

# SAUDI-IRANIAN NORMALIZATION AND THE FUTURE OF CHINESE INFLUENCE IN THE MIDDLE EAST

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## **ABSTRACT**

*This paper is about the prospects of China's insertion in the Middle East after the normalization agreement it has helped Iran and Saudi Arabia to reach. It explores the historical context of the agreement, analyzing first how the long-lasting rivalry developed between Saudi Arabia and Iran and then how it has expressed itself in a wide array of proxy wars that explored the internal instability and resulting civil conflicts as a way of competing for influence in the Middle East.*

*Next, it focuses on how the People's Republic of China has slowly established its influence in the Middle East, in what way it poses an actual challenge to the United States in the region and what means are being used by the country to ensure the expansion of its impact in the region. In the end, the paper devotes itself over the properly said agreement, studying the main motivations for each actor to engage itself in it as well its effects on regional dynamics – both noted and possible – and especially on the role played by the PRC in the Middle East.*

## **KEYWORDS**

*China, Saudi Arabia, Iran, Foreign policy, Agreement, Middle East*

## **1. INTRODUCTION**

A wide array of possible conclusions may be drawn from the recent agreements between the Kingdom of Saudi Arabia and the Islamic Republic of Iran, over which the mediation provided by China- if not the first demonstration of the role it has started to play in the subcontinent – has been the most diplomatically relevant international agreement sponsored by Beijing in the region. The importance of such fact should not be underestimated, both in its practical and symbolic meanings.

For the first, it is important to refer the opposition between Saudis and Iranians in the Middle East traces back at least to the Iranian Islamic Revolution in 1979, and these two countries have ever since prosecuted their rivalry through a series of proxy wars. The agreement normalizing ties between the Kingdom and the Islamic Republic could mean a turning point, de-escalating the Cold War ongoing between the two powers and bringing some stability to a region where the intervention of those actors has played an important role, if not in the appearance in first place, in the intensification and continuity of those conflicts.

For the second, it might mean the place occupied by China in the politics of this region has changed dramatically and it is now being seen as an important mediator, a position much more classically occupied there by the United States. Much to the discredit of those who claimed the People's Republic was a mere free rider on the security environment provided by US interventionism, it seems to start now a path of promoting its own process of regional

stabilization, after having remained, against all odds, a close economic and military ally to both countries. It is far from being a definitive blow against American hegemony in the region, but it shows a clear expansion of the Chinese influence in the region, both in deepness and scope.

It is still unclear if the effects on both fronts of this agreement will be long lasting. Nevertheless, its importance should not be underestimated and these negotiations could sign a comprehensive systemic change in the region, by emphasizing the role played by China in the Middle East and by reshaping a surface long defined by the Saudi-Iranian rivalry.

## **2. THE SAUDI-IRANIAN RIVALRY**

The rivalry often conducted by the means of proxy wars between Saudi Arabia and Iran is commonly understood through the lens of the Sunni-Shia divide which has characterized the Middle East at least since the 7<sup>th</sup> century. Nevertheless, this rivalry must not be understood as detached from its specific political context in historical moments. Despite this historical divide, the Ottoman Empire and the Qajar Dynasty in Iran, the first, a Sunni Sultanate which claimed the role of legitimate Caliphate of the Muslim World, and the second, the largest Shia state of its time, were able to pursue a policy of trade cooperation, diplomatic relations and deep cultural exchange after the Treaty of Erzurum, in 1847, until the First World War [1]. Between this period and the Iranian Revolution, while the impact of this tension, above all in domestic contexts, is unconcealable, generating episodes as traumatic as the Shia Uprisings of 1935 and 1936 in Iraq; this time is also marked by a rapprochement between Sunni and Shia scholars against the perceived higher threats of colonialism and secularism [2].

Under what was called, between 1969 and 1979, the Nixon Doctrine, two countries were considered as essential to the preservation of the influence of the United States and the overall stability in the Middle East: The Imperial State of Iran, because of its vast military capabilities and its large population and the Kingdom of Saudi Arabia, because of its oil wealth and the influence held over the overwhelmingly Sunni states in the region [3]. While there had been earlier tensions related to Iranian claims of sovereignty over the Gulf, the treatment of Shia natives and pilgrims in Saudi Arabia and the Persian adherence to the Baghdad Pact, bilateral relations between both were deep-rooted and they regarded each other as an important source of their own influence in the Middle East [4]. To understand this enduring proximity despite deep religious and somewhat diplomatic divisions, it must be understood in the context of the Arab Cold War, in which these countries were the main allies of the United States in the region, opposing the emergence of the Soviet-supported Arab Nationalism, especially represented in Gamal Abdel Nasser's Egypt, seem as a threat by both monarchical states for its promotion of Arab Socialism and Pan-Arabism [5].

This state of affairs was undoubtedly broken by the emergence of the Islamic Revolution, toppling the traditionally western-oriented Persian monarchy and replacing it with a government driven by a revolutionary rhetoric that borrowed extensively from Anti-Americanism and Shia fundamentalism, and Riyadh started being seen as simultaneously an extension of American influence in the Near East and a promoter of a form of Islam that was heretical and oppressive to the Shia Muslims. This was considered as an immediate threat to the conservative Gulf Monarchy, which oversaw, just after the overthrow of the Persian Shah, a strong insurgency from its Shia population in the region of Qatif, somewhat driven by the prevailing Iranian rhetoric of expanding the Revolution beyond its borders.

The reaction to what was seen as the intrinsically dangerous nature of the Iranian regime was the support to any attempts made to overhaul the revolutionary status quo. A clear example was the support lent by the Saudis to the attempted invasion of Iran by the Baathist regime of Saddam

Hussein, having a fast change from its initial neutrality position and starting a heavy support for the Iraqi side. Although it may be said the Iranian refusal to de-escalate the conflict upon a possible Saddam's retreat from Iranian territory was one the main reasons for such firm support, it is still a fact the aim to tackle the possible spillover effects of the both the war and the resilient revolutionary impetus in the region was a driving factor for a series of Saudi initiatives, notably the foundation of the Gulf Countries Council (GCC) to counter Iranian wishes of expansion of the Revolution in one of its most prominent regions [6].

This type of actions has been perceived by the Iranian government not only as an obstacle to its interests in the Middle East but as a menace against its own existence. Such consideration has driven it to a considerable backlash against the Saudi influence through the support of governments and organizations which robustly oppose it, driving to a wide array of proxy wars, among which the most prominent ones are the already reduced civil conflict in Syria, the severe civil war that in spite of its recent ceasefire continues to gravely plague Yemen, the civil unrest which has more or less maintained itself in Iraq and the deep and sometimes armed factionalism which has been an unceasing feature of the Lebanese landscape since the end of its Civil War [7].

The firstly mentioned case, the Syrian conflict, must be understood through lens that take into account its start: a series of initially non-violent protests against the authoritarianism of the ruling Assad regime and the socioeconomic reforms, that had led to unprecedented levels of concentration of the riches of the economic growth into the hands of a few – mainly regime allies and cronies – in spite of the continuity of the overall poverty of its population [8]. What eventually took Syria to the heightening of tensions was in some part the brutal repression employed by the government on its protesting citizens, but above all, the support given both by Iran and Hezbollah to the Syrian government, and by the regional Sunni status quo powers, among which Saudi Arabia plays the clearly leading role, to the Opposition, which includes forces ranging from the moderate National Coalition of Syrian Revolution and Opposition Forces to the Al-Qaeda affiliated Al-Nusra Front, going through the Kurdish militia which have established a *de facto* autonomous - even though technically still loyal to Syria – over the region of Rojava.

In this conflict, as it is a common tendency, both sectarianism and geopolitical interests, mainly focused in continuing a proxy war to ensure its influence over this crucial part of the Middle East, have been key to explain the positions of the regional powers involved. The first part clearly involves the Saudi projection as a defender of a Sunni population which has been marginalized from positions of economic and military relevance and the Alawite minority has occupied, at least since the ascension of Hafez Al-Assad, a position of privilege in the Syrian society. At the same time Iran emerges as a protector of this Shia minority against the purposed risk of being again subjected to the harassment and persecution it has suffered throughout its history, even though the consideration of Alawites as Shia has overall a political purpose, decurrent of the close alliance between Syria and Iran since the 1980s, and religious differences from mainstream Shia sects are visible. The second part focuses much more on the desire of Tehran to keep its most important long-lasting regional ally from falling under Saudi and North American influence, which could happen if the Syrian Opposition came to power in the mostly Sunni country.

When it comes to the Yemeni conflict, again both the geopolitical and the sectarian dimensions are very important for a thorough analysis of the process and in this case are even less separable. The Iranians support the Houthis, members of the Zaydi Sect of Shia Islam, which once ruled the Mutawakkilite Kingdom of Yemen, while the Kingdom of Saudi Arabia, gives its support to the government of Mansur Hadi and his handpicked successor Rashad al-Alimi, both Sunni Muslims. Still, it is important to say that the conflict has much more diverse undertones, associated with the division of this country into the People's Democratic Republic of Yemen, a state sponsoring Marxist-Leninist ideology and a byproduct of the independence of British protectorates near the

Gulf of Aden, and the Arab Republic of Yemen, the immediate successor of the Mutawakkilite Kingdom. Part of the Saudi-Iranian Proxy War during the decade of 1980 was the support of the first for the Arab Republic, while the second was much closer to the Southern socialist state because of the common opposition to Western influence in the Middle East and to the Gulf States as considered a reflection of such [8].

The eventual unification of both states was conducted under Abdullah Saleh, the president of Northern Yemen, and got financial support for his government from the United States, Saudi Arabia and the United Kingdom, under the banner of fighting terrorism and suppressing Iranian influence in the Gulf, despite some occasional detachment fruit of certain position took by the same, such as its alignment with Saddam Hussein during the latter's invasion of Kuwait, which eventually was one of main causes for punctual Saudi support for southern secessionism in 1994. This relative success in foreign policy was nevertheless unmatched in terms of domestic stability and Saleh's perceived nepotism and autocratic tendencies generated strong opposition from the Houthis, a Zaydi revivalist group which started as a political party under the leadership of theologian Hussein al-Houthi, and from the Hirak, mostly associated with military officials and government figures who turned against Saleh because of his purges of Southern Yemenis after the 1994 civil war [9].

Through what became known as the Yemeni Revolution in 2011, Saleh was forced to resign by a series of protests and eventual military action by the Houthi rebels, being succeeded by Mansur al-Hadi, who convened the National Council of Dialogue, composed of 565 from what were considered the main political factions of the Yemeni infighting, only to get elected for a 2 year extension of his term as a single-candidate, in a movement which had its legitimacy denied by both the Houthis and the Hirak. A series of protests in 2014 eventually ended with military fighting between Houthi protesters and the Yemeni Armed Forces, resulting in the victory of the first and taking of Sana'a, starting a civil war [10]. The civil war itself in a fast way evolved into an internationalized domestic conflict, thereby reigniting the Iranian-Saudi rivalry for political control of this impoverished state, with the first regional power supporting the Houthis financially but especially in organizational and strategical terms both for the sake of religious identification but, above all, for a political interest in reducing Saudi influence in an area that borders its territory and that, because of its proximity could deeply threaten its internal stability – it must be considered that the Zaydi minority is also present in Saudi Arabia and had an important participation in the Qatif crisis in 1979.

The historical context in Iraq is also complex, with much of its political crisis being a direct consequence of the political vacuum which immediately followed the United States invasion and the overthrow of Saddam Hussein, in 2003. Two years after the invasion and still under occupation by US troops, elections were implemented in Iraq, giving birth to the Iraqi National Accord Government, which ruled over the country between 2005 and 2006. While this regime had to continue quelling the insurgency mainly emerging from groups formerly associated to the Hussein's Iraqi Baath Party, it somewhat succeeded in bringing the country its much-needed stability, being careful not to alienate the Sunni minority, establishing an autonomous government over the ravaged Kurdish region and being able to keep the support from the Shia majority, without allowing a disproportionate Iranian influence and maintaining a good relationship, which did not translate into full submission with the US occupying authorities. The aftermath was nevertheless followed by deep factionalism, opposing Sunnis, who started feeling deep discrimination in relation to the construction of religious buildings and the availability of military and – in a certain way – even political position; the Shias, which separated between the State of Law Coalition, which keeps a sustained proximity to the United States even after the end of the occupation in 2011, all the while not trying to marginalize Iranian support, the Sadrist, led by the Islamic cleric Moqtada al-Sadr, whose political career was made despite strong

government persecution and with direct support of Tehran's government to his religious nationalist militia, and the more moderate Islamic Supreme Council of Iraq, headed by Ali al-Sistani, whose political stance while not secular *per se* has been one which makes the contact between the political and religious realm the exception and which, even though deeply nationalist is critical of the Iranian prominence in Iraqi political and religious affairs, a position expressed in his partial disagreement with Khomeini's doctrine of the Guardianship of the Islamic Jurist [11].

Both the Islamic Republic of Iran and the Kingdom of Saudi Arabia have had postures which antagonize them to a considerable part of the Iraqi population in ways that go much beyond mere sectarian affairs. In the case of Iran, a very important event was the Iran-Iraq War, which is still seen by many as a sign of Iranian imperialist interests over its smaller neighbor; and in the case of the Saudis, their position of initial support for the Saddam Hussein government, even endorsing its abuses over the Shia population, which was then turned into sanctions once it felt its traditional hegemony over the Gulf Region was threatened by the attempted invasion of Kuwait.

In relation to the general instability following the United States invasion, the Kingdom supported the Sunni factions which antagonized with the government, going as far as supporting Sunni insurgent groups by means of financial aid weapons provision in an effort to destabilize it. This policy has been a large failure, because of their inability to either present political alternatives due to their factionalism or have such strength in its resistance as to counteract the crackdown of its growingly authoritarian government over Sunni dissent. Its more recent policy while still unsuccessful has been less so, taking advantage of the internal Shia factionalism to support more moderate factions, trying above all to reduce Iranian influence, while offering economic aid and pursuing growing commercial and diplomatic ties, which had been severed since the previous First Gulf War [12].

The Islamic Republic has chosen, somewhat consonantly with its strategy when it was an opposition external force during the Saddam Hussein regime, to support Shiite militias sympathetic to its role in Iraqi politics, while enjoying its current relative proximity to the Iraqi Shia-dominated government to ensure its growing foothold, which is evidenced by the alleged presence of the Qods Forces, the Iranian military intelligence branch responsible for extraterritorial operations [13]. Even though the success of this strategy should not be minored, its hegemony is far from complete, as shown in the Iraqi's refusal to disengage United States troops from its territory after the assassination of the Iranian general Qassem Soleimani and in the growing commercial ties to its main regional foe, Saudi Arabia.

Lebanon has also been affected deeply by the Iranian-Saudi proxy war, which has had a profound effect in the shaping of its political institutions tracing back to the course of its fifteen year long civil war (1975-1990). The Iranian interference in Lebanon started in a very indirect mode and was mainly related to the group named "Islamic Resistance of Lebanon", from which the current Hezbollah would appear, a Shia militant group founded with the main purpose of fighting the Israeli occupation and its supported Christian phalanges in Southern Lebanon. Its Saudi counterpart started with its role in the conciliation of the country's political factions in the Taif Agreement (1989), which bettered the internal position of Lebanese Muslims into the national system of confessionalism – that allocates political posts based on religious representation – in accordance with the visible growth of the Islamic proportion in the country; and its subsequent role in financing the process of reconstruction of the country. The conflict, far from subsiding, became more pronounced after the end of the Syrian Occupation (2005) and developed in a political dispute, sometimes militarized in small internal conflicts, between the pro-Saudi 14 March Alliance and the pro-Iranian 8 March Alliance [14].

This conflict has deeply factionalized the already fractioned post-Civil War Lebanese society, even if in this case the conflict is much more difficult to trace into mainly sectarian divides. A good example of this difficulty is the continued great importance of the Christian in the Lebanese landscape, while continuing evenly split between Pro-Iranian and pro-Saudi and the loss of support from both sides even among their traditional strongholds, in face of opposition to the continued Saudi-Iranian proxy politics both internally and in what they see as an undue participation of their country in such interventionism, as Yemen and Syria [12]. Still the issue remains deeply divisive and has palpable effects in the reality of the country, with the Hezbollah maintaining itself as one of the main Lebanese sources of steady defense, as evidenced in the Lebanese-Israeli conflict of 2006, and Saudi Arabia keeping such importance in the country it was almost able to force the resignation of an allied Prime Minister over the issue of the participation of Hezbollah in a Lebanese government, even if this ended up reinforcing the Iranian influence after the government was reinstated even with the support of both 8 March and 14 March political parties [15].

The developments regarding Iranian interference in Lebanon, Syria and Iraq must also be understood under the light of its strategy for developing a land bridge of its influence as well as for the passage of arms in these territories, which is linked to its enmity to Israel, which is funded both upon strategical and ideological premises. The preservation of Hezbollah's stronghold in Southern Lebanon and its influence in Lebanese Politics, as well as that of the Syrian regime, allows Iran to proclaim itself as holding a monopoly over the fight against Israel, weaponizing the support for the Palestinian cause to weaken Sunni countries and particularly Saudi Arabia, which be pushed into approximating with Israel, both for its assistance and, above all, for the impact it could have on its relations with the United States [16]. Still challenges have posed itself to this venture, notably those related to the Northern areas controlled by the Iraqi Kurdistan and the Kurdish People's Defense Units in Syria, a route which would cause – if used – Turkish concerns, because of its own Kurdish conflict, in which the People's Defense Units play a role, and is plagued by the issue of the impact of the dependence on Kurdish partners, taking into consideration the existence of separatist tensions in the Iranian Kurdistan, but also the concerns of a southern route which would still have to go through Syrian zones near to those controlled by the US-supported Army of Free Syria and through Iraqi zones where Ali al-Sistani exerts the most influence [17].

### **3. CHINA'S GROWING ROLE IN THE MIDDLE EAST**

The traditional hegemon in the Middle East at least since the greater part of the 20<sup>th</sup> century has been the United States, which assumed this place mainly in the years of incipient oil exportation, initially alongside the United Kingdom and then as a clearly dominant power during the Cold War. Although it cannot be said such paradigm has been definitely overcome, and, as a matter of fact, the US continues to be the most powerful external actor involved in the Middle East, there has been a much greater involvement of other external Great Powers in the affairs of the region and countries like China have come through their policies to place a growing challenge to this beforehand uncontested dominance.

Chinese contacts with this part of the world, far from being recent, can be traced at least to the second century B.C, reaching its apogee with the relations between the Tang Dynasty and the Abbasid Caliphate during the 8<sup>th</sup> century, but being strained from the Massacre of Guangzhou in 878 [18]. After that, contacts only began to get closer again after the establishment of the People's Republic of China, which was met itself with a phase of extreme denial, lack of recognition and complete cut of relations. After that, the gradual Chinese rapprochement was made in many stages consonantly with the troubled internal developments processed both in this

country and in the Middle Eastern regional politics, which had an important influence over the policies adopted by the actors involved.

Firstly, the ascension of Pan-Arabist movement to the political helm which showed a steady advance after the events of Suez Crisis (1956), combined with the global emergence among the former European colonies and protectorates of the non-aligned movement initially expressed through the Bandung Conference, greatly – even if far from completely – reduced the grasp held both by the United States and the formal colonial powers (the United Kingdom and France) over the design of the foreign policies of their former regional strongholds. Political entities ideologically close to either of these tendencies were the main ones to recognize and establish ties with the PRC, including Egypt, Syria and Algeria. Then, came a stage of isolationism which had its main cause in the event unfolding both internally and externally in China, namely the Cultural Revolution and the Sino-Soviet Split, which saw the closing of most Chinese embassies, substantial cut of commercial ties and general distance even from the countries with which it had found close political and ideological alignment. The next phase came with the important events of Resolution 2758 in the General Assembly of the United Nations, in 1971 officially recognizing the People's Republic of China as the legitimate Chinese government instead of the Kuomintang-ruled Republic of China, which had till then occupied its seat in the Security Council; and Nixon's visit in 1972 effectively normalizing relations between the US and the PRC, which drove recognition by countries that had avoided it because of their close American ties, among which Pahlavi Iran and Turkey were prominent examples. The next point somewhat extends itself from the decade of 1980 until the present days, being characterized by the adoption of much more pragmatic stances, distancing itself from the mainly ideological perspectives that had characterized its relationship building processes until the political emergence of Deng Xiaoping, giving way to its current ties with countries that had been among its main historical regional opponents, including Saudi Arabia and its last recognizer Israel [19].

This continued approximation has had effects in this hegemony, an example of that is the fact China has surpassed the United States as the main exports and imports partner of both great regional powers, Iran and Saudi Arabia. This has been favored by the fact that while the United States invests more in a logic of hard power, using both military interventionism and economic sanctions to enforce its hegemony, China has been much more focused in establishing relations based on soft power, deepening economic ties and through cooperation with governments, imposing much less conditionalism than its American counter partner. [20]. This has resulted in the United States facing much more antagonism, because of its perceived interventionism expressed through the invasion of Iraq or its positions throughout the invasion of Libya and even because of its position during the Arab Spring. This set of conditionalities has been ignored by the Chinese government, whose preference is to focus their regional efforts to the preservation of factors it considers as essential for the maintenance of its internal security in many levels, namely available sources of petroleum and natural gas which allows it to continue its ongoing fast development.

These deepening relations must also be thought under the prism of the Belt and Road Initiative, which has been the basis for an important part of China's foreign policy since its inception in 2014. This initiative focusses on developing Chinese influence and warranting needed sources for China's rapid industrialization and economic growth, in the Middle Eastern case through programs such as the China Central Asia West Economic Corridor, an economic and transport corridor that encompasses the Levant, the building of nuclear plants in Iran, massive investments and partnerships with Middle Eastern companies, especially in the oil sector [21]. The scope of these initiatives and the involvement of the main regional actors is not simply based on the expansion of economic influence: the insurance of regional stability is also important for China to guarantee a secure access to oil and gas sources, as well as for the success of the proposed

economic corridors. Regional stability is also a key factor for Chinese domestic politics, a link that can be seen through the radicalization of Uyghur nationalist militants and establishment of ties between this separatist movement and Islamic fundamentalist movements such as the Taliban and the Islamic State of Iraq and the Levant [22].

There are still areas where the Chinese influences seems to be constrained by too much concentration in the soft power logic, notably when it comes to military influence, which is much reduced by the lack of military bases of the People's Republic in region, contrasting with the more than 30 military bases established by the US in the Middle East. The closest thing to such influence is the recent Chinese military base in Djibouti, that gives China a privilege access to the Gulf of Aden, but it is still notorious that the country has a very long way before establishing the same level of military presence its main rival – the region's historical hegemon – has created. This does not validate however the argument that China is a free-rider of the benefits of US security efforts in the region and this kind of contribution is explicitly shown in the Chinese participation and relative success in the peacekeeping missions in Lebanon and in the Gulf of Aden [20].

Therefore, as noted, this influence must rely not on military pressure means or coercive means to ensure the accomplishment of Chinese interests in the region, but rather on the forging of pragmatic alliances, based on the expectancy of reciprocity as the main conditionality, which seems to not be assured anymore by the traditional allegiance to the United States. The capacity of molding and ensuring the continuity of relationships with the main regional powers seems to be the model adopted by China of inserting and asserting itself in the Middle East.

The maintenance of the mentioned close ties with Iran and Saudi Arabia has been a clearly successful endeavor persecuted by the PRC in the continent at least since the decade of 1990. In the case of Iran, China acts as a counterbalance to the growing isolation faced by the country in consequence of its nuclear program and current sanctions of the United Nations placed upon it, while Iran provides it with an extremely profitable source of oil in exchange of Chinese consumer goods. While participating in the P5+1, the group within the United Nations which devotes itself to the negotiation and imposition of sanctions upon the Iranian nuclear program, its role has been a mainly passive one, relatively allowing the enforcement of these economically punitive measures and complying with them, while at the same time, restraining their scope and remaining Iran's main economic and energy partner. This situation leaves the Islamic Republic in a clear position of dependence, which has generated some backlash in the realm of its civil society. The stability of this relationship however has recently become a political cornerstone after the political reemergence of the principists, the defenders of protection of the principles of the Islamic Revolution in the country, which followed the eventually failed attempts of approximation between the former president Rouhani and the Western countries. One of the main signs of the increasing adherence to this line of cooperation with China, instead of the gradual attempts at easing tensions with the United States and its allies, has shown in its application for full membership in the Shanghai Cooperation Organization (2021), a security and economic cooperation entity where it has participation as an observer member since 2005, and the announcement of the completion of the acquisition of such status scheduled for July 2023 [23].

Another clearly important development in the realm of Chinese-Iranian relations that must be highlighted is the agreement made in 2020 between these two countries with both economic and military purposes. Under this protocol, China would help modernizing Iranian railroad, ports and telecommunications infrastructures in exchange for discounts in crude oil and natural gas imported from Iran, and is supposed to extend itself for the period of 25 years, encompassing the purposed value of 400 billion dollars [24]. While, as already mentioned, there is opposition to this deal in relation to the possible increase of the already notable Iranian dependency from China, it could also be understood as a strategy of reduction of the American influence in the



region, through this overt Chinese refusal to the United States' policy of sanctioning Iran, encouraging other countries to escape the most conditioning aspects of their relationships to the US by finding an alternate partner in the PRC [25].

While ties to Iran had been constant – even if marked by periods of weakening – at least since the Iran-Iraq War, when China had been one of the few countries to provide it weapons, which had not been done by either the United States or the Soviet Union; its relationship with Saudi Arabia is much more recent, taking into account it was the second last country in the Middle East to establish relations with the People's Republic, having recognized the Republican rule installed in Taipei as the legitimate Chinese government until 1990. This approximation has much to do, at least in what concerns security affairs, with tensions arising between Saudi Arabia and its traditional ally from the latter's support to Israel, but above all from its invasion of Iraq in 2003. No less important are economic factors, namely the growing Chinese demand for oil that contrasts with the stagnancy of this demand in the US and tendency towards its replacement, even if very gradual [17]. China is already the Saudi Arabia's main commercial partner and is starting to become an important military partner, a fact that can be noted by the related presence of Chinese security advisors in Saudi military bases and the provision by the first of technology such as anti-ballistic missiles to the later [23].

It is cardinal to understand the success of Chinese's rapid insertion in Middle Eastern dynamics taking into account the principles that drive its foreign policy in general and in this region in particular and even, since even if its following can never be considered apart from the inherent paramountcy of national interests, are directive of these policies in most situations. These can be tied to the "Five Principles" developed still in 1954 by Zhou Enlai: respect for territorial sovereignty and integrity, non-aggression, non-interference in internal affairs, the establishment of equal relations with the endeavor of mutual benefits and peaceful coexistence [18]. The policies persecuted by China to exert a deepening impact in the Middle East have been in no way incompatible to these guidelines until the moment, giving what is seen by the region's main actors as a sign of the possibility of maintaining promiscuous economic, diplomatic and military links which still allow the main regional actors to follow their interests in terms of foreign policy and be exempt from attempts of subverting their internal orders, which do not seem to be ensured by the United States anymore after its waves of interventionism, especially the Iraqi War and its participation in the Arab Spring.

#### **4. THE SAUDI-IRANIAN AGREEMENT AND ITS CONSEQUENCES**

On March 10 2023, a deal brokered by China between Saudi Arabia and the Islamic Republic of Iran was announced. This agreement normalized relation between both countries, which consisted, formally of a joint affirmation of intentions regarding the establishment of "cooperation for ensuring the security, stability and prosperity of the region"; the reopening of embassies and consulates, resume of technical coordination of flights and issues of visas, and the affirmation of availability towards the peaceful resolution of any obstacles to this cooperation [27].

Despite the continuing tensions, this was not the first attempt at finding a compromise between both countries and the establishment of such agreement had been tried with Iraqi and Omani brokering between 2021 and 2022, but both attempts had not given any immediate results. There had been during this time of relatively frozen relation which extended itself since the Iranian Revolution times of easing of tensions, including the establishment of security compacts regarding the combat of terrorism and drug trade in the common sphere of the Organization for Islamic Cooperation and diplomatic posts had been opened sometimes. These agreements had stopped their enforcement however after a terrorist incident in Saudi Arabia that had been

partially blamed by its Foreign Minister on Iran and diplomatic posts had been closed last time in 2016, after the attack by Iranian citizens of Saudi posts, in the aftermath of the Shia Imam Nimr al-Nimr 's execution [28].

The lack of success of the previous talk had much to do with the unavailability shown by Saudi Arabia for the normalization of ties if it was not anticipated by Iranian concessions, notably in regard to stopping every support given to Yemeni Houthi Rebels. This was in consonance with the United States' policy of maximum pressure as the main mean of obtaining concessions, which had been devised and followed during the Trump presidency. The lack of effective intervention provided by the United States both in this situation and others that involved the proxy war, such as the tensions in Lebanon, Iraq and Syria were a main motivator for the change of position by the Saudi government and the acceptance of negotiations [29]. According to sources, Iran agreed during these negotiations to stop their role in facilitating Houthi attacks on the Saudi border and the provision of support for the rebels at least in terms of weapons. They may also have had an impact on the *de facto* truce which has been established between the Houthis and the al-Alimi government which has been verified since October 2022 [30]. Also following the accord, Saudi Arabia agreed to unconditionally normalize relations with the Syrian government and end any of its residual support to opposition groups [31]

The benefits of China, even if not completely explicit because of the secrecy of the process, can be definitely analyzed in terms of power projection, positioning itself as a peacemaker and mediator in the Middle East, which it had in some way failed to be in previous processes in which it had been involved, such as the denuclearization of North Korea or the attempts of mediation following the Myanmar coup d'état. It shows the extent of China 's regional influence both by the fact it was able to incentivize the contenders towards the working of policies of mutual concessions envisioning the reestablishment of relations and by the triumph of a regional model of negotiation that has driven itself away from the armed influence preconized by the US, opting instead on economic ties – even if the arms industry has a clear standing in these commercial relations. Instead of this directly threatening leverage, the fact of being the main trade partner of both countries was a much clearer motivator. Even though China does not dispose of effective means to exert military pressure in order to ensure that Saudi Arabia and Iran fulfill their parts in the agreement, it does dispose of means to exert it economically as the main partner of both countries, even though it still remains to be seen to what extent China is disposed to use this leverage.

This could also be understood as a sign of the comfort felt by both countries in relation to the expansion of Chinese influence as a replacement for the historical hegemony of the United States, which has been progressively seen as an unreliable partner that tries to dictate their policies. In the case of Iran, it is obvious through the pressure exerted in the United Nations for sanctions against the country based on its nuclear policy, of which the US has been the staunchest supporter since the beginning. In the case of Saudi Arabia these attempts have been more discreet, but can still be noted, such as the bid to force the Kingdom to boost its oil production in order to reduce prices and face the global energy crisis related to the Russian invasion of Ukraine [32]. In both cases they resulted in failure, with the much-known consequences of the continuation of the Iranian nuclear program and the reduction of Saudi internal production in order to guarantee the further escalation of prices in the resource that is one of the main sources of its economy. The acceptance of the mediation of this accord by China has been therefore also an instrument by both countries to show their lack of dependency face to the US and in the case of Iran also that it is not merely reliant on Russian support.

The restoration of ties has been effective, with the reopening of embassies in May 2023 and an official visit to Iran by Saudi Foreign Minister in June of the same year. After this agreement Iran

became a full member of the Shanghai Cooperation Organization and Saudi Arabia adhered to it as a dialogue partner. As mentioned, both Yemen and Syria, two of the main centers of the proxy war conducted by both countries, have seen a relative de-escalation in the continuity of the support given by the Saudi and Iranian sides to the continuation of these conflicts. It is still unclear what will be the consequences of such agreement in regions like Lebanon and Iraq: in the first case, it is unclear whether the lack of the regional powers' incentives will mean the eventual tendency towards the weakening of the divide between the March 8 and the March 14 Alliance, as well as the sectarian dimensions associated to it, or if it will mean the prevalence of one of these political factions which has more indigenous support, with the end of the external influence upon the continuation of its associated faction's influence; in the second case three possibilities seem open: peacefulness as a consequence of the reduction of intersectarian tensions which had effectively been overfed by the proxy war, the growth of such tensions because of the weakening of the Sunni groups now absent from Saudi support, or the growth of tensions, but now not intersectarian and instead against the continued – even though much reduced – military presence of the United States in the country.

Another possibility that must be also taken into account is that the Saudi participation in agreement was done not for the sake of its partnership with China, least for the costs of the proxy war efforts invested by the country, but instead as a form of blackmailing the United States into offering more beneficial conditions for its signature of the Abraham Accords. The Abraham Accords, which were first signed between the United Emirates and Israel, giving the later Emirati recognition as well as normalizing relations between both countries were firmly pressed on Bahrain – which eventually signed it even under Saudi pressure – but the Kingdom of Saudi Arabia itself never signed [33]. The Saudis have reportedly demanded the United States' permission for enriching uranium for civilian purposes as well as a strengthened defense alliance as a condition for normalizing relations with Israel [34].

Still, even if the possibility of obtaining consensus for such plan is maximized by the pressure to the US and Israel – respectively to China's expansive role in the Middle East and the threat of a Saudi-Iranian alliance which would further isolate Israel – its possibly a threshold that politicians in both countries are not disposed to assume, seeing the menace of a nuclearized Saudi Arabia – and one which could do it with much more safely than Iran – and even the mere shifting from the paradigm of making the Saudi Kingdom a state “pariah” which has been followed since the assassination of Jamal Khashoggi, as too high of a price to pay. This matters because for such a concession to come into reality it would have to go through the United States Congress and the Knesset and both instances are propense to show strong reluctance to such a compromise [34]. Even if this is accomplished, it is not clear whether Saudi Arabia would be disposed to completely break away from the normalization agreements, risking its relationship with China and increasing its dependency towards the US.

This situation has, as said beforehand, symbolic and practical dimensions which can hardly be separated. For one side, China finally has assumed a role as - more than an important economic partner – a mediator capable of exerting leverage upon the main regional actors, namely Iran and Saudi Arabia. For the first-mentioned country, it is a sign of the end of its internal isolation, for the last, it means a demonstration of the deepness of its relationship with the People's Republic beyond mere trade interests and a proof of the shaken state of its traditional ties with the United States. The reconciliation between both players under the brokering of China might mean the growth of stability in region, that has been somewhat signaled by the relative stabilization in Syria and Yemen and the emergence of China – not immediately but progressively – to an even more active role in the region.

## 5. CONCLUSION

The proxy war between Saudi Arabia and Iran has left deep marks in the Middle East at least since the Iraq-Iran War and has had a strong effect in the sectarianism and instability which has plagued the region. The agreement signed between the Islamic Republic of Iran and the Kingdom of Saudi Arabia normalizing the relations between both countries can mean a *détente* for this conflict and help stabilize the environment which had developed from the wars in Syria and Yemen, the internal tensions in Lebanon and Iraq and their spillover effects.

Besides that, the fact it was brokered by China could also mean a gradual change in the dynamics of power in the region, reducing the United States's role as the traditional hegemon and increasing the influence of China, now the primary trade partner of the main regional powers. Despite its policies in the region having been historically restrict to the economic domain, its role as mediator denotes its interest – and the success of its approach denotes the strength of the leverage it can exert – in expanding its influence beyond this restriction. The People's Republic of China has slowly established its foothold in the Middle East and its role in the normalization of Saudi-Iranian relations as well as the adherence by both countries to the Shanghai Cooperation Organization shows how successful this engagement in the region has been, with a great probability of coming to put serious obstacles – even if not to directly challenge – to the exercise of the traditional hegemony of the United States in the region.

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