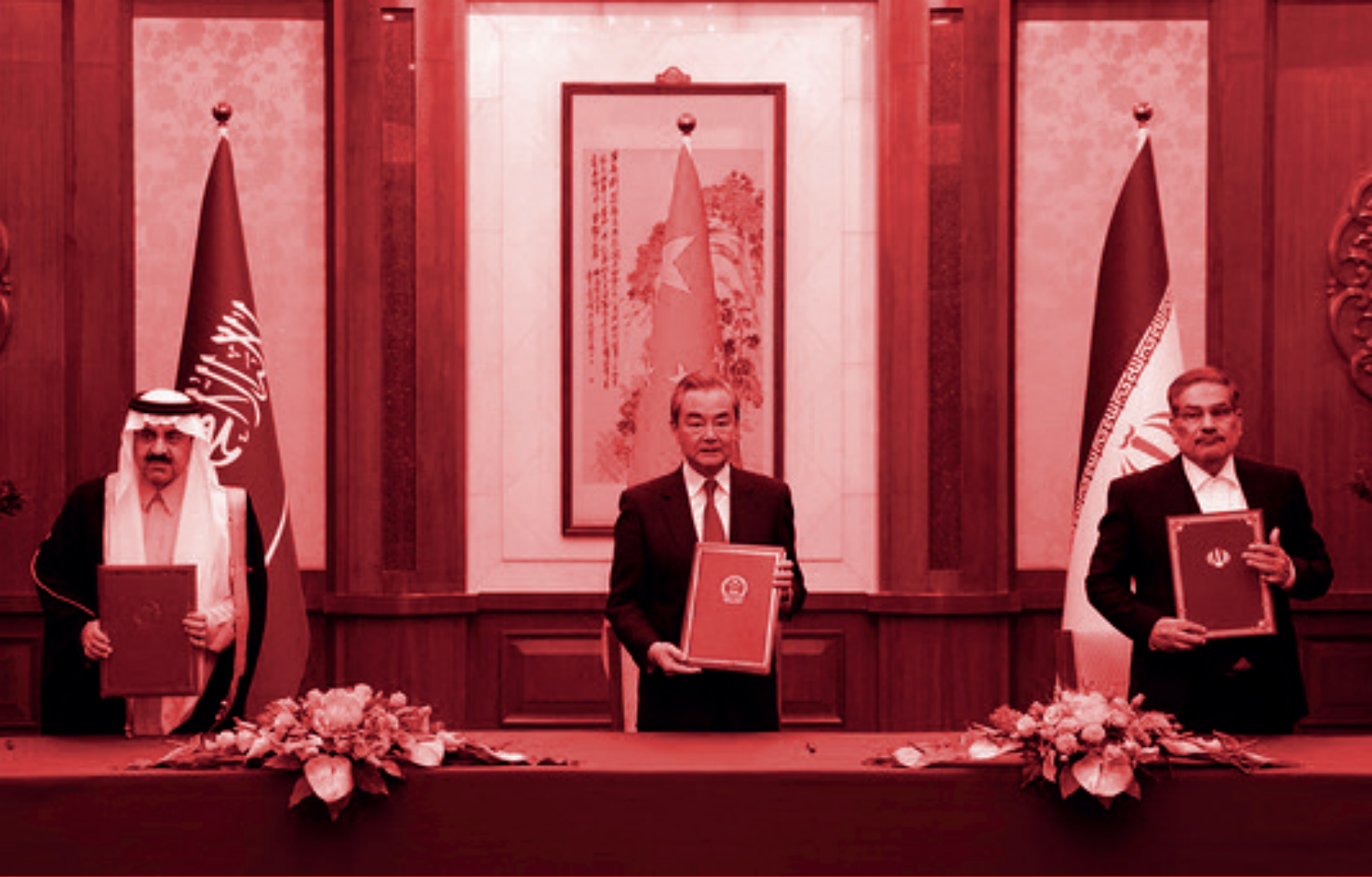




Ortadoğu Arařtırmaları Merkezi
مركز دراسات الشرق الأوسط
Center for Middle Eastern Studies

ANALYSIS 312
A P R I L 2 0 2 3



THE IMPACT OF THE IRAN-SAUDI ARABIA DEAL ON THE MIDDLE EAST: A NEW WAVE OF REGIONAL NORMALIZATION?

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Publication Date: 06 April 2023

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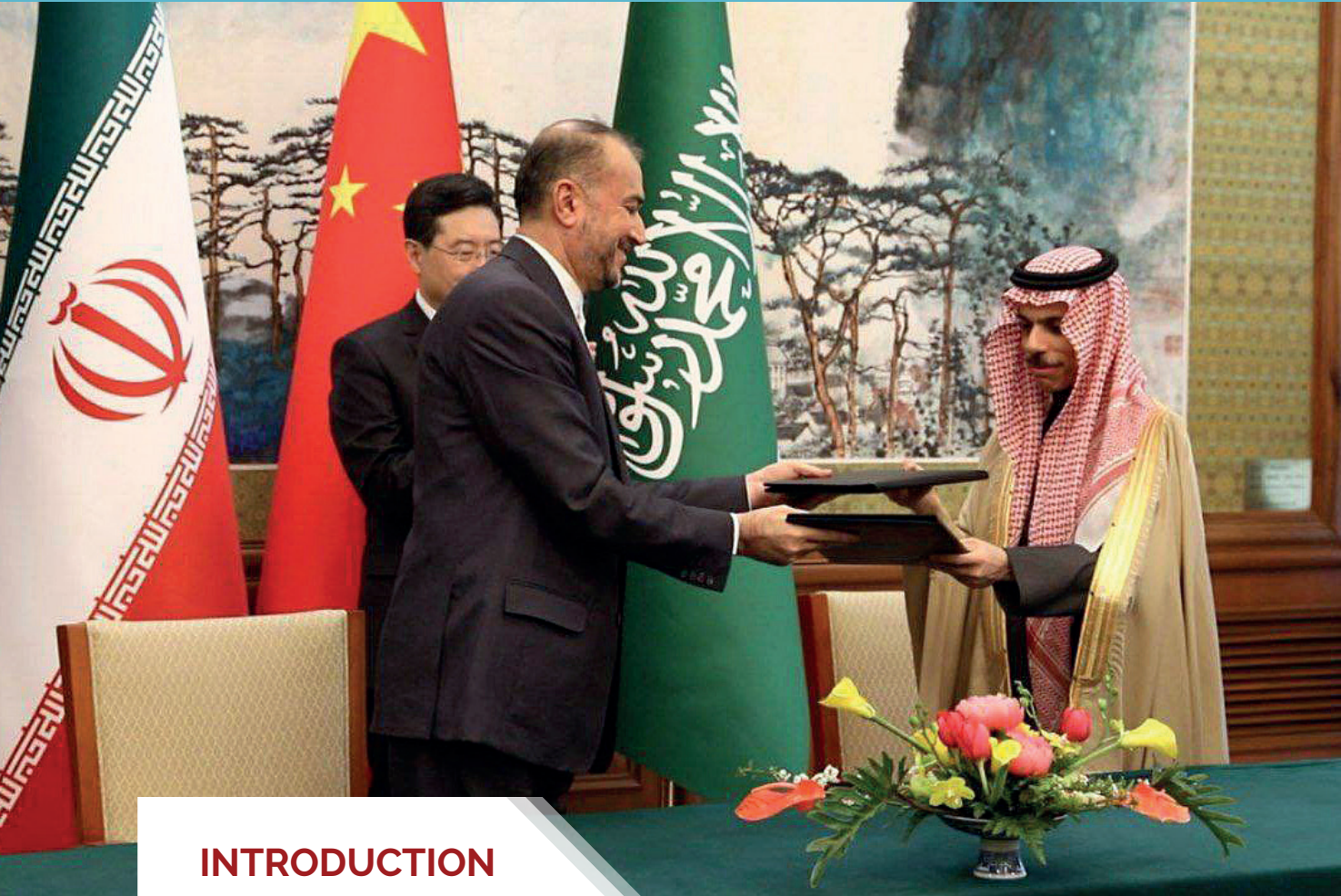
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INTRODUCTION

On March 10, 2023, Iran and Saudi Arabia signed an agreement in Beijing, which followed two years of negotiations in Baghdad, on the initiative of Chinese President Xi Jinping. The two countries agreed to reopen their embassies, following seven years of tension, and to reinstate cooperation and security agreements signed in 1998 and 2001.¹ Recall that tensions between Iran and Saudi Arabia escalated after the execution of 47 people in Saudi Arabia in 2016, including Shia cleric and activist Nimr al-Nimr. Diplomatic relations, already strained by the crisis in Yemen, were completely severed after these events. However, Iranian-Saudi normalization is a step that has the potential to reduce tensions and increase peace and stability in the region. Saudi Finance Minis-

ter Mohammed al-Jadaan announced Saudi Arabia's readiness to invest in the Iranian economy.² Iranian President Ebrahim Raisi has also agreed to visit Riyadh at an unspecified date to strengthen relations between the two countries. These positive messages suggest that relations between Iran and Saudi Arabia could have important implications for the Middle East. However, given the decades-long history, geopolitical motives, and cultural/religious background of the Tehran-Riyadh rivalry, improving relations between these two countries will take time and may still face certain challenges.

Normalization between Iran and Saudi Arabia has the potential to smooth one of the most important rivalries in the region, bring Iran

¹ "Iran, Saudi Arabia Sign Agreement to Restore Diplomatic Ties", *Al Jazeera*, 10 March, 2023.

² "Saudi Arabia Ready to Invest in Iran's Economy, Says Finance Minister", *Reuters*, 11 March 2023.

closer to its Arab neighbors, and gradually stabilize its relations in the region. This study aims to project how the steps of normalization between the two countries could be reflected in areas of rivalry or conflict between the two countries, such as Yemen, Syria, Lebanon, Iraq, and Bahrain. Additionally, the con-

tacts initiated by Iran with Bahrain and Saudi Arabia with Syria will be analyzed in light of the question of whether there is a new wave of normalization in the region. In the concluding section, the implications of the agreement for Israel, the United States, and China will be evaluated.

THE IMPACT OF THE IRAN-SAUDI ARABIA DEAL ON YEMEN



World Al-Quds Day* march in Yemen

The Yemen crisis may be the most critical test of the Iran-Saudi Arabia deal, as it is the country where the rivalry between the two nations has had the most devastating impact. Moreover, the Yemen issue is the top priority that has pushed Saudi Arabia to seek normalization with Iran. For this reason, the Yemen crisis was thought to be the first item on the agenda of the normalization talks between the two nations that lasted more than two years. Therefore, the most positive impact of the deal is expected to be in this area. Iranian officials have said that the restoration of diplomatic relations with Saudi Arabia will accelerate efforts to reach a ceasefire in war-torn Yemen. Iran's Permanent Mission to the United Nations claimed that ending the siege on the Yemeni people, achieving a ceasefire, and establishing an inclusive national government in Yemen will be facilitated by the restoration of diplomatic relations between Riyadh and Tehran. According to Tasnim News Agency, UN Special Envoy for Yemen, Hans Grund-

berg, visited Tehran to discuss the latest developments in the Yemeni crisis and met with Ali Asghar Khaji, Special Advisor to the Iranian Foreign Minister. In this meeting, Khaji emphasized that the Yemeni crisis cannot be resolved through military means and that political dialogue is necessary. He also stressed that improving the humanitarian situation in Yemen should be a priority for the United Nations and other actors in the country. Grundberg referred to the recent agreement between Iran and Saudi Arabia to resume bilateral relations, noting that this development has positive implications for the entire region, including Yemen.³

In an interview with Asharq Al-Awsat, Saudi Foreign Minister Prince Faisal bin Farhan made it clear that the agreement to restore relations with Iran does not mean that all disputes have been resolved. He emphasized that the agreement announced in Beijing on March 10, with Chinese mediation and visible guaran-

³ "دیدار نماینده دبیر کل سازمان ملل با خاجی" Tasnim News, 14 March 2023.

The Yemen crisis was thought to be the first item on the agenda of the normalization talks between the two nations that lasted more than two years.

tees, demonstrates the common desire of Iran and Saudi Arabia to "resolve disputes through communication and dialogue." However, this does not mean that an agreement has been reached to resolve all the disputes between them," he said.⁴ The biggest dispute is the conflict in Yemen, where the two nations have been indirectly fighting each other for eight years. Therefore, Faisal bin Farhan's statements are also a message. Yemen is the country most affected by the rivalry between Saudi Arabia and Iran in the region. The Iran-Saudi Arabia rivalry has a geopolitical dynamic beyond sectarian differences. Both nations have tried to seize opportunities in the process of changing Middle East geopolitics again with the Arab Spring. The change in the geopolitics of the Middle East with the Arab Spring did not only reveal the implicit rivalry between the two nations but also turned into conflicts in the form of proxy wars in some regions. Yemen, Syria, and Bahrain are the conflict zones where the Iran-Saudi Arabia proxy war is taking place.

In the 2014 civil war, the two nations supported opposing factions, while in 2015, the Saudi-led coalition began intervening against the Iranian-backed Houthi rebels. Riyadh gave the largest support to the coalition

because it believed that accepting Houthi control in Yemen would mean confronting an enemy on its southern border and a defeat in its regional rivalry with Tehran. However, Saudi Arabia's reason for intervening in the Yemen conflict was not only to contain Iran or prevent the spread of the "Shiite Crescent," but also to protect Riyadh's strategic position by opening up the Arabian Sea. Therefore, Riyadh aimed to gain control over the Gulf of Aden and become an important actor on the Red Sea-Arabian Sea route. To this end, it wanted to control the whole of Yemen, which is Saudi Arabia's direct border. Moreover, Saudi Arabia's oil fields are very close to Yemen's Hadramawt region, and if Yemen decides to extract this oil after normalization, there is a concern that Saudi Arabia's resources will diminish. In a sense, Yemen having a stable political class and being able to exploit these resources indirectly threatens the Saudi economy. In the face of this situation, Saudi Arabia seeks to contain the Yemeni state, or at least bring the eastern parts of the country under its direct influence. However, the second important issue for the Saudi state in Yemen is the possibility of building an oil pipeline from Saudi Arabia's territory through Yemen (the north-south corridor) to the Indian Ocean. This would

⁴ "Ending Yemen War, Stability, Top Saudi Aims In Resuming Ties With Iran", *iranintl* 13 March 2023

free Saudi Arabia from its dependence on the Persian and Aden gulfs for energy resources. Therefore, a possible change in the energy context in this region will significantly affect Saudi Arabia's geopolitical position.⁵

After an UN-brokered ceasefire in February 2022, the country experienced relative calm. Although the ceasefire expired in October of that year and the parties failed to agree on an extension, the conflict did not escalate. During this time, Saudi Arabia engaged in direct talks with the Houthis. One crucial question is whether the agreement reached on March 10 includes unspecified commitments from Iran to end its support for the Houthis. The Wall Street Journal reported that the deal included Iran agreeing to cut off its military aid to the Houthis in Yemen and to pressure them to stop their attacks on Saudi Arabia.⁶ However, few expect the ceasefire to lead to a peace deal anytime soon. According to a statement by the United Nations mission in Iran, the agreement would "accelerate the ceasefire, facilitate the start of a national dialogue, and lead to the establishment of an inclusive national government in Yemen". However, some members of the Houthi political wing have expressed the need to resolve the conflict in Yemen through direct negotiations with Riyadh. In this regard, it is known that Riyadh continues its contacts with the Houthis through the mediation of Oman.

In 2022, Muscat hosted the Houthi negotiating team and provided a venue for the group to meet with Western officials. It stepped up

its facilitation and mediation efforts by sending at least four public delegations.⁷ The first visit took place in January 2022 and contributed to the signing of a ceasefire, while two other visits in July and October supported its extension. The last visit, in December, aimed to enable Saudi Arabia to deal directly with the Houthis without involving the Yemeni government.⁸ Following these visits, talks between Saudi Arabia and the Houthis seem to have gained importance not seen since the Arab coalition intervention in 2015. Iranian Foreign Ministry Deputy Political Affairs Minister Ali Asghar Khaji recently visited Oman and stated that with the resumption of direct talks between Saudi Arabia and Iran, the two countries are in contact with the Omanis on the Saudi-Houthi talks. A Saudi-Houthi deal now seems more likely, but it is highly doubtful that such an agreement alone will end the complex war or bring about a sustainable peace.⁹

The Saudi-Iranian deal raises questions about its impact on the United Arab Emirates' (UAE) presence in Yemen. The UAE has been more cautious about normalization and is concerned about Iran's growing influence in the region. There have been issues in the relationship between the UAE and Saudi Arabian leaderships, who have formed a close alliance in recent years. In particular, the UAE-Saudi Arabia divergence began earlier in the Yemen conflict. In October 2019, the UAE's National Security Advisor Tahnoun bin Zayed al-Nahyan visited Tehran to seek reconciliation with Iran, despite its allies in Yemen, in order to

⁵ Riad Domazeti, "Yemen Krizi: Stratejik hesapların girdabında 8. Yıl", *Anadolu Ajansı*, 21 Şubat 2019.

⁶ "Iran Agrees to Stop Arming Houthis in Yemen as Part of Pact with Saudi Arabia", *The Wall Street Journal*, 16 March 2023.

⁷ "Oman hosts talks between Saudi Arabia and Houthi rebels", *Al Jazeera*, 13 December 2022.

⁸ "Oman Facilitates Talks Between Saudi Arabia and Houthis to Discuss Yemen Ceasefire", *Asharq Al-Awsat*, 13 December 2022.

⁹ "Saudi-Houthi Talks Could Pave the Way for Intra-Yemeni Ones. Will They Ensure Sustainable Peace?" *Middle East Institute*, 11 January 2023.

protect itself from missiles and drones.¹⁰ However, this visit was seen by Saudi Arabia as a betrayal in its conflict with Iran and led to a weakening of UAE-Saudi Arabia relations as well as a decrease in their cooperation in the Yemen war.

After the visit, the UAE took steps towards normalization with Iran, but its cooperation with Saudi Arabia also entered a problematic period.¹¹ Iran and the UAE resumed political, economic, and diplomatic relations after Sheikh Tahnoun bin Zayed al-Nahyan's second visit to Tehran in December 2021.¹² In September 2022, UAE Ambassador to Iran Saif Mohammed al-Zaabi also returned to Tehran.¹³ The UAE is one of the major players in the Yemeni crisis and has taken control of all of Yemen's port cities and coastal areas, particularly strategic points like Aden, Mukalla, and Muha. The UAE controls the Gulf of Aden and is supported by the United States. It has even captured the island of Socotra, which is crucial for trade circulation in the Indian Ocean, and landed troops there. The UAE's long-term plan is to annex the island of Socotra as part of the federation. The UAE aims for a fragmented Yemen instead of a unified administration, with the goal of gaining enough influence to control strategic areas and transit, as well as economic areas suitable for tourism.

Saudi Arabia is also a key player in the Yemeni conflict and is concerned about the security of the country's southern borders, prioritizing the defeat of the Houthis. By gaining control over the strategic Bab al-Mandeb

Strait, Saudi Arabia aims to reduce Iran's influence in the region. However, the UAE's strategy is to continuously strengthen its position on the Yemeni coast by taking control of the southern governorates. Riyadh and Abu Dhabi's divergent interests in Yemen and their different views on the country's future are reflected in their policies. In addition, the UAE sees the further strengthening of Saudi Arabia as contrary to its interests. Yousef al-Uteyba, the UAE ambassador to the United States, admitted in one of his leaked emails that Saudi Arabia is "the second biggest threat to the UAE".¹⁴ In recent Houthi operations against Saudi Arabia, the UAE's indirect involvement and support have been noteworthy. According to The Wall Street Journal, tensions between Saudi Arabia and the UAE in Yemen have been deepening in recent months. Saudi Arabia is uncomfortable with the security agreement signed between the UAE and the Yemeni government in December, which authorizes the intervention of UAE military forces in the country, provides for the training of Yemeni forces in the UAE, and deepens intelligence cooperation.¹⁵ Saudi Arabia has deployed Sudanese forces from the Arab military coalition in areas close to UAE military operations.

The troubled relations between Saudi Arabia and the UAE in Yemen make it necessary to take UAE policies into account in projections about the future of Yemen. In this respect, the UAE should not be neglected in any settlement agreement between Iran and Saudi Arabia. Therefore, it is noteworthy that after the signing of the Iran-Saudi Arabia

¹⁰ Salisbury, Peter. "Saudi-UAE Tensions and Their Implications for Yemen." The Soufan Center, 10 January 2022.

¹¹ Bremmer, Ian. "How the UAE's outreach to Iran is complicating Saudi Arabia's strategy," *TIME*, 13 Dec 2021.

¹² "UAE national security advisor meets with Iran's Rouhani in Tehran," *Al Jazeera*, 6 December 2021.

¹³ "UAE ambassador returns to Iran, first since 2016," *Reuters*, 28 September 2022.

¹⁴ "Fin Co Co Co": UAE envoy mocks Saudi leadership in leaked email", *Middle East Eye*, 19 August 2017.

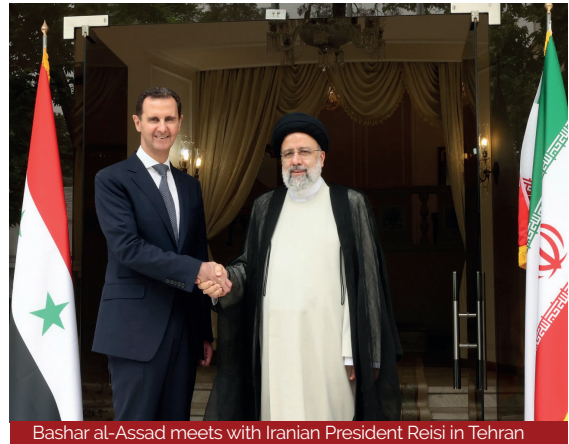
¹⁵ "Saudi Arabia and U.A.E. Clash Over Oil, Yemen as Rift Grows", *The Wall Street Journal*, 3 March 2023.

normalization agreement, Secretary General of Iran's Supreme National Security Council (NSC) Ali Shamkhani paid an official visit to Abu Dhabi on March 16, 2023, and met with the President of the United Arab Emirates, Sheikh Mohammed bin Zayed al-Nahyan.¹⁶ Following this visit, Iranian Deputy Foreign Minister Ali Baqheri Kani announced that Iran would soon send its ambassador to the UAE. Iran will also seek to exploit the disagreements between Saudi Arabia and the UAE on the Yemen axis in its negotiations. As a result, Saudi Arabia and the Houthis in Yemen are re-

portedly holding backdoor talks to extend the ceasefire and revive negotiations to end the war. If the negotiations proceed in good faith and involve other parties, they could offer an opportunity to end the war. But obstacles include the conflicting interests of participating powers such as Saudi Arabia, the United Arab Emirates, and Iran. The Saudis are said to have no problem with the Houthis remaining in power in Yemen, provided security guarantees are given to the kingdom. Non-regional powers such as the US, France, and the UK want to maintain the status quo.

¹⁶ "تارام هب یناخمش رفس هرابرد تلود یناسرع ال طایاروش سیئر تاحیضوت" ISNA, 16 March 2023.

THE IMPACT OF THE IRAN-SAUDI ARABIA DEAL ON SYRIA



Bashar al-Assad meets with Iranian President Raisi in Tehran

Iran has supported Syrian President Bashar al-Assad in his country's long war, while Saudi Arabia has backed the opposition seeking his overthrow. However, in recent months, especially after the earthquake that hit both Syria and Turkey, Arab countries have moved closer to Assad. Saudi Arabia is in talks with Syria to reopen its embassy in the war-torn country for the first time in a decade, as reported by Saudi Arabian state television on March 23, 2023. Later the same day, Saudi state television confirmed the talks between Riyadh and Damascus, citing an unnamed official at the country's Foreign Ministry.¹⁷ The Wall Street Journal reported that the talks to reopen the embassies of the two countries were mediated by Russia, citing unnamed Saudi and Syrian officials.¹⁸

According to Saudi and Syrian officials, negotiators aim to reach an agreement before a

potential visit by Saudi Foreign Minister Faisal bin Farhan to Damascus after Eid al-Fitr. However, they have warned that the talks could still fail. An Iranian official said that Iran is also encouraging Syria to make a deal with Saudi Arabia. Some Arab officials said that other Arab countries, such as Oman and Jordan, also support the rapprochement between Damascus and Riyadh.¹⁹ Saudi Arabia's foreign minister has publicly stated that there is a growing consensus among Arab countries that dialogue with Damascus is necessary. Ahmed Aboul Gheit, secretary general of the Arab League, said that Saudi Arabia will host the next Arab League summit in May, and most countries hope to reinstate Syria's membership, which was suspended in 2011.²⁰ A Russian-brokered agreement between Saudi Arabia and Syria would be another major diplomatic move by Saudi Arabia after Iran.

¹⁷ "Saudi Arabia, Syria may restore ties as Mideast reshuffles", *AP*, 24 March 2023.

¹⁸ "Saudi Arabia, Syria Close to Resuming Ties in Russia-Brokered Talks", *The Wall Street Journal*, 23 March 2023

¹⁹ *Ibid.*

²⁰ "Saudi Arabia, Syria may restore ties as Mideast reshuffles", *AP*, 24 March 2023.

According to Saudi and Syrian officials, negotiators aim to reach an agreement before a potential visit by Saudi Foreign Minister Faisal bin Farhan to Damascus after Eid al-Fitr.

However, it is noteworthy that these developments took place after the diplomatic agreement reached on March 10. Riyadh's resumption of diplomatic relations with Assad could further strengthen his hand. Saudi Arabia cut diplomatic ties with Syria in 2012 over Assad's response to the protests and his actions in the ensuing civil war. For years, Saudi Arabia also helped expel Syria from the Arab League and financed the opposition fighting Assad's forces.

The proxy war in Syria is one of the most important conflict areas of regional power competition. The protests that started in Syria under the influence of the Arab Spring were relatively peaceful, but the regime imposed a violent crackdown. This has increased the number of supporters of the opposition movement across Syria. Saudi Arabia, Qatar, the US, Türkiye and many other states supported the Syrian opposition against the Assad regime. Based on its "strategic" relations with Syria, Iran unconditionally supported the Syrian regime. Tehran, which has opposed the status quo in the region for years and therefore supported the Arab Spring, which it called the "Islamic Awakening", has been in favor of maintaining the status quo when it comes to Syria. As Iran's regional rivals and enemies turned against its regional ally, the Assad regime, it began to be seen

as a threat to Iran's strategic interests, even leading to concerns that the Islamic Republic was the real target. Since 2012, when Assad began to lose control, Iran has called Lebanese Hezbollah into Syria to support the regime and has also used Shiite militias effectively in this civil war. Since the beginning of the Syrian civil war in 2011, Iran has made every effort to ensure that its ally Assad remains in power. It saw the Syrian conflict as its own security issue. With the escalation of violence in Syria and the start of discussions on military intervention, Iran, Russia, and China came to the fore with their anti-intervention policies. The most important turning point that turned the course of the civil war that started in Syria in 2011 in favor of the Assad regime was Russia's military intervention. Russia, which began conducting airstrikes in Syria on September 30, 2015, on the pretext of fighting the terrorist organization Daesh, expanded its support for the regime over time. With the help of Russian Special Forces and mercenaries, the Assad regime regained most of the areas it had lost. The Syrian opposition, on the other hand, has gradually weakened.²¹

Iran has a trilateral structure that has diversified and entrenched its military presence in Syria. It consists of Iranian elements, as well as Iraqi, Afghan,

²¹ İsmail Sarı, "Suriye İç Savaşı Onuncu Yılına Girerken", *İRAM*, 26 Mart 2020.

and Pakistani Shiite militias and coordinated military forces, including Hezbollah. The increase in Iran's military presence is viewed with concern by other countries in the region. This has led Saudi Arabia and Israel to adopt a tougher stance against Iran. The Syrian war has changed the balance of power in the region and increased Iran's influence in it. The increase in Iran's military presence has worried other countries, especially Saudi Arabia and Israel, and increased the struggle in the

region. Saudi Arabia made efforts to increase its influence over the Syrian National Coalition, but these efforts failed to change the course of the war. The Syrian war has changed the balance of power in the region, and Iran's influence has increased. Whatever the consequences of this situation, the balance of power in the region has changed significantly.²²

The easing of tensions between Tehran and Riyadh could facilitate political recon-

²² Kemal İnat, "İran-Suudi Arabistan Rekabetinin Bölgesel Yansımaları", *SETA*, 21 Ocak 2016.

THE IMPACT OF THE IRAN-SAUDI ARABIA DEAL IN LEBANON



14th Ordinary Summit of the Organization of Islamic Cooperation (OIC)

ciliation in Lebanon, which is facing financial collapse. While Saudi Arabia was once Lebanon's closest Arab ally and supporter, its relations have deteriorated greatly due to the Iranian-backed Hezbollah's influence in the country. In 2021, Saudi Arabia and some of its Gulf Arab allies withdrew their ambassadors from Beirut after the then Lebanese Information Minister criticized the Saudi-led coalition's war in Yemen. The envoys later returned, but relations between Saudi Arabia and Lebanon remained strained. Both Hezbollah and Lebanon's interim Prime Minister Najib Mikati praised the Saudi-Iranian deal, with Mikati calling it "an opportunity to breathe and look to the future in the region". However, analysts say the deal does not automatically mean that Lebanon's relations with Riyadh will improve. Saudi Foreign Minister Prince Faisal bin Farhan said that "internal Lebanese rapprochement" and not "Saudi-Iranian rapprochement" is needed to improve the situation in Lebanon,

Al Arabiya reported.²³ This answer shows that Saudi Arabia separates its problems with Lebanon from its conflict with Iran.

Lebanon's relations with Riyadh are unlikely to improve automatically. "Lebanon is not high on the priorities of policymakers in Riyadh," Firas Maqсад, an expert at The Middle East Institute, told CNN, adding that "there are much more important files that need to be dealt with in Riyadh before dealing with problems in Lebanon." Lebanon is currently more important to the Iranians than it is to the Saudis.²⁴ Therefore, unless this situation changes, Hezbollah is likely to remain the dominant player in Lebanon. Lebanon's crisis has regional implications in addition to the country's political and economic problems. Iran, through Hezbollah, wants to increase its influence in Lebanon, while Saudi Arabia wants to maintain its influence in the region. However, Riyadh's influence in Lebanon is more limited

²³ "Suudi Arabistan Dışişleri Bakanı: Lübnan'ın Tahran yerine Riyad'a yaklaşması bekleniyor.", *Asharq Al-Awsat*, 11 Mart 2023.

²⁴ "A Saudi-Iran reconciliation may ripple across the region. Here's why", *CNN*, 13 March 2023.

The rivalry between Tehran and Riyadh over Lebanon has a long history and is unlikely to end anytime soon.

compared to Iran. Saudi Arabia's influence in Lebanon is limited, especially in the political and economic spheres. The reason for this is that Saudi Arabia has not provided sufficient support to Lebanon in recent years and has displayed a divided attitude among Lebanese leaders.

Many analysts see the impact of Iranian-Saudi normalization on Lebanon as limited. Moreover, Lebanese political leaders are among those who believe that Iranian-Saudi normalization will not solve Lebanon's problems. However, it is also believed that normalization could reduce tensions in the region and have a positive impact on Lebanon's relations with its neighbors. However, Lebanon's internal problems include corruption, an economic crisis, political instability, and security issues. These problems have remained unresolved for a long time due to the ineffectiveness and weakness of the Lebanese government. Moreover, the country also has various problems with its neighbors, Israel and Syria. Therefore, Iranian-Saudi normalization may have a limited impact on solving Lebanon's core problems. Analysts agree that Lebanon could benefit most economically from Iranian-Saudi normalization.²⁵ However, finding solutions to Lebanon's political and security problems requires Lebanese

leaders to take responsibility and take concrete steps to stabilize the country rather than relying on the influence of regional powers such as Iran and Saudi Arabia.

The rivalry between Tehran and Riyadh over Lebanon has a long history and is unlikely to end anytime soon. Iran has close religious ties with Lebanon, while Saudi Arabia has sought to counter regional dynamics such as the Nasser threat in the 1950s and 1960s. However, Lebanon's political structure makes it susceptible to interference, and Saudi Arabia is concerned about Iran's growing influence, particularly through its ties to Hezbollah. The assassination of former Lebanese Prime Minister Rafik Hariri and the Cedar Revolution in March 2005 intensified the rivalry between the March 8 Alliance, supported by Iran, and the March 14 Alliance, supported by Saudi Arabia. Despite this, neither state favored a confrontation between the two alliances. After the 2006 war between Hezbollah and Israel, Saudi Arabia provided \$1.5 billion for post-war reconstruction, while Iran provided around \$120 million to counter Iranian gains made by Hezbollah's actions. To reduce Hezbollah and Iran's ideological power, Saudi Arabia also supported Salafist organizations in Lebanon. Saudi Arabia's strategy in Lebanon aims to isolate Syria from Iran,

²⁵ Ibid.

reduce Iranian influence in Lebanon and the Israeli-Palestinian arena, and close the Iranian gateway to the Arab world. Saudi Arabia also seeks to diminish Syria's power, which would reduce Iran's influence. The 2011 crisis in Syria

provided Saudi Arabia with an opportunity to reduce both Syria's and Iran's power and support the opposition.²⁶

Iraq, which has hosted several rounds of

²⁶ Simon Mabon, *Saudi Arabia and Iran: The Struggle to Shape the Middle East*. I.B.Tauris, 2015.

THE IMPACT OF THE IRAN-SAUDI ARABIA DEAL ON IRAQ



Ashura Day event in Iran

talks between Iran and Saudi Arabia, has welcomed the recent reconciliation between the two nations. Analysts believe that the reconciliation is in Baghdad's best interests, as Iraq has been a battleground for Iranian-Saudi rivalry since the fall of Saddam Hussein's regime in 2003. Ihsan al-Shammari, a professor of politics at Baghdad University and head of the Iraqi Center for Political Thought, says that Iran has been using Iraq as a means of putting pressure on Saudi Arabia in all areas, including political, economic, and security. However, this has resulted in Iraq missing out on the opportunity to improve its relations with Saudi Arabia and benefit from potential major investments in the country. Parties close to Iran have long been influential in Iraqi politics, causing political deadlocks that have resulted in violence at times. The détente between the two countries is expected to have a positive impact in these areas and contribute to Iraq's stability and security by encouraging various Shiite and Sunni groups to seek and resolve their differences. It can also be said that the hostility of pro-Iranian groups towards Saudi

Arabia will likely soften.

The fall of Saddam's regime with the US invasion of Iraq in 2003 created a power vacuum in which intense rivalry within Iraq and at the regional level immediately began. Although Saudi Arabia was not an ally of Saddam Hussein, it feared that Iraq would come under Iranian influence after his fall, leading to a reshaping of the regional order. The extent of Saudi Arabia's involvement in Iraq is unclear, but there is evidence of financial support for Sunni organizations throughout the country. The Saudi leadership is facing increasing pressure from within Saudi Arabia to protect Sunnis in Iraq based on shared religious beliefs, tribal ties, and ethnic affiliations. On the other hand, Iran is concerned about Saudi Arabia's increasing interference in Iraq. The Iranian media has repeatedly expressed concern about the level of Saudi Arabia's involvement in Iraq. Iran has a significant presence in Iraq through the Revolutionary Guards and armed groups aligned with them. The regime change in Iraq benefited Iran the most,

leading to the formation of a friendly government on the Iranian border and ultimately expanding Iran's sphere of influence.²⁷

From 2003 on, Washington insisted that Saudi Arabia and other Gulf states should play a critical role in Iraq's stabilization and geopolitical reconstruction. It tried to convince them that if they rejected Iraq, it would drive the country's Shiites into the arms of Iran and its Sunnis into the arms of terrorist organizations such as al-Qaeda and ISIS. Saudi Arabia kept its distance, believing that Iraq had already been lost to Iran. However, Saudi Crown Prince Mohammed bin Salman has shown a willingness to compete in areas where his country had previously withdrawn. As in the case of Yemen, Saudi Arabia's new approach towards Iraq showed that it could be more active in

regional politics.²⁸ This period of growing Arab nationalism in Iraq led to reactions against Iran. Seeing this as an opportunity, Saudi Arabia reopened its embassy in Baghdad in 2016, which it had closed in response to the invasion of Kuwait in 1990. Since then, Saudi Arabia has sought to improve its relations with Iraq. Iraqi protests in 2018/19 and the impression that the government had become Iran's proxy led to violent clashes that damaged Iran's image. In 2019, protesters even burned down the Iranian consulate in Najaf. This has been promising against Saudi Arabia's attempts to penetrate Iran's sphere of influence with the rising wave of nationalism in Iraq. However, Saudi Arabia's influence-building activities in Iraq have posed new challenges and increased Iranian-Saudi tensions in Iraq.

²⁷ Ibid.

²⁸ Firas Maksad, Kenneth M. Pollack, "How Saudi Arabia Is Stepping Up in Iraq", *Foreign Affairs*, 21 August 2017.

THE IMPACT OF THE IRAN-SAUDI ARABIA DEAL IN BAHRAIN



Prime Minister and Crown Prince of Bahrain, Salman bin Hamad Al Khalifa, in Saudi Arabia

The Sputnik news agency reported, citing unnamed sources, that Tehran and Manama are in discussions to restore relations. According to Bahraini MP Mamduh Al-Saleh, "initiatives will be proposed to resolve differences between Tehran and Manama" in the near future. Iranian local news agencies have also reported on these talks, indicating that the negotiations are currently bilateral and without the involvement of any other party. If an agreement is reached on the disputed issues, the results of the negotiations will be announced shortly.²⁹ Furthermore, Iranian Foreign Minister Hossein Amir Abdollahian acknowledged that technical talks have taken place with Manama and that a parliamentary delegation has visited Bahrain. He expressed hope that "some of the obstacles between Tehran and Manama will be removed" and that normal relations could be re-established with neighboring countries and countries in

the region.³⁰ These developments suggest that Iran is seeking to restore diplomatic relations with Bahrain, Egypt, and Jordan after Saudi Arabia, and that steps are being taken in this direction. This is likely to have a positive impact on the problematic areas of the relationship between the two countries.

Bahrain is an important battleground for the ideological and geopolitical competition between Tehran and Riyadh, with the sectarian divide between the Sunni rulers and Shia majority further complicating matters. The ruling Al Khalifa family has historical ties to Saudi Arabia, but Saudi Arabia is also concerned about the Shia problem in Bahrain and Iran's growing influence in the region. Bahrain's geographical location as an archipelago close to Saudi Arabia increases its geopolitical significance, particularly for economic relations such as oil sales. However, Saudi

²⁹ "گفتوگوی ایران و بحرین برای عادی سازی روابط به جریان افتاد", *Basnews*, 14 March 2023.

³⁰ امیر عبداللہیان: به زودی با وزیر خارجه عربستان دیدار می کنم/ توافقات اولیه برای عادی سازی روابط با بحرین، مصر و اردن حاصل شد/ خبرهای خوشحال کننده ای را نوید، "می دهم" *Tabnak*, 19 March 2023.

Arabia is also concerned that Al Khalifa's response to the Shiite problem in Bahrain could lead to similar demands from Shiites in Saudi Arabia and increase Iranian influence in Bahrain. As a result, Riyadh sees Al Khalifa's stability as crucial to preventing Iranian interference in Bahrain, given its proximity to Saudi Arabia. The Shiites in Bahrain are also seen as a potential fifth column of Iran due to their shared religious views and the legacy of a failed coup in 1981, allegedly sponsored by Iran.³¹

After the Arab Spring in 2011, Saudi Arabia and Iran engaged in a proxy competition in Bahrain, with each supporting opposing sides: the ruling elite and the protesters, respectively. Initially, the protests in Bahrain called for political and democratic reforms, including the transfer of power from the palace to the elected parliament. Although the majority of the protesters were Shia, the protests were not initially sectarian in nature. However, the response of the state security forces was harsh, which further inflamed the protesters. After prolonged clashes and several deaths, the protesters occupied Pearl Square in Manama. In response, Bahrain invoked the GCC security clause, which triggered the arrival of Saudi and GCC forces to ensure the survival of the Al Khalifa regime, which was seen as a red line by Riyadh, and to prevent Bahraini Shiites from gaining more power. Some believe that Saudi Arabia's presence in Bahrain is a response to Iran's growing influence over the Shia majority, while others argue that it is to protect elements within the Al Khalifa family who are more open to reform ideas that could lead to greater Shia power in Bahrain. Iran has certainly supported and possibly instigated these protests. Overall, the situation in Bah-

rain reflects both the ideological and geopolitical rivalry between Saudi Arabia and Iran.

According to Bahraini officials, Iran has several proxy paramilitary organizations in Bahrain, including the Al-Ashtar and Al-Mukhtar Brigades. While Iranian-backed militias have been operating clandestinely in Bahrain since 2007, the Al-Ashtar Brigades were established in late 2012 with the aim of overthrowing the rule of the Al Khalifa family as tensions escalated with the popular movements that began in early 2011.³² This aim was emphasized in propaganda films, public speeches, and social media platforms. The organization is named after Malik bin Al-Haris Al-Ashtar, one of the companions of Prophet Ali, who fought alongside him in the battles of Jamal and Siffin and was the governor of Egypt at the time. The Al-Ashtar Brigades receive support from Iran and Iraqi Shiite groups affiliated with the Iranian Revolutionary Guards and are led by Ahmed Yusuf Sarhan and Ahmed Abdullah, who are wanted by Bahrain and allegedly living in Iran. On July 8, 2017, Saudi Arabia, Egypt, the United Arab Emirates, and Bahrain issued a joint statement declaring that the Al-Ashtar Brigades are an Iranian-backed terrorist organization. The US State Department also declared the Al-Ashtar Brigades a terrorist organization and placed some of their members on the wanted list for terrorism charges. In 2017, the UK also listed the organization as a terrorist group. In June 2022, the Terrorist Financing Targeting Center (TFTC), co-chaired by the US and Saudi Arabia, placed 13 individuals, 1 company, and 2 militant groups in Bahrain on the terrorist list. The list included Iran's Revolutionary Guards and Hezbollah, 13 individuals with links to the terrorist organizations

³¹ Simon Mabon, *Saudi Arabia and Iran: The Struggle to Shape the Middle East*. I.B.Tauris, 2015.

³² Mitchell Belfer and Khalid Alshaikh, "Iran's Clandestine War on the Kingdom of Bahrain: Saraya al Ashtar and the Military Wing of Hezbollah Bahrain", *King Faisal Center for Research Report*, 2019.

Boko Haram and DAESH, and the Al-Ashtar and Al-Mukhtar Brigades, Shiite groups in Bahrain. The decision was a continuation of the TFTC member countries' efforts to target terrorist financing and demonstrates the fruitful co-operation between the Gulf Co-operation Council (GCC) countries and the United States in this field. The TFTC, which includes the United States, Saudi Arabia, Bahrain, Kuwait, Oman, Qatar, and the United Arab Emirates, was established in May 2017.

The Al-Ashtar Brigades have claimed responsibility for numerous attacks targeting police and security forces in Bahrain through their Facebook page and Twitter account. Among them, a March 2014 attack in the Al-Diya area killed three police officers, and a June 2015 attack targeted Khalifa forces with high explosives near Sitra Island, resulting in several casualties. Between 2013 and 2015, the Al-Ashtar Brigades were responsible for twenty-three bombings that killed fourteen members of the Bahraini security forces and injured twenty-five others. In February 2016, they claimed responsibility for a bomb attack targeting a security patrol in Diraz, and in January 2017, they claimed responsibility for the assassination of Lieutenant Hisham Al-Hammadi. A week later, their official Facebook page was shut down. Besides financial support,

Iran allegedly provides military training to the Al-Ashtar Brigades in remote explosives and bombing techniques to enhance their operational capabilities. Militants reportedly travel to Iran or are trained in Iraq under the umbrella of Tehran's Popular Mobilization Forces (Besij) or Iranian-backed Shiite militias such as Kata'ib Hezbollah and Asa'ib Ahl al-Haq. In 2018, the organization changed its logo and adopted the emblem of the Iranian Revolutionary Guard Corps, a sign of their connection to Iran and the values of resistance and the Islamic revolution they share. The group's statement announced their alignment with Khomeini and Khamenei's line.³³

Bahraini authorities accuse the Al-Ashtar Brigades of collaborating with the Iranian Revolutionary Guards in Iraq to smuggle individuals wanted by Bahraini security forces abroad. In December 2013, the Bahraini Coast Guard intercepted a boat carrying thirteen wanted persons en route to Iran. In 2016, brothers Ali and Mohammad Fakhravi were arrested while returning from Iran, allegedly with the help of the Al-Ashtar Brigades. These cases are presented as evidence of Iran's activities in Bahrain, along with its relationship with the Khomeinist Islamic Wafa Movement. Founded in 2009 by Ayatollah Abdul Jalil al-Miqdad,

According to Bahraini officials, Iran has several proxy paramilitary organizations in Bahrain, including the Al-Ashtar and Al-Mukhtar Brigades.

³³ Ibid.

the group refused to participate in the political process in Bahrain and adopted a more radical revolutionary discourse after the 2011 events. Its leaders are allegedly based in Iran, and its strategic vision document calls for a republic in Bahrain. The movement's leader, Sheikh Morteza al-Sindi, was arrested several times between 1997 and 2011 for his association with the Al-Ashtar Brigades and is reportedly living in Iran. The Al-Wafa Movement glorifies the "martyrs" of the Al-Ashtar Brigades and celebrates their operations, suggesting a close relationship between the two groups. The Al-Ashtar Brigades also have connections with the armed wing of Bahraini Hezbollah, which were uncovered during investigations following the 1996 coup attempt in Bahrain. Bahraini officials believe that Iranian-backed

groups in Bahrain have ties and connections with each other. The al- Mukhtar Brigades are another Shiite militant group operating in Bahrain that emerged during the Arab Spring protests in 2011. They have resorted to armed struggle against the government's repressive policies and are accused of organizing violent acts against it, including attacks on security forces. According to some sources, the group is backed by Iran and operates as part of Tehran's strategy to support the Shia population in Bahrain. The Bahraini government considers al- Mukhtar a terrorist organization and has strongly condemned their actions. Detailed information on their recent activities is limited, but the government and security forces are actively fighting their presence.³⁴

³⁴ "Saraya al-Mukhtar: A Bahraini Militant Group with Regional Goals," Hizballah Cavalcade, *Jihadology*, 6 March 2014.

INSTEAD OF CONCLUSION; EVALUATION



On March 10, 2023, Tehran and Riyadh announced the resumption of diplomatic relations and the opening of embassies, marking the end of a long and at times covert process that began in January 2021 with a meeting between the intelligence officials of both countries and continued in April 2021 with direct talks in Baghdad, mediated by Iraq and Oman. The talks covered various issues, such as the Yemeni civil war, the Lebanese crisis, the Iran nuclear deal, and the security of the Persian Gulf waters. However, the agreement reached on March 10 reflects primarily Saudi Arabia's desire to de-escalate tensions in Yemen. The failure to renew the ceasefire in Yemen, which expired on October 2, 2022, has led to an intensification of the conflict in many parts of the country, with government forces and Houthis engaging in fierce clashes, especially in the cities of Dali and Taiz. The Houthis have also threatened to attack Saudi and UAE oil facilities if their demands are not met, which has increased Saudi Arabia's diplomatic efforts to establish a ceasefire in Yemen. Therefore, it can be said that resolving the Yemeni conflict

is a top priority for Saudi Arabia. However, the Tehran-Riyadh agreement has the potential to trigger a new wave of normalization in the wider region. Riyadh is conducting normalization talks with the Damascus administration, while Iran is reportedly holding talks with Bahrain. Nevertheless, each country has different expectations from this change.

For Riyadh, the main strategic goal is to reduce the country's dependence on oil and diversify the economy. The Vision 2030 plan aims to attract tourism and foreign investment, transform Saudi Arabia into a global business and cultural hub, and defuse regional tensions. However, this vision also entails ensuring the security and stability of the oil sector and the country as a whole. To achieve this, Riyadh considers it crucial to prevent any disruption to oil extraction, transportation, and sales and to be perceived as a safe and stable destination for long-term foreign investment. Both of these objectives could be threatened by Iran or the Iranian-backed Houthis. Crown Prince Mohammed bin Salman has recently

pursued a more pragmatic approach, normalizing relations with Qatar and Turkey and increasing peace talks with the Houthis in Yemen.

From Tehran's perspective, the agreement with Riyadh came during a period of heightened tensions between Iran, Israel, and the United States. Iran's uranium enrichment of 83.7 percent caused concern for both Israel and the US. Additionally, the agreement coincided with joint military exercises between the US and Israel, a visit from US Secretary of Defense Lloyd Austin to Israel, and Prime Minister Binyamin Netanyahu's visit to Washington before his trip to Europe to coordinate on possible responses to Iran's nuclear program. While Washington welcomed the de-escalation of tensions between Iran and Saudi Arabia, Israel was furious, interpreting the agreement with Saudi Arabia as a deliberate move to reduce the threat of military action against Iran. Though there are reports that Saudi Arabia has presented conditions for normalizing relations with Israel to Washington, Tehran sees the agreement with Riyadh as a way to prevent the growth of relations and possible normalization between Saudi Arabia and Israel. While Saudi Arabia may continue its security and intelligence cooperation with Israel in the future, it is unlikely that Riyadh will authorize Israeli or US military action against Iran.

The agreement between Iran and Saudi Arabia has caused surprise and concern in Israel, which has no formal relations with either country. While Israeli leaders view Iran as an enemy and an existential threat, they see Saudi Arabia as a potential partner due to shared threat perceptions and fears of Tehran. Although the agreement between Iran and Saudi Arabia will help ease tensions between the two countries, it is unlikely that Saudi Arabia will cease viewing Iran as an enemy in the

short term. Thus, the opportunity for further cooperation between Saudi Arabia and Israel remains. Saudi Arabia may consider closer cooperation with Israel, particularly on military and cyber- security matters. Some sources suggest that Saudi Arabia is urging the United States to lift restrictions on arms sales and help establish a civilian nuclear program as conditions for normalizing relations with Israel. Currently, there is no indication that Washington is receptive to these demands. Saudi Arabia aims to act more independently from the US by cultivating relationships with great powers such as China, Russia, and India while playing a leading role in an increasingly dynamic Middle East. Therefore, it is important to note that the US's stance will have a significant impact on the future of Israel-Saudi Arabia relations.

The signing of the agreement between Tehran and Riyadh in Beijing is also worth noting. It represents not only a diplomatic victory for China, as it brokered the talks between the two regional rivals, but also a geopolitical challenge for the United States. The Iran-Saudi Arabia deal, which coincided with the start of Chinese President Xi Jinping's third term, clearly demonstrated that those who claim that Beijing only wants to build economic ties in the Middle East and does not seek any political influence are wrong. China has been steadily increasing its regional political influence for two decades. Moreover, it was previously assumed that China's efforts to establish ties with both Iran and Saudi Arabia were unsustainable in the long term and that Beijing would eventually have to choose a side in the regional conflicts. This shows that strategic partnership diplomacy, which is interest-based and focuses on improving bilateral relations rather than balancing against a third party, has been successful. Beijing has managed to intensify relations on both sides

of the Gulf while building diplomatic capital in a way that other extra-regional powers could not. China's growing influence in the region may challenge the United States' position as the dominant diplomatic player in the Middle East. China's growing influence by demonstrating its ability to capitalize on its constructive relations with both sides of the

Middle East conflicts will be uncomfortable for the United States. These developments also serve as a warning to the Washington administration. Beijing's mediation role has alarmed foreign policy hawks in Washington. The Tehran-Riyadh deal highlights an important aspect of the Sino-American rivalry in the Middle East.



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