



Ayesha Malik

THE SAUDI-IRANIAN DÉTENTE

INTRODUCTION

The Chinese-brokered rapprochement between Saudi Arabia and Iran has been likened to a ‘geopolitical earthquake’ in terms of its seismic impact. These two countries have seen four decades of rivalry in what has been called a “destructive competition for leadership of the Muslim world, in which both countries wield, exploit and distort religion in the more profane pursuit of raw power”. (Ghattas, 2020) The deal itself is as momentous as the broker – and this is a diplomatic win for China at the cost of the United States and also Israel. The US is seeing the rise of an anti-Western global order in which it is no longer in the room when things happen and Israel has much to lose given its Gulf allies are no longer as anti-Iran as it would like them to be. The biggest winner is arguably Saudi Arabia who can now leverage its closer relationship with China to get more out of the US. It is also a boon for Iran which was facing increased isolation and challenges on the economic and political front. However, Pakistan also has much to gain in this rekindling of relations between these two Islamic heavyweights as it has long been stuck in the middle of a tug of war between them. This article will look at the impact of the deal on all of these states.

IRAN-SAUDI RELATIONS

This Islamic Cold War has existed since the Iranian Revolution in 1979 after which Iran sought to export its revolution to the rest of the world and expand its influence. (Ghattas, 2020) This clashed head on with the Saudi view of itself as the natural leader of the Ummah, its Wahhabism, and the Kingdom’s worries about Iran being a revisionist power attempting to create a Shia crescent of a ‘new Safavid Empire’ (Barezegar, 2008). This has resulted in both states constantly tussling for influence in the region. These tussles have played out in proxy wars in several different battlefields, notably, Iraq, Lebanon, Syria and Yemen where the two countries have varying interests at play. (Modebadze, 2018)

Iran and Saudi relations broke down officially in 2016 after Saudi executed the prominent Shia sheikh, Nimr al-Nimr following which Iranian protestors attacked Saudi Arabia’s embassy in Tehran and consulate in Mashhad. (Ricotta, 2016) Relations further deteriorated when Saudi Arabia punished and isolated Qatar along with the other Gulf states for maintaining close ties with Iran and supporting ‘terrorism’ in 2017. (Modebadze, 2018)

So the new agreement comes after seven years of no diplomatic relations and states that both countries would reopen their embassies, exchange ambassadors, resume direct flights, and restart security and trade agreements. (Ward, 2023) It also highlights that it was due to the 'noble initiative' of Chinese President Xi.

The following is what the agreement means for all the key players in the region.

Iran had to agree to the deal as its economy is currently propped up by China which represents 30% of Iran's total international trade and enjoys a huge deal of leverage over it. (Spengler, 2023) Iran was facing serious domestic challenges due to nationwide protests after Mahsa Amini's death which led to the Rial losing half its value against USD by March 2023. It was reported that within "two days of the announcement on rapprochement, the Rial surged 12 percent against the dollar". (Gallagher, A., Hamasaeed, S., Nada, G., 2023) Iran is also seeking to counter its increasing isolation and wants to be brought in from the cold. China has said Iran will become a member of the Shanghai Cooperation Organization and this may signal the start of more countries being willing to trade with it. The win also allows Iran to shake its fist at the US. Khamenei in November 2022 had outlined his vision of a new order based on "the isolation of the United States, the transfer of power to Asia, [and] the expansion of the [anti-West] resistance front" led by the Islamic Republic. (Golkar, S., Aarabi, K., 2023) Moreover, it stems the tide of Gulf capitulation to relations with Israel which will no longer be able to enjoy an anti-Israel ally in the form of Saudi Arabia.

The main gains for **Saudi Arabia** are that it is able to indicate to the US, its long term ally, that it can collaborate with its rival and so up the stakes in ensuring the US seeks to court them. Saudi had bristled at American pressure over the murder of Jamal Khashoggi and looked at the sanctions placed on Russia with a degree of concern. It was also irritated by US attempts to stop its trade with China e.g., the US was uneasy with Saudi signing a memorandum with Huawei though Saudi went ahead and signed anyway. (Spengler, 2023) The key takeaway from this for the kingdom though may be the end of its proxy wars with Iran which both have been waging for many years, especially in Yemen. It has been reported that Iran will now no longer support the Houthis and a ceasefire could be in the making in Yemen.

Through this deal, **China** has emerged on the international stage as a peacebuilder and superpower offering an alternative to the US-led global order. An indication of China's plans for the future is seen in President Xi's visit to Saudi Arabia in December 2022 when he encouraged states in the Middle East to conduct their energy sales in the Chinese yuan. The petrodollar may give way to the petroyuan, as is already the case in Iraq, and may be the workable go around of US sanctions on Russia. China is also seeking to agree a 'peace plan' in

Ukraine. While it has previously attempted to mediate conflicts (e.g., with North Korea, Myanmar and between Sudan and South Sudan) these were unsuccessful and had no concrete outcomes. (Campbell, 2023) However, with this diplomatic win, China may seek to use its soft power and economic leverage over countries to further deals which help its interests in the future.

The **United States** is unhappy with this deal and has doubted that Iran would be able to abide by it. Stephen Walt says it indicates a long-standing flaw in the US' policy in the Middle East in that China has good relations with every country in the region, whereas the US has 'special relationships' with some countries and no relationships with others, like Iran. As a result, he says "America's clients take its support for granted and America's adversaries have no reason to adjust their behaviour". (Belfer Center, 2023) This seems to be the case with both Saudi and Iran. Iran has nothing to lose through the deal whereas Saudi has something to gain: a US more anxious than ever at maintaining Saudi as an ally. Moreover, China has managed to slowly accumulate a large degree of power in the region, through trade and technology, rather than militarily. China has only one military base in the entire world, in Djibouti, whereas the US has bases everywhere. (Spengler, 2023) It remains to be seen how the US will lure Saudi Arabia back to their side.

Through the Abraham Accords, Israel established diplomatic relations with the United Arab Emirates and Bahrain and wants to do the same with Saudi Arabia. It hoped the US would facilitate this so that it could form an anti-Iran coalition with the Kingdom and at the same time, finally end its isolation with the Arab world. (Baker, 2023) However, the Saudis have asked for a lot in return for having relations with Israel, namely "security guarantees, help developing a civilian nuclear program and fewer restrictions on U.S. arms sales". (Baker, 2023) This deal is a blow for Israel which now loses a key ally and is a boon for its nemesis, Iran.

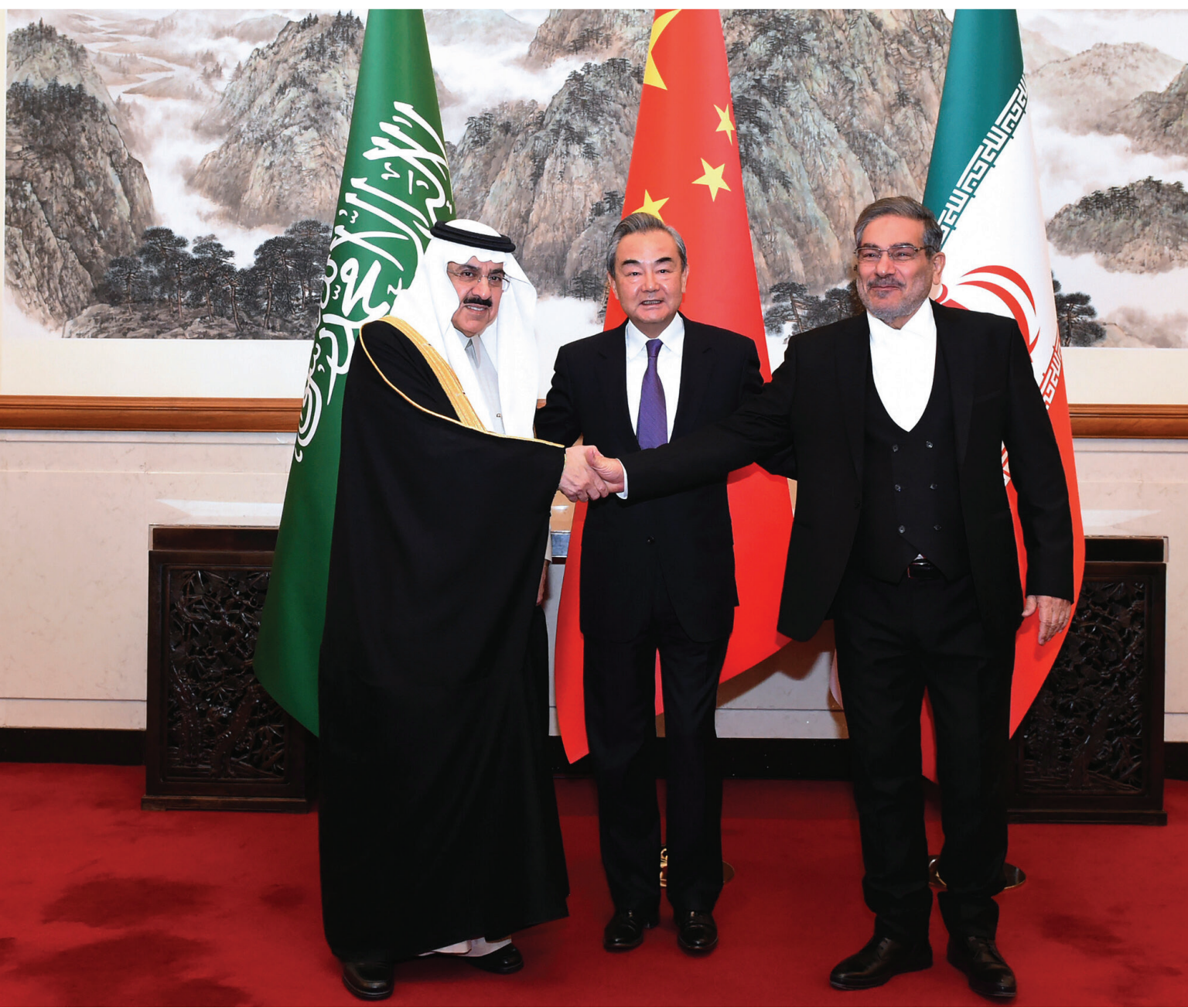
Pakistan has been involved in a zero-sum game in the rivalry and so welcomes the deal as it may lead to more trade with Iran and greater investment from Saudi. Pakistan borders Iran, is home to the world's second largest Shia population, and has been subject to decades of Wahabbism as a Saudi export after Zia's era. As a result, Pakistan has had to deal with religious and sectarian violence from extremists acting on the behest of both sides. (Siddiqui, 2023) Pakistan has a military alliance with Saudi Arabia which is a close ally and is also a frequent recipient of their bailouts. For this reason, Pakistan has been reluctant to get too close to Iran. Added to this is the fact that Pakistan blames Iran for harbouring militant groups which attack its territory. (Kugelman, 2023) Moreover, it may be due to Saudi pressure that Pakistan is not trading more with Iran and has been dragging its feet in completing the gas pipeline the two countries agreed to in 2013. Therefore, for Pakistan the deal may lead to developing regional connectivity which would help our energy needs, greater

investment from Saudi, and a potential defusing of sectarian tensions.

CONCLUSION

Chinese leader Deng Xiaoping famously said “hide your strengths, bide your time”, and it seems China has finally decided it is time to show its strength. This may see more aggressive action from China elsewhere (such as along the Line of Actual Control and the South China Sea). In Trumpian terms, this deal has key winners and losers. The winners are Iran, Saudi, China, and Pakistan, and the losers are the US and Israel. Time will tell how the latter respond to this quake in international relations.

The author is the Deputy Director at the Research Society of International Law, Islamabad.



ENDNOTES

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