



The Saudi-Iranian Rapprochement: Implications

Insights from Wikistrat's Webinar
with Christopher M. Davidson



Introduction

On March 10, Saudi Arabia and Iran announced that they had agreed to resume diplomatic relations and re-open embassies in each other's countries. The agreement came after talks mediated by China, and Saudi Arabia thanked "China's support for developing good neighborly relations between the Kingdom of Saudi Arabia and the Islamic Republic of Iran."

The rapprochement between Saudi Arabia and Iran has profound implications for the Middle East, as the changed relationship between the two will impact many of the existing tensions and issues across the region.

To understand these implications, Wikistrat held a webinar with Gulf expert Dr. Christopher M. Davidson.

The key insights from the event are presented in this report.



Christopher M. Davidson is an Associate Research Fellow at the European Centre for International Affairs. His research interests are focused on the Middle East, particularly statecraft in the Gulf States. He has written extensively on the political economy and authority structures of the region, having authored seven books, including "Shadow Wars: The Secret Struggle for the Middle East."

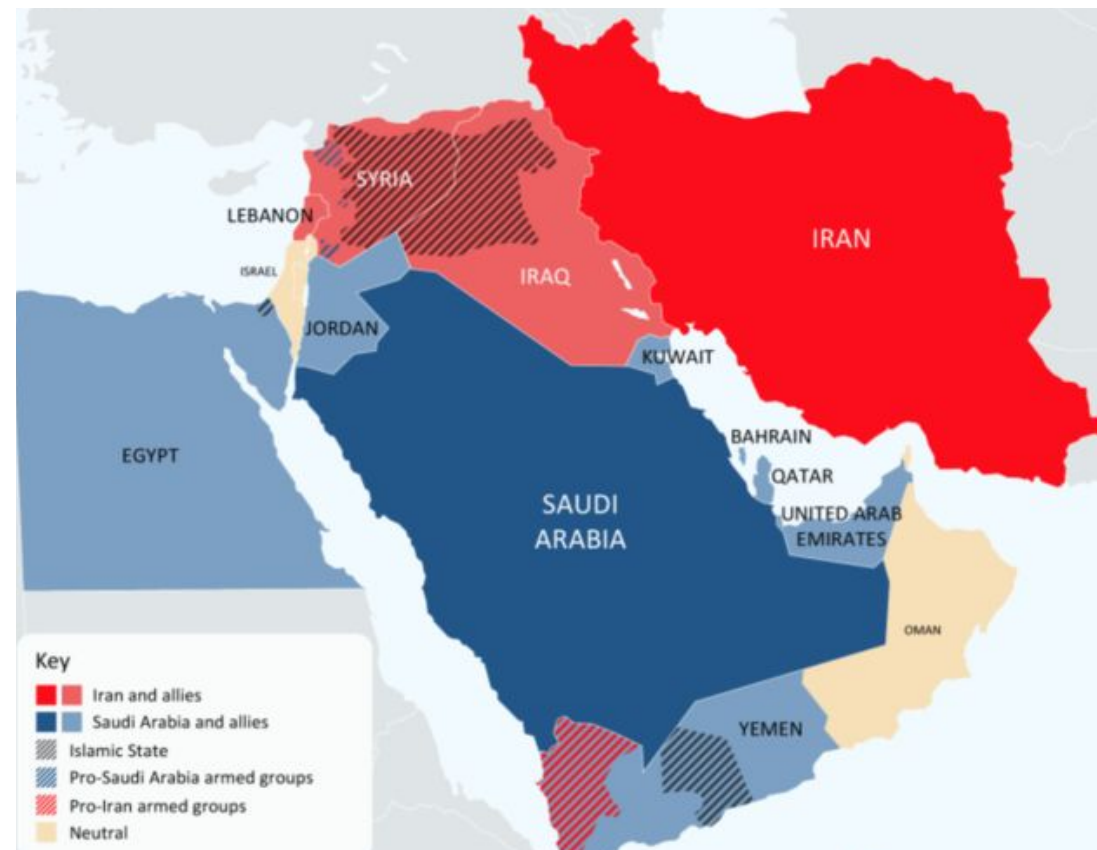
Understanding the Rapprochement: Reported Factors

By attempting reconciliation with its long-term adversary Iran, Saudi Arabia is diversifying its international security and diplomatic partnerships.

This is possible with China as an intermediary, only due to its good relations with both Saudi Arabia and Iran, something the West cannot claim to have.

Saudi Arabia potentially aligning itself with China puts pressure on the United States to provide concessions, especially with regard to high-tech weapon sales to Saudi Arabia and providing technology transfers in the nuclear industry.

However, China is not seen as an alternative long-term diplomatic or security partner, with Saudi Arabia and the Gulf States still ultimately reliant on US maritime security.



Map of Middle-East proxy war between Saudi-Arabia and Iran. Source: Noah

Understanding the Rapprochement: Recent Factors

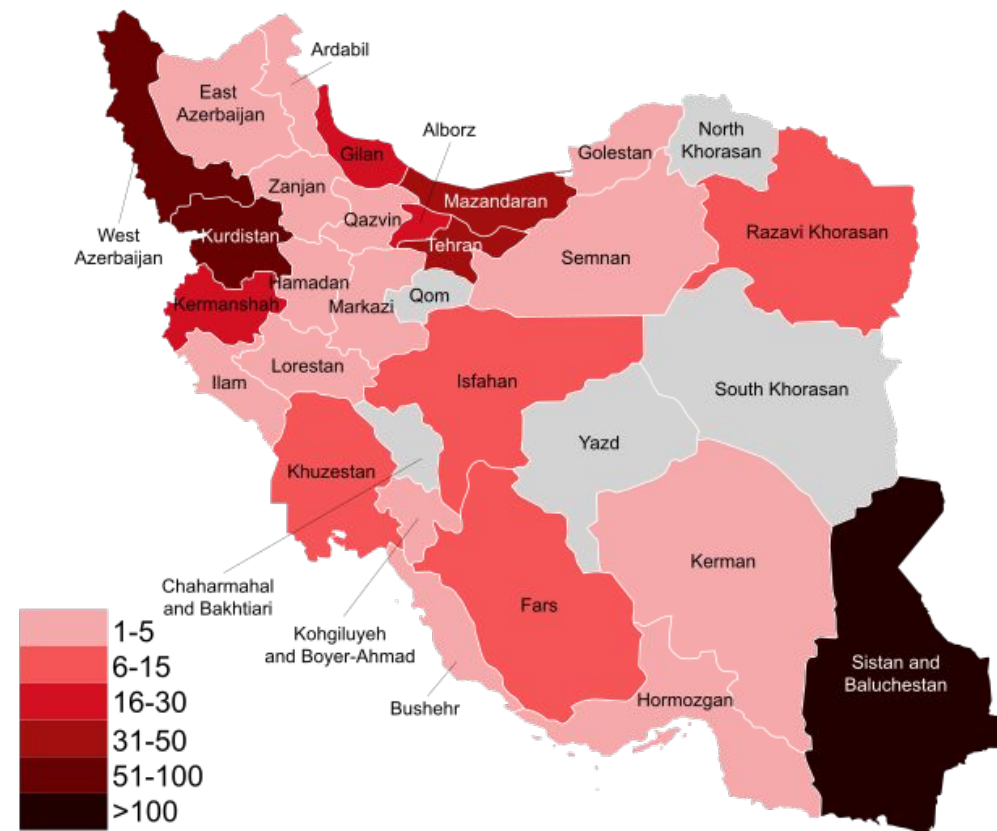
Doubts about US security and diplomatic partnerships are driving SA's shift toward China:

Neither the Iran-linked airborne attacks on 2019 targeting key Saudi oil infrastructure nor the January 2022 Houthi airborne attacks on UAE infrastructure were met with a strong, forceful US response.

When the US engaged in retaliatory measures, it was in response to slights against US interests, not those of Saudi Arabia and neighboring states. For instance, the US's assassination of Iran's Qasem Soleimani in Iraq in January '22.

Iran is perceived as being in a weakened state, especially in the wake of the protests that began back in September 2022, presenting an opportunity for geopolitical concessions.

2022 Iranian protests by province
Number of deaths (protesters)



Number of protesters killed during Iranian protests (2022). Source of data: Iran Human Rights. Source: Oganesson007

Understanding Rapprochement: Long-term Factors and Structural Issues

Lack of support from both US Republican and Democrat administrations:

According to the Obama Doctrine in 2016, Obama stated that he would no longer axiomatically support Saudi Arabia or the Gulf states in any greater conflict with Iran.

Even during the Trump Administration, bilateral relations deteriorated due to lack of a US State Department designation of the Muslim Brotherhood as a terrorist organization, insubstantial US support for the Saudi and UAE-led blockade on Qatar from 2017 to 2020, and what was seen as insubstantial US support for the Saudi-led efforts in Yemen.

Saudi Arabia's future economic reforms require great regional stability and thus, Saudi Arabia is inclined towards reconciliation and prefers stability in Iran.



المملكة العربية السعودية
KINGDOM OF SAUDI ARABIA

Here are some of the initiatives launched by the Saudi government to ensure the actualization of its ambitious Vision 2030:

	
<p>Saudi Aramco Strategic Transformation program: "We believe that Saudi Aramco has the ability to lead the world in other sectors besides oil, and it has worked on a sweeping transformative program that will position it as a leader in more than one sector"</p>	<p>Public Investment Fund Restructuring program: "Having worked on restructuring the fund, we are now refining its investment capabilities and enabling the fund to manage a broader portfolio of current and new assets"</p>
	
<p>Human Capital program: "This program will measure, assess and analyze the efficiency of our civil service. It will also support our government agencies with staff, studies, consultations, and strategic partnerships related to human capital"</p>	<p>National Transformation program: "We are identifying opportunities for partnering with the private sector, as well as innovative administrative and funding approaches. We are detailing specific initiatives that have clear performance indicators"</p>
	
<p>Strategic Partnerships program: "We are working with our economic partners around the world to build new strategic partnerships for the twenty-first century, in harmony with our national Vision, so that we can be a trade hub connecting three continents and enhance our exports"</p>	<p>Privatization program: "Our goal is to create a comprehensive privatization program that will make use of international best practices, transfer knowledge and achieve our goals in a balanced and scientific manner"</p>

Likely Implications: Saudi Arabia and Iran

The rapprochement seems to enhance Saudi Arabia's prospect of developing an internationally approved high-tech nuclear industry.

The parties' internal political situations challenge the future of the rapprochement.

The survival of the Iranian regime is uncertain, and in any circumstances involving regime change it is unknown what kind of relations that future regime may have with the region. Similarly, very autocratic, personalistic, neo-sultanistic regimes like Saudi Arabia's one have repeatedly proved to be quite brittle.



Salman bin Abdulaziz Al Saud is King of Saudi Arabia. Source: James N. Mattis



Ebrahim Raisi, is an Iranian principlist politician, Muslim jurist, and the eighth and current president of Iran since 3 August 2021. Source: Khamenei.ir

Likely Implications for Saudi Arabia-China and Saudi Arabia-Israel Relations

Saudi Arabia-China mutual collaboration is likely to increase

A Saudi Arabia-China agreement on the military matter is unknown but the best way to see the participation of China in the parties' rapprochement is as a ramping up of existing collaboration.

Saudi Arabia can double down on its Chinese relations and try to gain an edge in Gulf-China relations.

The rapprochement does not significantly impact Saudi Arabia-Israel possibilities of normalization

Normalization with Iran rather than normalization with Israel is a better route, as far as Saudi Arabia is concerned, to regional stability, and a greater chance to succeed in its economic aspirations.



Mohammed bin Salman and Xi Jinping. Source: DW

Implications for Other Players in the Middle East and Europe

The rapprochement has genuinely positive implications for Qatar

The collaboration between Qatar and Saudi Arabia is likely to grow, especially in Qatari investments in Saudi Arabia. Besides, the rapprochement makes the region a safer place for Qatar: a small, wealthy, but vulnerable state in the middle of the two.

The rapprochement introduces new geopolitical conditions for the UAE

If the Iranian economy opens up to Gulf investment, Saudi Arabia will have a headstart over the United Arab Emirates' interests in the region. While it may be improbable that the current public reconciliation between the UAE and Qatar, as well as the UAE's more conciliatory approach toward Iran, will be sustained over the long term, the actions taken by Saudi Arabia have left the UAE with limited options but to align itself accordingly.

The prospect of a lasting diplomatic solution for the conflict-strewn people of Yemen is bolstered by the potential easing of tensions between Saudi Arabia and Iran, aided by China.

Europe will be a beneficiary of the rapprochement

Saudi Arabia-Iran rapprochement potentially allows Saudi Arabia to serve as a regional hub for the reopening of Iran's economy, which has been highly sought-after by major European companies.

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