

CSAG INFORMATION PAPER:

Chinese-brokered Iran-KSA Détente, “A Game-Changer or a Mirage?”

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The opinions and conclusions expressed herein are those of a number of international officers within the Combined Strategic Analysis Group (CSAG) and do not necessarily reflect the views of United States Central Command, nor of the nations represented within the CSAG or any other governmental agency.

1. **Subject:** Chinese-brokered Iran-KSA Détente, “A Game-Changer or a Mirage?”
2. **Purpose:** To present CSAG’s analysis of the recent rapprochement between Iran and Kingdom of Saudi Arabia (KSA) brokered by China.
3. **Introduction:** The recent diplomatic agreement between Iran and KSA in March 2023 is a significant development in the ME. The agreement could herald lasting regional stability, with once bitter rivals finding a common ground, conflict resolution and enhanced cooperation through dialogue and diplomacy. In addition, it marks a shift in power dynamics and the emergence of actors in the region that could challenge the status of the US in the ME and beyond.
4. **Facts:**
 - a. Relations between Iran and KSA have been tumultuous with periods of both friendly and hostile relations.¹
 - b. This most recent initiative has been preceded by two previous agreements between Iran and KSA signed in 1998 and 2001 to enhance security and cooperation.²
 - c. Arguably the region is experiencing a “pandemic of peace” as countries in the region become more engaged in attaining sustainable peace and stability through Iran’s integration.³

¹ The National, “Timeline of Saudi-Iran Relations from 1979 to 2023,” April 6, 2023, <https://www.thenationalnews.com/gulf-news/2023/04/06/timeline-of-saudi-iran-relations-from-1979-to-2023/> (accessed August 23, 2023); Aljazeera, “Saudi Arabia Cuts Diplomatic Ties with Iran,” Jan 4, 2016, <https://www.aljazeera.com/news/2016/1/4/saudi-arabia-cuts-diplomatic-ties-with-iran> (accessed August 23, 2023).

² The Iran Primer, “Iran and Saudi-Arabia Restore Ties,” June 6, 2023, <https://iranprimer.usip.org/blog/2023/mar/10/iran-and-saudi-arabia-restore-ties> (accessed August 23, 2023).

³ The Associated Press, “UAE Leader Welcomes Iranian Foreign Minister in Latest Softening of Persian Gulf Tensions,” June 22, 2023, <https://apnews.com/article/uae-iran-politics-diplomacy-gulf-nuclear-3f604be2c864de9db863a63e8d91a756> (accessed August 23, 2023).

- d. While there are likely to be several drivers behind the newest Iran-KSA détente, it is possible that a perception of US “abandonment” or at least inconsistent US policies for the ME have created the conditions for former adversaries to seek common ground.⁴
- e. The present détente is positive, but issues such as the Palestinian issue, and the conflicts in Yemen and Syria, could continue to threaten the long-term stability of Iran - KSA relations.⁵
- f. Though Iran has constrained direct hostile actions against ME countries, it continues to engage in indirectly destabilizing activities across the Gulf region, asserting its status as a regional power and challenging US interests on principle. The dispute over Al Durra offshore gas field and Iran’s seizure of tankers at sea are recent examples.
- g. It is clear China stands to gain from the Iran-KSA détente, leveraging the prestige it is claiming in the diplomatic domain to pursue second order benefits in the economic and military domains.⁶
- h. In the recent past, there has been an inconsistent US policy approach towards ME, specifically KSA. The latest development in the US navigating the changing ME security paradigm was brokering an Israeli-Saudi deal.⁷

5. **Analysis:**

- a. It is possible that Iran and KSA are “buying time” by leveraging the “US-China competition,” to attain their respective strategic interests; whatever the motives, the peace initiative could be a catalyst for renewed regional development and prosperity.⁸
- b. A critical factor remains Iran's nuclear ambition. It is the regime's bargaining chip for the negotiation with the West and also supports Iran's regional ambitions.
- c. China has seemingly moved away from its previous position of non-involvement in the complexities of ME’s conflicts. It is beginning to engage politically and not just economically in the region; Xi’s offer of a 3-point proposal for a “lasting solution” to the Palestine issue is an example of this change in approach.
- d. China is likely to continue to compete in the ME; the region remains an important source of hydrocarbons and competition here reduces the opportunity for a US concentration of force in its backyard, i.e., Indo-Pacific.
- e. The agreement has not yet been tested. The litmus test for China may be how it reacts if the peace initiative is derailed.

⁴ Jennifer Kavanagh and Frederic Wehrey, “The Multialigned Middle East,” *Foreign Affairs*, July 17, 2023, <https://www.foreignaffairs.com/united-states/multialigned-middle-east-china-influence> (accessed 23 August, 2023).

⁵ Hussein Mubarak, “Saudi Arabia and Iran Restore Relations: A Victory of Necessity,” *Wilson Center*, June 5, 2023, <https://www.wilsoncenter.org/article/saudi-arabia-and-iran-restore-relations-victory-necessity> (accessed August 23, 2023).

⁶ Stephan M. Walt, “Saudi-Iranian Détente Is a Wake-Up Call for America,” March 14, 2023, *Foreign Policy*, <https://foreignpolicy.com/2023/03/14/saudi-iranian-detente-china-united-states/> (accessed August 23, 2023).

⁷ The Economist, “Saudi Arabia May Accept Normal Relations with Israel,” June 15, 2023, <https://www.economist.com/middle-east-and-africa/2023/06/15/saudi-arabia-may-accept-normal-relations-with-israel> (accessed August 23, 2023).

⁸ Buying time refers to the fact that while the US and China are in competition, KSA and Iran are strengthening their military and economic positions; For KSA, it is the Vision 2030, linked with peace and stability for economic investments; for Iran it is the economic concessions both from the west and ME countries alongside relieving domestic pressure.

- f. Sunni and Shia working together in the region could result in “enhanced regional efforts against ISIS.”
- g. Anti-Western elements speculate that the US and Israel could act as possible spoilers of the Iran-KSA détente, reasoning that US and Israel strategic interests do not align with improved Iran and KSA ties.
- h. Multiple challenges for CENTCOM could result:
 - (1) A diminishing US influence and increasing Chinese presence could result in a regional willingness for hosting Chinese troops in the future.
 - (2) Key countries may not offer the same level of ABO assurance for the US in the region.
 - (3) The Chinese presence and continued investment could create an interoperability challenge, disrupting US multilateral constructs such as “integrated air and missile defense.”
 - (4) As a challenge to US force posture, Iran could leverage the rapprochement and seriously pursue its proposal for a regional maritime coalition (Iran had previously proposed a similar initiative, known as “Hormuz Peace Endeavor” (HOPE), during the UN session in 2019).⁹

6. Why a Game Changer?

- a. Reconciliation between a largely Sunni KSA and largely Shia Iran could ease tensions within the Muslim community and may bring lasting peace to the conflict-ridden ME, with broader implications for regional stability and international relations.
- b. “China-Iran-KSA, troika for peace” could restrict / oblige Iran to terminate its destabilizing efforts in the ME region and beyond, which will be a win-win situation for all.
- c. China’s role in the deal reflects its growing influence in the region, challenging US interests and its efforts to shape regional dynamics and aims to present an alternative vision for the US-led world order.

7. Conclusions:

- a. Policy level
 - (1) The US must keep to clear and consistent policies with a “Whole of government approach” in the ME to avoid exploitation by strategic competitors and regional partners playing one against the other. This might include efforts to simplify the FMS process for partner nations.
 - (2) The question of Palestine will remain a lasting barrier to long term, sustainable stability and security in the region. The US tackling this issue is a powerful message across the region and position it as an honest broker regionally.
 - (3) At times, the inconsistent US approach has led to a divergence of US military and political objectives, which is a serious concern for regional partners.

⁹ Reza Vaisi, “Iran, the GCC, and the Failure of Hope,” *Middle East Institute*, September 24, 2020, <https://www.mei.edu/publications/iran-gcc-and-failure-hope> (accessed August 23, 2023).

b. CENTCOM

- (1) Monitor the Iran-KSA détente and adopt an approach of “strategic patience” in the region – avoiding reflexive responses to provocative but ultimately limited Iranian action;¹⁰ while doing so, continue to observe the developments related to China. The US still enjoys the status of global power and may take advantage of strengths such as historical partnerships and military / technological power. Silver lining – the US is still considered as “partner of choice” and security integrator in the ME, while China is considered a “partner of necessity” for regional economic needs.
- (2) Closely monitor how paradigm shifts could impinge upon ABO and thus freedom of maneuver / action across the region.
- (3) Encourage “allies and partners” to contribute to “more eyes in the waters” for persistent / long-term deterrence against Iran and ensure there is a global response to the global challenge Iran poses when it threatens sea lines of communication. This includes China as a key beneficiary of freedom of navigation through the Straits of Hormuz.

¹⁰ Allows a global power to prove its influence when it must, but as often resists reflexive responses. The phrase strategic patience predates Obamas Administration approach towards Russia and North Korea, highlighted in the NSS in 2015; Gopal Ratnam, “White House Unveils Call for Strategic Patience,” *Foreign Policy*, February 5, 2015, <https://foreignpolicy.com/2015/02/05/white-house-to-unveil-call-for-strategic-patience-russia-ukraine-syria-iraq-china-asia/> (accessed August 23, 2023).