focused on recent elements that would have contributed to reaching the current state of relations. I selectively chose a few examples that I deem important to the topic of this article. It is very important, for the sake of transparency, to emphasize that this selection is both obligatory and optional. The limitations of space do

³ This is a common approach to discourse analysis that numerous researchers have adopted before. Despite being a basic approach, I find it sufficient for the purposes of this paper.

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not allow for an extensive review of all relevant elements thereby obligating me to operate a process of selection. However, choosing which elements to include in this paper and which ones to leave out is optional and is not dictated by any factor other than my own evaluation of their importance. Conscious and unconscious biases may have an influence on the process of selection. The systematic focus on context analyzes the themes of the bilateral relations (rather than dealing with each disputed issue or regional file) and includes analysis of agency of both state-actors. I will first present the immediate context of Iran then that of Saudi Arabia.

2.1 The Immediate Iranian Context

The immediate Iranian context pertains to several elements, one of which is the question of the differences between the revolutionary regime in Iran and the monarchic tradition in Saudi Arabia.

The Islamic regime of Iran has a narrow definition of what constitutes an Islamic government, that it can be applicable almost to no one but Iran. It is founded on an Islamist political theology that sees the world divided between good and evil, between Islam (of which it is the sole representative) and un-Islam (represented by everything else). It sees itself as the leader of Islam, in a universal conflict with evil, and that its victory is guaranteed by divine providence. The Iranian regime sees sacred jihad against evil, internally and externally, as its sole purpose as well as its sole basis, paving the way for the return of the Muslim Messiah, the Hidden Imam, also called the Mahdi (an occulted religious leader descendant of the prophet Mohammed⁴) who will bring justice to all humanity. The current supreme leader Khamenei says: “without jihadist action and revolutionary work, we cannot set the country in order” (Mehdi Khalaji, 2023, pp. 3-4).

According to the dominant Islamic theology in Iran, sovereignty is only divine, belonging exclusively to God, and communicable to mankind only through his representative, the Mahdi. The role of mankind is to obey God’s will. Khomeini (the founder of the Islamic

⁴ According to the Imamite school of thought in Islam, the 12th Imam went into occultation in 873 A.D.

Republic of Iran in 1979) embraced the theory of Wilayat-al-fagih (an Arabic phrase meaning the guardianship and rule of the jurist). The wali-al-fagih in Iran, the supreme guide, theoretically represents the Hidden Imam, the Mahdi. According to this theological school of thought, divine sovereignty is monopolized by the Hidden Imam. And the supreme guide has a monopoly over the representation of the Hidden Imam. This means that Iran claims a monopoly over representing divine sovereignty and the will of God. From this follows that the belief in the principal of Wilayat-al-fagih is mandatory for all Muslims and any political organization of society that doesn't respect this principle is considered un-Islamic (Zahra Azhar, 2023; Gholam Abbas Mohammad Hassani, 2019; Alejandro Pernía Jaén, 2021; Mohsen Kadivar, 2004).

According to the above, the supreme guide of Iran doesn't recognize the sovereignty (nor the borders) of the nation-state of neighboring Arab countries since divine sovereignty, of which he is the sole representative, transcends those borders and renders their "earthly sovereignty" null.

Anyone who doesn't believe in the principal of Wilayat-al-fagih as well as the person who embodies this principal, the supreme leader of Iran, is a heretic, a *khafir* (infidel or disbeliever) or a *mushrek* (pagan), and therefore he or she is excommunicated and jihad must be declared against him/her until this person is eliminated (Mehdi Khalaji, 2023, p. 5). This theological position of excommunicating those who disagree with one's beliefs is shared by many Islamist figures and groups, such as Sayed Qutb, Abul Ala Maududi, and Osama bin Laden (Mehdi Khalaji, 2023, pp. 4-5). The practice of excommunication, *takhfir*, sometimes has different names in Iran, such as the *moharebeh* (those who wage war against God), and is enshrined in the Sharia law of Iran as codified in Iran's Islamic Penal Code. It extends to those who oppose the regime or insult religion (FIDH & LDDHI, 2023). The *takhfir* fatwa, the excommunication, issued by Khomeini against the British writer Salman Rushdi, his editors, and the call to assassinate them as well as the execution of political prisoners, are examples of this practice (ECPM, 2014; Henry Sorg, 2008).

It is therefore unsurprising that Iran has considered the Saudi Arabian government to be "un-Islamic," since it doesn't follow its

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version of divine sovereignty. Further, it considers Riyadh a threat to its vision of Islam as well as to its role in the region and in the Islamic world.

Although Iran frequently says that it does not view Riyadh as a strategic threat, its regional behavior indicates otherwise. Discrepancy between what Iran says and what it does on the ground is not something new. This is reflected in numerous examples, such as Iranian declarations of Israel as an enemy, and yet getting Israeli arms supplies (TOW and Hawk missiles) in what later became known as “Iran-Contra Affair” during the Iraq-Iran war (Stephen C. Pelletière et al., 1990, pp. 45-46)⁵. Iran repeatedly states that it wants foreign powers to leave the Middle East region, and yet it invited Russia to intervene in Syria in 2015 in order to support the Bashar Al-Assad regime (Nicole Grajewski, 2021, pp. 1-2). Hence, this discrepancy between what it says and what it does on the ground is observable in its relations with Riyadh.

When Iran says it doesn’t consider the Arabian Kingdom a threat, one could argue that this statement has two simultaneous meanings: on the one hand, Iran is desperately attempting to project itself as a world power that is above the region and regional countries, and only a few countries, such as the United States of America, are important enough to be considered a threat; and on the other hand, Iran suggests that the Islamic Ummah shouldn’t squander its energy in internal fighting, but rather direct all its energy against the “great Satan” which is the United States of America. However, Iran created Hezbollah of Hijaz (the western region of Saudi Arabia) in order to destabilize the Arabian kingdom (Toby Matthiesen, 2010). It systematically attempts to encircle Riyadh through creating proxies and supporting armed groups (such as the Abdali Cell in Kuwait, dormant cells in Bahrain, the Houthis in Yemen, Al-Qaeda, among many other examples). Iranian proxies, be it its militias in Iraq,

⁵ Concerned about growing Iraqi missiles’ capacities during the Iraq-Iran war, Israel supplied Iran with arms in order to tip the military balance in Tehran’s favor and reduce Iraqi capabilities. This later became known as the “Irangate”. Hashimi Rafsanjani was the arms negotiator in Irangate.

Lebanon, or elsewhere, have publicly made it abundantly clear that their fight against the “near enemy,” which is Saudi Arabia, is far more important than the fight against the “faraway enemy,” the United States of America or even Israel⁶.

The stark contrast between Iranian discourse and its regional behavior seriously undermines the credibility of Iranian statements, diplomatic engagements, promises and commitments. This raises the risk and cost of cooperation with Iran. In other words, dialogue and engagement with Iran become highly costly and risky.

After the revolution in 1979, Iran has repeatedly attempted to claim the role of the leader of the Islamic world. Iranian ambitions took two interconnected forms: Iranian expansionism and Iranian revisionism at the level of regional geopolitics.

As to Iranian expansionism, Iranian strategic depth is partially built on incrementalist alliances (gradually growing alliances) with violent non-state actors, namely militias. These incrementalist alliances are based on 1) a sectarian ideology, as a basis for building alliances, where these militias pledge their allegiance not to their countries but to the “representative of divine sovereignty,” namely the supreme guide of Iran, and 2) breaking states’ monopoly over the use of legitimate violence. Militias cannot be operational and effective unless the central government (of the country where they exist, like Iraq or Lebanon) does not have the monopoly over violence anymore. And they cannot polarize and recruit unless sectarianism is dominant. Militias’ recruitment strategies are based on a heightened and metastasizing sense of sectarian identity (when individuals identify themselves by their sectarian identity rather than by their national

⁶ See the declarations of Abu Mahdi Al-Muhandis, the Iraqi leader of Iraqi Hezbollah militia which Iran created in Iraq in 2003. He has fought in the Iranian army against his own country, Iraq, during the Iraq-Iran war in the 1980s. In one interview with an Iranian journalist, conducted in Persian, he was asked when he wishes to be martyred. The Iranian journalist said "after we destroy Israel?". Abu Mahdi Al-Muhandis then affirmed: "not Israel, Riyadh! Riyadh and Saudi Arabia". He expressed his wish to see the destruction of Riyadh and Saudi Arabia, not Israel, before he dies. The interview is available on Youtube, retrieved on April 7th, 2023: <https://www.youtube.com/shorts/XTxDxuF6r-A>.

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identities, as Iraqis or Lebanese for example). This leads to the weakness of the nation-state and the rise of sectarianism, which mark all Iranian zones of influence in the Middle East.

Strategically speaking, militias fulfill two functions for Iran: 1) be a frozen conflict and 2) be a desactivational actor (an actor that prevents a political action from being taken, such as blocking the nomination of a president in Lebanon). The frozen conflict approach is about mobilizing these sectarian alliances as a striking force against enemies whenever it suits Iran. The desactivational actor approach is meant to overcome isolation of Iran on the one hand and to push for its regional agenda on the other. By veto-ing any political settlement regarding the election of a president in Lebanon (through its Hezbollah militia proxy) for example, regional actors seek an arrangement with the isolated Iran in order to overcome a deadlock in electing a Lebanese president, which in practice breaks Iran's isolation. Tehran gets something in exchange for its cooperation, which helps advance its regional agenda. It uses each concession other regional and international actors make to prepare for the next attack, in a series of attacks that can only end in reconstructing the whole regional order.

The process of reconstructing the whole regional order is what I call "Iranian revisionism". It is more motivated by the revolutionary ideology than by the growth of the capacities of the nation-state (a surplus of power, for example). If one looks at Iranian expansionism and revisionism, it becomes clear that they are by far much bigger than Iranian capacities, and that is a case of strategic overstretch. Iran is more of a revolution than a state. A revolution comes to change the order of things (such as changing the political system of a country or the regional order in which it exists). In that sense, Iran is a revisionist regional actor: it wants to reconstruct the region as well as regional norms and rules of conduct.

Tehran persistently attempts to normalize its sectarian militias in Arab countries in order for them to become a natural component of the regional order. However, the regional order does not include militias as part of its structure or norms and rules of conduct. Hence, restructuring the regional order, in order to normalize militias, becomes an Iranian necessity. In addition, Iran is trying to re-write

norms and rules of the regional order, such as normalizing its intervention in other countries internal affairs as well as the normalization of “Iranian zones of influence”. And such is Iranian revisionism.

2.2 The Immediate Saudi Arabian Context

As to the immediate context of Saudi Arabia, Riyadh is a status-quo power (as opposed to Iran which is a revisionist power). Riyadh adheres to the regional order, which is based on three elements. First, there is a set of values, such as the diversity of political systems and means of political organization for different countries, according to their civilizational, cultural, and historical contexts. Second, there is a set of norms and rules based on this set of values, such as the non-interference in the internal affairs of other states. Third, there is a set of institutions, such as the Arab League, the Organization of Islamic Conference, and the Gulf Cooperation Council, which operate, at least in theory, according to those norms and rules.

Before Saudi Arabia became a founding member of the United Nations in June 1945, it was a founding member of the regional order. After unifying the Kingdom of Nejd and the Kingdom of Hijaz, adopting the constitution of 1926, and forming the Shura Council of the Third Saudi Arabian state (Ibrahim Al-Otaibi, 1996; Ahmad bin Baz, 2000), Riyadh moved to explore the potential of a regional arrangement amongst Arab countries. Many Arab countries were still under colonial rule. In March 1945, Saudi Arabia and other Arab countries founded the Arab League with the aim of providing a platform for organized discussions about potential disputes and conflict resolution mechanisms⁷. Egypt was chosen as a headquarter

⁷ In the context of World War II, in the early 1940s, Great Britain (defeated by the Germans and their allies in many fronts, including in Libya) as well as France (which collapsed under German occupation) were thought to be declining colonial powers, dominant in the Arab world, thus creating an opportunity for the long-sought after Arab unity. The latter cannot be dissociated from the struggle for independence from colonization. The Arabs saw their unity as the main line of defense against the hegemonic ambitions of European colonial powers. Both colonial powers, Great Britain and France, had systematically and effectively rejected, opposed and undermined any effort that may lead to the creation of a

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for the new regional organization. Cooperation and coordination amongst Islamic countries were taking place at that time but mainly on a bilateral basis, with no established multilateral framework. The realization for the need to have a regional organization for Islamic countries grew. After the Israeli occupation of the Palestinian city of

regional Arab organization. One of many tools they employed was to encourage and cultivate ethnic and sectarian divisions, on the ground and at the level of discourse (in many respects, this “divide and rule” ethnic and sectarian discourse is still present in numerous Western countries, which is an indicator of the persevering existence of colonial mentality in those countries). A wide-spread resentment of the two colonial powers had had existed for many decades in the Arab world. This had been happening against the background of a growing German influence in the region. The highest level of German influence was in Iran, and Iraq came in a far second place. In 1941, a German-backed attempt to overthrow the British-backed monarchy in Iraq, led by Rashid Aali Al-Kailani, took place. When he failed, Al-Kailani fled to Saudi Arabia where he was offered refuge and protection. The German-installed French government in Vichy sought to hand over land and sea bases to Germany and Italy in Syria and Lebanon. It is in this context that Great Britain made efforts to salvage its influence, protect its interests, in a desperate gesture to win back the Arabs. In an attempt to do so, it departed from previously declared positions and announced its support for Arabs, at the expense of European Jewish settler-colonialists in Palestine and France’s colonial rule in Syria and Lebanon. This is reflected in the British White Paper of 1939 on Palestine and in the declarations of the foreign secretary, Anthony Eden, at the House of Commons, in May 5th 1941, and in the speech at the Mansion House, in May 29th 1941. Great Britain jumped on the bandwagon and declared its support for Arabs’ efforts to form a regional council, which later materialized into the Arab League. Great Britain actively sought to steer the efforts to create the Arab League and coopt it into the Western bloc, but failed to do so. It is important to remember that the idea of achieving Arab unity and creating an Arab organization has a long and complex genealogy. It could only be understood within a framework of “decolonized diplomatic history”, as Stefanie Wichhart puts it. Such a framework, according to her, demonstrates that Arab states, for whom unity represented a pathway to independence from European colonial hegemony, appropriated wartime internationalist ideals and used them in service of the creation of an Arab organization. For more on this, see: Cecil, A. Hourani (1947). *The Arab League in Perspective. Middle East Journal*, 1(2), 125-136.

, Khadduri, Majid (1946). *Towards an Arab Union: The League of Arab States. The American political science review*, 40(1), 90-100.

, Wichhart, Stefanie (2019). *The Formation of the Arab League and the United Nations, 1944–5. Journal of Contemporary History*, 54(2), 328-346.

Jerusalem in 1967, and the Israeli incineration of the Aqsa Mosque in 1969, Saudi Arabia and other Islamic countries created the Organization of Islamic Conference (later became known as the Organization of Islamic Cooperation), with its headquarter in Jeddah, Saudi Arabia. A similar awareness in the Arabian Gulf took place, and Saudi Arabia alongside other Arabian Gulf states created the Gulf Cooperation Council in 1981, with its headquarter in Riyadh.

It is important to remember that the objectives of these regional organizations were the creation of a platform for organized discussions about potential disputes and conflict resolution mechanisms, coordination of security and foreign policies, as well as the exploration of a potential economic cooperation. They did not, still do not, have established mechanisms for mediation and conflict resolution. They did not, still do not, have a legally binding security pact for mutual defense. And they did not have a clear vision for economic cooperation.

Because of the slowness of decision making in these organizations as well as the difficulties of reaching a common position regarding regional and international affairs, unofficial mini-lateral groupings emerged. Chief among these mini-lateral groupings was the Arab Quartet: Saudi Arabia, Iraq, Syria, and Egypt, during the 1970s and 1980s. Internal as well as regional situations of Iraq, Syria, and Egypt put an end to this quartet. Other mini-lateral groupings emerged, and Saudi Arabia has always enjoyed a prominent position in these mini-lateral arrangements as well as in the regional order as a whole.

It is remarkable, for example, that two out of the three main regional organizations are headquartered in Saudi Arabia, which reflects Riyadh's prominent role in their establishment on the one hand and its influence within them on the other hand. The "Red Sea Council"⁸ was created at the initiative of Saudi Arabia and is headquartered in Riyadh. The regional order in that sense is not only

⁸ It is a regional council of Arab and African countries bordering the Red Sea and the Gulf of Aden, created at the initiative of Saudi Arabia in January 2020. Saudi Arabian efforts started in 2018, and a lengthy process of consultations was undertaken, leading to the 2020 announcement. The council includes Saudi Arabia, Jordan, Egypt, Sudan, Djibouti, Somalia, and Yemen.

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compatible with Saudi Arabian strategic interests, but is also a cooperative framework for their advancement. As such, Saudi Arabia is a status-quo power. It is of utmost importance to mention that being a status-quo power does not mean that the latter is opposed to the occurrence of change in the regional order. It simply means that change has to take place through an evolution of the state of affairs rather than a revolution.

One consequence of the Saudi Arabian status-quo strategic posture is its strong emphasis on the strength of the nation-state across the region, since the regional order is predicated on the eminent role of the nation-state. The strength of central governments in the region is a necessary condition for the maintenance of the regional order. The significance of the strength of central governments is clearly understood in Riyadh. A hostile strong government in a neighboring country is preferable to that country becoming a failed state. This is because the regional order, which is predicated on the eminent role of the nation-state, is the best possible arrangement for the protection and advancement of Saudi Arabian interests, and the spread of failed states seriously threaten the viability of the regional order. The cost of the collapse of the regional order are much higher than dealing with a neighboring hostile government. For example, despite being a close friend of the Egyptian and Yemeni monarchies, Saudi Arabia sought to become a close friend of the republican regimes in these two countries after the fall of both monarchies, and provided them with significant support throughout the years. Even in Iran, right after the revolution in 1979, Riyadh was among the first countries to congratulate Khomeini and send a high-level delegation to him in order to re-iterate the importance of maintaining good neighborly and friendly relations (Atif Ejaz, 2018, p. 31). In addition, for many years before the 1979 revolution, Saudi Arabia had a contract to supply Iran with energy products (kerosene) necessary for heating Iranian households during the winter. When the revolution ousted the Shah, Saudi Arabia continued to provide energy products to the Iranian regime under Khomeini, as a gesture of goodwill and its desire to continue good

relations⁹.

Those were not improvised acts happening in a void, but rather conscious acts taking place within a framework of strategic concepts. For example, in the early 1980s, Riyadh formulated a strategic concept for its foreign policy regarding the Saudi Arabian definition of the security and stability of the Arabian Gulf. According to it, security and stability of the Arabian Gulf require: 1- a prosperous Yemen, 2- a stable Iraq, and 3- a friendly Iran (Nizar Madani, 2012, p. 159)¹⁰.

On the other hand, the weakness of central governments is a necessary condition for Iran in order to create militias and gain influence (i.e. Lebanon, Iraq, and Yemen) and to create working relationships with terrorist groups; such as hosting Al-Qaeda leaders, coordinating with them the attacks against Saudi Arabia in the 1990s or coordinating with them in Iraq after the American invasion in 2003 (For more on the relationship between Iran and Al-Qaeda, see the analysis of Osama bin Laden's documents in: Michael Barak, 2022). As such, the Iranian expansionist and revisionist strategic posture is a threat to the nation-state in the region as well as to the regional order, and hence a threat to Saudi Arabia.

The strategic posture of Iran is predicated on creating, maintaining, and advancing zones of influence, which are characterized by the spread of militias, weak central governments and a high sense of sectarian identities. On the other hand, the strategic posture of Riyadh is predicated on a viable and evolving regional order as well as the internal development of Saudi Arabia. That being said, Riyadh recognizes the importance of neutralizing threats to both the regional order and to internal development. Hence, Riyadh is bound at a certain point to take action in order to confront threats.

A prominent example is the Saudi Arabian Vision 2030. I argue

⁹ HRH Prince Turki Al-Faisal provided the details of this arrangement with Iran in an interview with the Kuwaiti T.V. channel AlQabas, aired on June 18th 2020. The interview is available on Youtube, retrieved on April 7th, 2023: https://www.youtube.com/watch?v=OtaOf_3ttd4&t=1s.

¹⁰ The author of this book, Nizar Madani, was for several decades the minister of state for foreign affairs in Saudi Arabia.

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that the Vision is essentially about two statements: one, the current situation is not tenable, and two, there is so much potential to be exploited. Both statements refer to internal affairs of Saudi Arabia. Part of the untenable situation is the unhealthy dependence on oil. The creation of new economic sectors, such as the entertainment sector, is an example of a potential to be exploited.

A weak nuclear deal with Iran was a threat to both the regional order and to the Saudi Arabian Vision 2030. Unlike similar cases (for instance the inclusion of South Korea and Japan in the negotiations of the North Korean nuclear file), the concerned regional countries were excluded from the Iran nuclear deal negotiations. Despite being exposed to the brunt of security, political, and environmental risks of the Iranian nuclear program, the U.S. and other countries negotiating the Iran deal kept Riyadh in the dark.

Moreover, there is a wide range of agreement that the deal itself was weak, given the expiration dates of its restrictions. The sun-set provisions, for example, meant not only that restrictions on the Iranian nuclear program would expire in a few years, but it also meant that the Iranian nuclear program and the threshold military nuclear capacities would become legal under international law. That weakness was widely recognized. The differences of opinion occur regarding three things: 1- whether or not the deal was the only possible agreement that the 5+1 countries (the five permanent members of the UN security council plus Germany) could get, 2- whether or not the weak deal was better than no deal at all, 3- whether or not the weak nuclear deal positively contributes to peace and stability in the region.

In the end, the choice for countries in the region was between having no deal which means a threshold nuclear Iran in a few months or having a weak deal which means a threshold nuclear Iran in a few years, legal under international law. Whether Iran becomes a threshold nuclear military power in a few months or in a few years, countries in the region have no choice but to engage in a race for acquiring the same threshold nuclear capabilities. In that sense, the weak 2015 Iran nuclear deal was the shortest path to regional nuclear proliferation.

The U.S. and the three European participant countries (UK, France, and Germany) as well as a wide range of think tanks, experts and researchers in those countries fiercely and ideologically argued

that the Iran nuclear deal of 2015 was *ONLY* about the Iran nuclear file. At the same time, experts from the Arabian Gulf in particular argued that it was more than that: some sort of regional arrangements between the West and Iran took place, as part of the general agreement to make the deal. This concerned the normalization of Iranian expansionism and its proxies in Iraq, Syria, Lebanon, Yemen, and beyond. This would practically engender a Western normalization of Iranian revisionism. During the second Trump administration's negotiations with Iran about its nuclear file, the UK, France, and Germany persistently demanded to be included in the negotiations because they have interests in the Middle East and Ukraine (in which Iran is involved in support of Russia). According to them, the potential nuclear deal with Iran must include arrangements vis-à-vis these interests. Hence, this is a confirmation that the Iranian nuclear deal has never been, and will never be, only about the nuclear file. This is a second reason why the Arabian Gulf countries must be included in negotiations. Not only are they exposed to the brunt of security, political, and environmental risks of the Iranian nuclear program (the first reason), but the fate of their region is being decided without them.

Besides being an end in itself, the Iranian nuclear program is a tool of foreign policy for Tehran. In nuclear negotiations, Iran systematically uses a "triple approach". In exchange for putting a pause on one aspect of its nuclear program or another, it demands 1- sanctions relief, 2- cooperation on regional issues (whether by commission or by omission), while 3- gaining more nuclear technical capacities. Calculated nuclear escalation then becomes an important tool for creating a situation of willingness of the other parties involved in nuclear negotiations whereby they offer some sanctions relief and cooperation on regional issues. As such, Iranian nuclear escalation is a tool of Iranian expansionism.

The most prominent example of this is the Syrian crisis. In August 2012, U.S. president Barak Obama was asked what would make him use force in Syria, and he said that moving chemical weapons or using them would be a "red line". The Syrian regime of Bashar Al-Assad, with the help of Iran and Lebanese Hezbollah militia, used chemical weapons against its own people several times. However, Obama saw a nuclear deal with Iran as the legacy of his

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presidency's foreign policy, and enacting his red line would put his legacy in jeopardy. As a result, he sacrificed a major stance in his foreign policy in Syria for the sake of keeping the prospects of the Iran nuclear deal (J.B. Schulhofer-Wohl, 2021, pp. 517-547). This example is another indicator that the Iranian nuclear deal wasn't just about the nuclear file.

Moreover, amassing support for the deal was reflected in the political discourse of officials in the US, Germany, France, and UK. Garnering support from several Western think-tanks and media was necessary to shape public opinion and party politics to cement the deal. That created a narrative about Iran, regional stability, and the future of both. This narrative became a diplomatic capital for Iran. A wide range of influential actors (in academia, think-tanks, media, politics, and the private sector) viewed the nuclear deal as an element of stability as well as a mine of opportunities for Western companies. As a consequence, if someone backed the Iran deal, there would be a tendency that they would refrain from criticizing Iran. Similarly, if someone supported the deal, they would have little regard, if any, for regional concerns over Iranian expansionism and Iranian revisionism in the Middle East. In a way, this view of the nuclear deal was a tool in Iran's disposal to stonewall any criticism or reaction to Iranian destabilizing operations, attacks, and Iranian militias in the Middle East.

Consequently, turning a blind eye to Iranian destabilizing activities, sacrificing major regional affairs, and giving in to the nuclear escalation strategy of blackmail, all meant that the West came to terms with normalizing Iranian expansionism and revisionism. Here we can see a three-dimensional strategic challenge to Saudi Arabia: first, Iranian expansionism and revisionism; second, Iranian threshold military nuclear status; and third, Western normalization of these two elements. The necessary response to this required tremendous resources which meant the risk for derailing development plans, such as Vision 2030 in the Arabian Kingdom. As such, this three-dimensional strategic challenge was a threat to both the regional order and the Saudi Arabian development plan Vision 2030. As expected in such situations, this three-dimensional strategic challenge instigated a period of geopolitical brinkmanship and a high level of

experimentalism.

This was an environment of extreme tensions and high levels of risk. It was in this environment that Iranian mobs stormed the Saudi Arabian embassy in Tehran and the consulate in Mashhad in January 2016 (with a potential involvement of the Iranian Guardians of the Revolution (IRGC) in the attacks¹¹). Subsequently, Riyadh decided to cut off diplomatic relations. Other Arabian Gulf states followed suite, in a show of support and solidarity with Riyadh.

3. The Content and Prospects of the Deal between Saudi Arabia and Iran

A trilateral joint statement, by Saudi Arabia, Iran, and China, announced the deal on March 10th 2023. It is important to examine the content of this joint statement. Iraq and Oman had previously hosted rounds of dialogue and the statement mentions that. Therefore, reviewing those efforts and the differences between their role and the Chinese role are important elements of context.

3.1 The Joint Trilateral Statement

In a joint statement published by the foreign ministries of Saudi Arabia, Iran and China¹², the three states announced the resumption of diplomatic relations between Riyadh and Tehran. This took place in Beijing, on the 10th of March 2023. The statement specifically indicates that it was “in response to the noble initiative of His Excellency President Xi Jinping, President of the People’s Republic of

¹¹ The alleged mastermind of the attacks on Saudi Arabian diplomatic missions in Iran is a cleric who was present, alongside IRGC officials, in Syria to provide military support for Iranian militias there. After his return from Syria to Iran, he was appointed to the Iranian Judo Federation. See: Radio Free Europe, "Alleged Mastermind of Attack on Saudi Embassy Appointed to Iran's Judo Federation", December 28th 2020, retrieved on December 14th, 2023: <https://www.rferl.org/a/iran-mastermind-saudi-embassy-attack-judo-federation/31022860.html>.

¹² Chinese Ministry of Foreign Affairs, “Joint Trilateral Statement by the People's Republic of China, the Kingdom of Saudi Arabia, and the Islamic Republic of Iran”, March 10th 2023, retrieved on December 14th, 2023: https://www.fmprc.gov.cn/eng/wjdt_665385/2649_665393/202303/t20230311_11039241.html.

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China”, that both leaderships of Saudi Arabia and Iran agreed that China would host and sponsor talks between the two countries.

The Saudi Arabian and Iranian delegations expressed their appreciation and gratitude to the Republic of Iraq and the Sultanate of Oman for hosting rounds of dialogue that took place between both sides during the years 2021 and 2022. The two delegations also expressed their appreciation and gratitude to the leadership and government of the People’s Republic of China for hosting and sponsoring the talks, and the efforts it placed towards its success.

The delegations from the two countries held talks during the period 6-10 March 2023 in Beijing. The delegation of the Kingdom of Saudi Arabia was headed by Dr. Musaad bin Mohammed Al-Aiban, Minister of State, member of the Council of Ministers, and National Security Advisor; the delegation of the Islamic Republic of Iran was headed by Admiral Ali Shamkhani, Secretary of the Supreme National Security Council of the Islamic Republic of Iran.

The three countries expressed their keenness to exert all efforts towards enhancing regional and international peace and security. The statement further indicates that:

“Proceeding from their shared desire to resolve the disagreements between them through dialogue and diplomacy, and in light of their brotherly ties; Adhering to the principles and objectives of Charters of the United Nations and the Organization of Islamic Cooperation (OIC), and international conventions and norms; ...”

Saudi Arabia and Iran announce that they:

- 1- agreed to resume diplomatic relations between them,
- 2- agreed to re-open their embassies and missions within a period not exceeding two months,
- 3- agreed that the ministers of foreign affairs of both countries shall meet to implement this agreement, arrange for the return of their ambassadors, and discuss means of enhancing bilateral relations,
- 4- agreed to implement the Security Cooperation Agreement between them, which was signed on 17/4/2001,
- 5- agreed to implement the General Agreement for Cooperation in the Fields of Economy, Trade, Investment, Technology, Science, Culture, Sports, and Youth, which was signed on 27/5/1998,

6- affirmed their respect for the sovereignty of states and the non-interference in internal affairs of states.

3.2 The Chinses Foreign Minister' Statement

A separate statement was made by the Chinese foreign ministry on behalf of the Chinese minister of foreign affairs Wang Yi¹³. The Chinese official said that Saudi Arabia and Iran have:

- 1- reached common understandings on resolving their respective concerns,
- 2- identified roadmaps and timetables,
- 3- laid a solid foundation for follow-up actions of both sides.

The statement said that China supports countries in the Middle East in:

- 1- upholding strategic autonomy,
- 2- strengthening solidarity and cooperation,
- 3- getting rid of external interference,
- 4- holding the future of the Middle East in their own hands.

3.3 Observations on both Statements

One observation about the trilateral joint statement is that although the English alphabetical order dictates that the mention of Iran precede that of Saudi Arabia, the English text of the joint statement mentions Saudi Arabia before Iran. A second observation is the mention of the Arab Hijri calendar which is the official calendar of the Arabian Kingdom based on the lunar format. Iran uses the same Arab Hijri calendar, although on a solar format which gives different calculations. The English text of the joint statement makes no mention of the Arab Hijri calendar in its solar format that is the official calendar of Iran.

A third observation is that the language of the English text juxtaposed what Iraq and Oman did on the one hand and what China

¹³ Chinese Ministry of Foreign Affairs, "Wang Yi Chairs Closing Meeting of Talks between Saudi Arabia and Iran in Beijing", March 10th 2023, retrieved on December 14th, 2023: https://www.mfa.gov.cn/eng/zxxx_662805/202303/t20230312_11039412.html.

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did on the other. The English text thanked Iraq and Oman for “hosting rounds” of “dialogue”, while it thanked China for “hosting” and “sponsoring” the “talks” as well as for the “efforts” China placed towards the success of these talks.

The Chinese minister’ statement puts strategic autonomy, the region holding its future in its own hands, as well as solidarity and cooperation in opposition to external interference. This gives the impression that this opposition to external interference provides the framework in which Saudi Arabia and Iran “reached common understandings on resolving their respective concerns”, “identified roadmaps and timetables”, and “laid a solid foundation for follow-up actions from both sides”.

From the above we gather that there are things on which both sides agreed (the do’s and don’ts), timetables, and follow-up mechanisms, in a trilateral manner. This means a continuous Chinese involvement in the process. Yet, we do not have official statements indicating the content of these elements.

Moreover, the joint statement indicates that Riyadh and Tehran agreed to implement two past agreements between both sides. In the first place, the joint statement mentions the “Security Cooperation Agreement”, which was signed between the two sides in April 2001. Then it mentions the “General Agreement for Cooperation in the Fields of Economy, Trade, Investment, Technology, Science, Culture, Sports, and Youth”, which was signed between the two sides in May 1998.

Despite the fact that both agreements went through the Saudi Arabian legal processes of ratification (in the Shura Council, its deliberations and approvals; then in the Council of Ministers, its deliberations and approvals), their content was not published.

In addition, the joint statement mentioning of both agreements raises a number of questions. Why did not the joint statement respect the chronological order of mentioning both agreements, namely going from 1998 to 2001? More importantly, what is the legal status of both agreements now? Are they still in effect, from a technically legal point of view? Also, were these agreements implemented from 1998 till 2016 (when diplomatic relations were suspended)? If yes, how effectively were they implemented? If not, why were they not

implemented? Perhaps the most important question is why did not both parties draft new agreements that would be much more adapted to the current context and state of affairs?

One potential explanation is that reaching a new agreement on security and political affairs and another on economic, trade, and cultural affairs would be difficult, long, and tedious process of negotiations. In addition, there are problems relating to trust between both countries. This combination discourages from going into the costly, lengthy process of negotiating new agreements.

Reinstating the two past agreements seems to serve two purposes. On the one hand, past agreements can provide a familiar framework for joint task forces from both sides (both sides had previously worked within it and they know it). On the other hand, instead of negotiating new agreements, going back to existing ones can play the role of a trial period or a beta test. If true, then both sides are coming into this agreement with a lot of caution, in which case it would be best described as a “cautious détente”. Moreover, there is the question of sanctions against Iran which complicates economic cooperation, trade, and relations between the banking sectors in both countries, for example. This may be one of the reasons behind mentioning the 1998 treaty in the second place in the joint statement. Another reason could be the fact that the main Saudi Arabian grievances against Iran are related to security. In addition, going into a costly and lengthy process of negotiating an economic agreement without a clear approach to the question of sanctions against Iran may seem as a futile exercise.

3.4 Analyzing the Deal

In an interview with Fox News, on the 6th of October 2023, the Saudi Arabian Crown Prince HRH Mohammed bin Salman said that Iran asked Iraq to mediate between Riyadh and Tehran and Saudi Arabia agreed. This was the beginning of what I call “exploratory talks” in 2021 in Iraq. The talks then moved to Oman in 2022. It was not clear why that happened, but one potential explanation is instability and security concerns in Iraq, which went through a period of turmoil following the October 2021 elections (in which Iranian proxy militias lost).

Five rounds of talks took place. At the beginning, talks were

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highly heated, pointing fingers and exchanging accusations dominated the conversation. Iran categorically denied any role or involvement in Houthi attacks against Saudi Arabia, or in Iraqi militias threatening Kuwait or Saudi Arabia, or in threatening maritime security in the Arabian Gulf. Neither talks in Iraq nor those in Oman seemed at the time to lead anywhere.

It is my analysis that Saudi Arabia agreed to participate in these talks for two reasons. One, Riyadh wanted to put a cap on tensions, so that unintended escalation does not occur and get out of control. Two, the Saudi Arabians wanted to explore whether or not Iran was genuinely interested in paving the way for a potential arrangement.

For Iran, it seems that it was interested in public relations associated with having the talks more than the substance of the talks themselves. At that time, Iran was facing an increasing international pressure vis-à-vis its destabilizing regional activities during the time when it was trying to re-instate the nuclear deal with the U.S. Holding the talks was seen in Tehran as a helpful PR event in pushing back against that pressure. The main Iranian PR argument was that the region is independently working on resolving its problems, and therefore there is no need for international pressure.

In addition, Saudi Arabia has always maintained that even though reaching any type of agreement with Iran is highly problematic, it is only half of the problem. The other half lies in Iran keeping its end of the bargain. If there were to be any violation of a potential agreement from either party, it is most likely that it would be Iran that commits the violation. Hence, there is a need not just for a mediator, but for a capable mediator that can exert influence over Iran and encourage it to respect its commitments. Neither Iraq nor Oman had the necessary framework of pressure and reliable tools that would encourage Iran to fulfill its commitments in a potential deal with Saudi Arabia.

Both elements, the objectives of both parties coming to the negotiation table as well as the lack of a capable mediator, make the Iraq-Oman phase structurally different from what took place in Beijing. That is why I call this phase “exploratory talks”. When these structural aspects changed, the Beijing announcement was possible, effectively ushering the bilateral relations into a phase of what I call a

“cautious détente”.

Three shifts concerning Iran, the West, and China presented a significant strategic opportunity for Saudi Arabia, and Riyadh seized it. Since the revolution in 1979, Iranian strategic posture has seen ups and downs, but we are witnessing one of Iran’s weakest moments, if not the weakest. In the aftermath of the Russian invasion of Ukraine, the West has significantly increased its reliance on Saudi Arabia and finds itself in a dire need for Saudi Arabian cooperation on a number of issues and domains. More significantly, China has signaled three important things: a high-level eagerness to develop relations with Riyadh more than anyone else in the region, an important sign of breaking away from the “non-involvement principal” in its foreign policy, and an increased willingness to get involved in, and bear the cost of, the Arabian Gulf dilemmas.

Iran suffered four strategic blows. Some of these strategic setbacks had happened prior to the talks in Iraq and Oman. Others happened during the initial talks. In the beginning, the extent of the strategic setbacks Iran suffered didn’t seem to be fully appreciated in Tehran. Some Iranian officials entertained the possibility that they could overcome these strategic setbacks, which continued to multiply thereafter. Nonetheless, when these strategic setbacks reached a certain level, Iran repositioned itself. It is this process of repositioning that can help explain why the deal with Saudi Arabia became possible. In any case, it is important to go over these strategic setbacks.

First, Iran lost its strategic influence on its northern borders, as demonstrated in the Nagorno-Karabakh conflict between Armenia and Azerbaijan (in which Armenia lost to Azerbaijan vast territories surrounding that region), to the benefit of Turkey, Russia, and more importantly Israel (James M. Dorsey, 2021). This is a strategic blow on three levels. One, the territorial integrity of Iran can potentially be threatened by independence aspirations of its Azeri minority (Houman A. Sadri & Nader Entessar, 2009, pp. 59-79). More than 14 million (some estimations indicate 23 million) Azeris live in the Iranian province of Azerbaijan, which is more than the Azeri who live in the nation-state of Azerbaijan itself (about 9.1 million people). An increasingly visible Azerbaijani presence and influence may raise separatist aspirations of the Azeri minority in Iran. Two, the region of

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Nagorno-Karabakh used to be a sphere of Iranian presence. Not only did Iran lose its presence there, but Israel replaced it. Third, Iran failed to effectively support its ally Armenia which revealed the limitations of Iranian capacities to support allies and partners.

Second, Iran lost an important part of its influence in Iraq after its proxies there (Iraqi militias) lost the elections of October 2021. Iraqi militias found themselves obliged to impose their will at gun-point upon the Iraqi people and Iraqi politics, thereby incurring a devastating cost. The violence and unrest that ensued were probably the reason Riyadh-Tehran talks moved from Iraq to Oman.

Third, Tehran made a grave strategic mistake when it got involved in the Russia-Ukraine war on the side of Russia (which it initially attempted to deny). One consequence is raising the cost on European countries that wish to re-instate the nuclear deal or develop cooperation with Iran. In that sense, Iran managed to freeze, if not kill, the nuclear negotiations during that period. Besides its role in sanctions relief, the nuclear file serves as a tool of foreign policy for Iran. Tehran employs it to get things done, as we have seen in Obama's change of behavior in the Syrian crisis in order not to jeopardize nuclear negotiations with Iran. When it supported Russia with weapons, and the prospects of the deal fell down, Iran exposed itself to increased Western pressure.

After almost 15 years of regional calls, mainly from Arabian Gulf countries, the West started to focus on the Iranian drones program, which relies significantly on components manufactured by Western companies¹⁴. The West has finally realized that Iranian threats must be addressed as a whole, thereby breaking away from the decades-long compartmentalization of Iranian destabilizing activities, expansionism and revisionism. In a speech in the Manama Dialogue in November 2022, the then president of the European Commission, Ursula von der Leyen, stated that:

¹⁴ The Guardian, "Revealed: Europe's role in the making of Russia killer drones", September 27th 2023, retrieved on December 14th, 2023: <https://www.theguardian.com/world/2023/sep/27/revealed-europes-role-in-the-making-of-russia-killer-drones>.

“it took us too long to understand a very simple fact: the very simple fact that while we work to prevent Iran from developing nuclear weapons, we must also focus on other forms of weapons proliferation from drones to ballistic missiles. It is a security risk not just for the Middle East but for all of us”¹⁵.

In addition, Iranian support for the Russian invasion of Ukraine pushed European states closer to Saudi Arabia.

Fourth, internal protests have weakened the Iranian regime. Although these protests do not pose an existential threat, they greatly weaken the regime’s legitimacy and emphasize internal divisions and power struggles. Protests make it difficult and highly costly for Western countries to cooperate with Iran. Furthermore, these protests happened during a critical moment of concerns about the question of succession to the supreme leader Khamenei. There is a lack of transparency, with no apparent heir to Khamenei. Internal conflicts between different power centers inside the Iranian regime are rising.

All these strategic blows forced the following questions upon Tehran: is it tenable to maintain Iranian militias, involvement and influence in the Arab world? If yes, for how long? And at what cost? Is Iran capable of bearing that cost? It is important to remember that Iran did not lose all of its strategic weight, but these strategic setbacks greatly exposed Iranian vulnerabilities and fragilities¹⁶.

As to the West, the Ukraine-Russia war, Iran’s involvement in Ukraine (which solicited a harsh backlash from Europe and the US) and the freezing of nuclear negotiations, all have further increased Western reliance on Saudi Arabia. Saudi Arabian cooperation is more direly needed than any moment in the past three decades, in different areas ranging from mediation to energy markets to regional and international peace and stability. This happens in the context of the

¹⁵ Her whole speech is on YouTube, retrieved on November 24th, 2022: <https://www.youtube.com/watch?v=DgMAaYRHryM>.

¹⁶ HRH prince Turki Al-Faisal described Iranian vulnerabilities and fragilities by saying: “Iran is a paper tiger with claws of steel”, see: CNBC, “CNBC Transcript: Saudi Arabian Prince Turki Al-Faisal”, February 12th 2019, retrieved on December 14th, 2023: <https://www.cnbc.com/2019/02/12/cnbc-transcript-saudi-arabian-prince-turki-al-faisal.html>

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rise of Saudi Arabia as a global middle size power, the growth of its economy (which is a G20 economy), and the position of Riyadh as the gate to the Arabian Gulf, the Arab World, and the Muslim World.

Moreover, China's goal of increasing the depth and width of its strategic partnership with Saudi Arabia could be explained by three factors: the strategic importance of Riyadh and its vital role as a middle-size global power as well as the gate to the Arab and Muslim worlds; its vital and strategic role for the Chinese Belt & the Road Initiative as a manufacturing, logistical and distribution hub; and also, the indispensable Saudi Arabian role as a global guarantor of energy security.

Historically, China systematically refrained from getting involved in regional problems, reflecting its "non-involvement principal". However, on the occasion of Xi Jinping's visit to Riyadh in December 2022 (which came five months after Biden paid a similar visit to Jeddah), China openly condemned Iran's support for sectarian terrorist groups, proliferating ballistic missiles, and destabilizing activities, in the joint GCC-China statement (Art. 11 and 12)¹⁷. The joint statement called for peaceful negotiations on the three Emirati islands; Greater Tunb, Lesser Tunb, and Abu Moussa; of which Iran took control in 1971 and over which the UAE claims sovereignty. This is a considerable shift in Chinese foreign policy in general, and towards the Arabian Gulf in particular. It also signals that Beijing is ready to point fingers and assign blame to non-conforming parties in its brokered deals (such as the Saudi Arabian-Iranian agreement). According to the trilateral joint statement that announced the agreement between Riyadh and Tehran, it was the Chinese who took the initiative to mediate, and asked Saudi Arabia if it would accept a Chinese role, as the joint statement on March 10th 2023 explicitly indicates. One way of interpreting these aspects of the joint GCC-China statement (which explicitly condemned Iran) is that it was a

¹⁷ Saudi Press Agency (SPA), "Statement of the Riyadh Summit for Cooperation and Development between the GCC and the People's Republic of China", December 9th 2022, retrieved on December 14th, 2023: <https://www.spa.gov.sa/en/20a265ac44u#>.

down payment on the Chinese commitment and readiness to mediate between Riyadh and Tehran and provide guarantees against any potential Iranian violations. If true, then this confirms that China actively sought to convince Riyadh to accept its mediation through showing the Saudi Arabians that they are willing to, and capable of, pointing fingers at Iran and putting pressure on it (after Tehran asked Iraq to mediate relations with Saudi Arabia).

For Tehran, it found itself in a strategically weak and disadvantageous position. Besides the above-mentioned weaknesses, the U.S. and Israel work diligently to isolate Iran. A deal with a major country, such as Saudi Arabia, can help break that isolation. Moreover, any potential Israeli attack against Iran will need to cross long distances and airspaces of regional countries. Israel will likely need the cooperation of regional countries. Making a deal with Saudi Arabia greatly lessens the probabilities of regional cooperation in such a potential attack, especially if confrontations metastasize into regional countries. This raises the cost for Israel and lowers it for Iran.

Moreover, Iran sees a threat in a supposed Saudi Arabian support for different media outlets (such as Iran International T.V.) which extensively cover Iranian affairs, including protests and internal crises. It also thinks that Riyadh is actively supporting different Iranian opposition groups and separatist movements. Some reports suggest that Tehran asked Saudi Arabia to refrain from such actions¹⁸.

As to Saudi Arabia, one may think that Riyadh is mainly driven by concerns for the security of its development plan, Vision 2030. And this concern enjoys a high-level attention from the Saudi Arabian government. However, Vision 2030 was not introduced in 2021 or

¹⁸ Iran has repeatedly described the role of the media in covering internal crises as insignificant and the support for Iranian opposition groups as ineffective and inconsequential. If it is true that it actively sought an agreement with Riyadh on these two issues, then it is practically admitting the importance as well as the effectiveness of both. For more on reports about these Iranian demands, see: Crisis Group, "How Beijing Helped Riyadh and Tehran Reach a Detente", March 17th 2023, retrieved on December 14th, 2023: <https://www.crisisgroup.org/middle-east-north-africa-saudi-arabia-iran-china/how-beijing-helped-riyadh-and-tehran-reach-detente>.

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2023, but rather in 2016. It has always been present in strategic calculations and processes of designing foreign policy. Attempting to explain Saudi Arabian reasons behind accepting a deal with Iran by referring to the Vision 2030's need of a stable regional environment does not answer the following questions:

- why make the deal on March 10th 2023, and not in 2016 when Vision 2030 was launched or in 2018 or 2019?
- What is so special about March 10th 2023?
- What does that particular moment have that all the years from 2016 to 2022 didn't?

There are four reasons that motivated Riyadh to enter into this deal with Iran. First, the weakened strategic posture of Iran presented a significant strategic opportunity, which can explain why Riyadh agreed to make the deal on March 10th 2023 in Beijing. Simply put, Iran was willing to offer important concessions, such as refraining from taking part in, or providing support for, Houthi attacks against Saudi Arabia (including cutting off supplies that might be used against Saudi Arabia). In that regard, there had been a de facto truce in Yemen which predates the agreement between Riyadh and Tehran. However, Iran can play the role of a spoiler through its ties with sub-groups within the Houthi militia itself. Hence, this is an example of an area of concessions.

Second, the Chinese-brokered deal lowers the cost on Riyadh and raises it on its adversaries in general, and on Iran in particular. If Iran respects the deal it puts pressure on its relations with the Houthi militia in Yemen. Further, it signals to other Iranian proxies that Iran can limit its support for them, or even cut it off, when Iranian interests are different from theirs. This raises questions about the reliability of Iran for all of its proxies throughout the region. Moreover, if Iran violates the deal, it puts pressure on its relations with China. Regardless of Iran respecting the deal or not, the Chinese-brokered deal in itself is indicative of a growing Chinese presence in the region and therefore puts significant pressure on the U.S. Administration under Biden (which started its term with so much hostility towards Riyadh). The U.S., and Israel for that matter, were negatively surprised by the announcement of the agreement. The increased presence of China on the one hand, and undermining efforts to isolate

Iran on the other, were not positive developments for both countries.

Third, and equally significant, Iranian expansionism has heavily relied on a low-cost model of exploiting regional strategic voids and regional vulnerabilities. Iranian investments in creating militias across the region, training, arming, and financing them are relatively low-cost investments. Manufacturing drones and supplying them to Iranian militias across the region is also a low-cost Iranian investment. The impact and damage of these Iranian militias and drones are highly costly. Iranian conventional capabilities considerably lag behind the region and not only does this low-cost model close the gap, but it also gives Iran an edge. However, the comparative advantage of this low-cost model is mainly a technological challenge and therefore has an expiration date. In other words, closing air defense gaps, for example, by developing laser-based anti-drone systems (which Saudi Arabia is seriously pursuing) will impact the Iranian low-cost model. Iran will need to enter into a significantly costly arms race in order to beat those anti-drone systems, which requires a considerably higher military budget and a stronger economy, a substantially better access to international markets, and a more internally stable regime. Hence, changing the cost dynamics by imposing a high-cost model on Iran becomes a strategic objective for Riyadh. That is of course predicated on Riyadh success in developing such technologies. One challenge the Arabian Kingdom faces is that some Western countries oppose its development of such technologies and try to impede any such efforts. This is for the purpose of maintaining pressure on Riyadh, in the hope of making the Saudi Arabians more flexible towards Western interests and demands.

Fourth, while we have a handful of middle size powers in the world, Saudi Arabia is becoming one of the few indispensable middle size global powers. This is predicated on a position of positive neutrality, which means being able to talk to Iran and Israel, the U.S. and China, as well as Russia and the West. It also means mediation and tension reduction efforts, as we have seen in the Saudi Arabian brokerage of prisoners' exchanges between Ukraine and Russia as well as the Saudi Arabian leadership of the Arab-Islamic ministerial committee for addressing the Israeli genocide in Gaza (2023-2025). This Saudi Arabia-Iran deal is an important advancement in the

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direction of positive neutrality. It offers Riyadh a more advantageous position to expand its posture of positive neutrality.

Discarding all of these complicated and complex factors and adopting a single-explanatory factor (such as the Saudi Arabian need for stability to achieve the goals of Vision 2030) is an excellent example of reductionism. It ignores the context in which Iran finds itself. It also reflects a profound misunderstanding of Saudi Arabia. While stability is important for Vision 2030, it is only one part of the story, not the whole story.

In light of the above, this is not a comprehensive agreement on regional issues and regional security. Rather, it is a cautious *détente* that aims to pave the way for confidence building on the one hand, and construct a stable platform for continuous dialogue on regional issues and regional security on the other. If successfully maintained during the upcoming years, this dialogue platform can bring the two countries closer to a comprehensive regional arrangement¹⁹.

3.5 Future Prospects of the Deal

As to future prospects of the deal, four factors play an important role. First, the strategic setbacks which Iran suffered encouraged it to come to an understanding with Saudi Arabia and make important concessions. If Iran recovers from these strategic weaknesses, it may rethink about whether or not remaining committed to the deal is beneficial to its expansionist and revisionist policies. Second, a possible major regional confrontations, like a potential war between Israel and Lebanese Hezbollah, may put pressure on the deal, given that Iran may be tempted to mobilize all of its proxies against neighboring countries, where Western vital interests are present, in order to raise the cost on the Western allies of Israel. Third, if the succession process in Tehran encounters serious challenges, different centers of power in Iran would be tempted to divert the crisis to the region as a way of managing it as well as seek regional confrontations in order to strengthen their positions internally (as we have seen in the past). Last but not least, if any of the vital spheres for China is

¹⁹ Strong enablers, such as an Israeli hegemonic ambition, can help bring the two countries further closer to one another.

disrupted (like the South China Sea), then this may consume a great deal of China's attention and power. Its role in the deal may be compromised which will threaten the prospects of the deal.

4. Concluding Remarks

The contemporary geopolitical context of Saudi Arabian-Iranian relations as well as the role of great powers present in the Middle East region are all important aspects of context that can help understand how the deal came to be. They are equally helpful in attempting to predict what are the future prospects of this deal.

The deal is mainly the result of major changes in the Iranian strategic posture. Changes relative to the Saudi Arabian strategic posture are present, but they come second. This deal is not a deal on issues, but rather a cautious *détente*, meant to create a platform for building confidence as well as for a continuous dialogue about the issues of concern to both sides.

The prospects of the deal are predicated on a number of elements. If the weak strategic posture of Iran improves, this may threaten the deal. Regional instability may metastasize which will negatively impact the deal. If a succession crisis breaks out in Tehran, the deal may be threatened. And finally, any crisis involving China may reduce its ability to actively participate in the maintenance of the deal.

Given the role of the deal, providing a framework for dialogue and putting a cap on tensions, it paves the way for having a positive role in making both sides review their views of one another and question certain perceptions. The deal also makes it more likely that the mechanisms of follow-up, with the continuous presence of China, create space for potential, limited mutual understanding.

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