

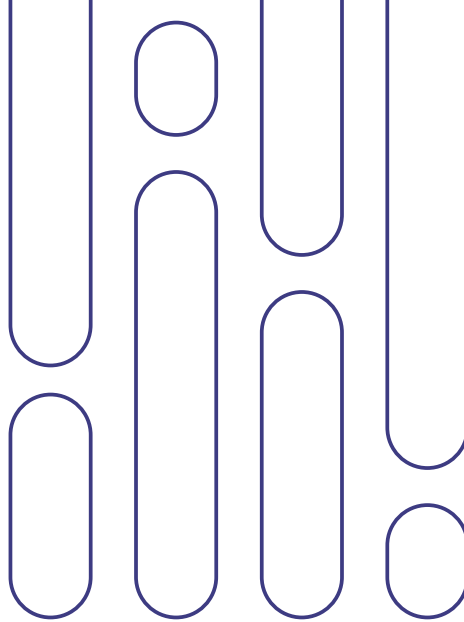
REPORT

How Will the United States Deal With the Iran-Saudi Agreement?

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The agreement signed on March 10, 2023 in the Chinese capital Beijing by the Kingdom of Saudi Arabia and Iran was a surprise. It drew both concern and consternation, notably regarding the implications of this agreement for US policy given Washington's status, regional role, relationship with each of the accord's signatories and relevance to regional disputes and security considerations. The agreement has been described as a surprise for the United States, an initiative that has weakened its global stature and regional clout which could have a beneficial or negative impact on US positions.

The Agreement as a Threat to the United States' Stature and Interests

The China-sponsored Saudi-Iran agreement can be viewed as not in the interests of the United States from several perspectives:

- **Impacting Washington's global stature:** The agreement reflects a radical shift in Chinese orientations on the global stage. China's role in the Iran-Saudi agreement is one of the manifestations of China's increasing clout on the global stage. This Chinese role is reflective of a shift in Beijing's foreign policy, with it inclining toward overhauling the current global order and showing more defiance to the United States. China has essentially shifted from a foreign policy based primarily on economic considerations to one that incorporates security and political considerations as well. This shift is consistent with China's vision to have a say in security matters and offer an alternative to the security initiatives and frameworks approved by the United States over the decades. In light of the strategic competition between the United States and China, the agreement can be considered as an indication of the mounting Chinese threat to Washington's prestige on the global stage.

- **Diminishing regional clout:** This is because the agreement reflects China's growing involvement in the region, with Beijing seeking to fill the vacuum left by the United States. This vacuum gives China an advantage as it is a party acceptable to the region's two most powerful states. Furthermore, the agreement allows China to pursue its objectives with both regional powers without any hindrances. This is a break from the difficult balance-of-power equation that has plagued China's calculations when dealing with Riyadh and Tehran. While US President Joe Biden has reaffirmed that the Middle East is a priority on his administration's agenda and that the United States will not leave a vacuum in the region for China to fill, the Iran-Saudi agreement that followed the Chinese president's visit to the region and the Iranian president's visit to China indicates the fact that Chinese clout is increasing at the expense of the United States in the region. The success of this Chinese step could pave the way for more influential measures and steps under Beijing's supervision.

- **Challenges to US hegemony and increasing orientations of independence:** Because of the long history of shared interests, the majority of the region's countries have always been in the orbit of the United States. The fact that the United States was aware of the Beijing talks indicates that the region's governments are becoming more independent, with their policies based on strictly domestic criteria and evaluations in line with their national interests. On the other hand, the United States is prioritizing its "America First" policy. This dramatic transformation, particularly in Saudi attitudes, indicates that US hegemony is being challenged by a genuine desire for independence at the regional and global levels. After decades of linking its policies toward Iran with the United States, Saudi Arabia took a surprise pragmatic decision to conclude an agreement

to normalize relations with Iran. The agreement shows how Saudi Arabia is reconsidering its interests and partnerships. Riyadh views the world now from a different perspective. Thus, the two countries may engage in calculated competition that might develop in the future.

- **US concept of regional security:** In response to the threat posed by Iran, the United States has pursued broader security coordination in the region, including Israel, an agenda which has been on the table since Biden's visit to the region in mid-2022. The primary tenet of this US security coordination is to delegate responsibility for regional security to its allies, notably Israel. This coordination is in line with US aims to work with partners to prevent and confront Iran's destabilizing activities in the region and prioritize diplomacy when addressing the Iranian nuclear issue while not ruling out other options. Yet, amid growing questions about the seriousness or efficiency of the US approach, the Iran-Saudi agreement effectively hinders this security coordination, which might be reframed or reset at a later stage. This new formula could spell the end of the United States' security partnership with the Gulf states, particularly with Saudi Arabia. The door will remain open for new countries to join the Abraham Accords, but it will redefine and considerably restrict US regional security considerations as long as the accord is effective and delivering dividends.

- **Managing the dispute among regional powers:** There has always been a belief that the United States is exerting influence in the region through managing the dispute between Iran and the Gulf states. It managed this dispute to ensure the protection of its vital interests. Thus, Iran's decision to end the feud with its chief regional rival strips the United States of its management role in the dispute between both countries. What is more, it could open the door for negative impacts on outstand-

ing issues between Iran and the United States.

- **US strategy toward Iran:** After abandoning the option of diplomacy, the United States is attempting to restore the effectiveness of maximum pressure on Iran, thereby indirectly supporting Iran's domestic protest movement. The ultimate goal is to force the Iranian regime to return to the nuclear deal and reverse its anti-US and anti-Western policies. However, the Iran-Saudi agreement gives Tehran some advantages by allowing it to end its regional isolation and create a schism between the United States and Saudi viewpoints toward it. Moreover, the agreement has had a positive impact on the Iranian economic situation because the local currency has been strengthened. If the agreement leads to the Iranian protest movement capsizing, Iran's stance toward the nuclear agreement is likely to become tougher.

Potential US Opportunities From the Agreement

According to the aforementioned, the United States considers the Iran-Saudi agreement to defy its interests and a fundamental change to its Middle East policy. In addition to the agreement reflecting Chinese defiance of the United States, it also represents a new Saudi-led Middle East formula based on a solely domestic vision that contradicts decades of US policy. This vision replaces turmoil with stability, putting a stop to proxy wars and ending the formation of militias and violent groups. The United States is unlikely to sanction the agreement but it may create obstacles for the agreement to reach an impasse.

However, there is an opposing scenario that sees the United States refraining from obstructing the agreement, allowing the two sides to choose their own initiatives to normalize relations and encourage them to curb their competition and disputes. In light of this scenario, the United States may attempt to take

advantage of this shift to ultimately serve its interests. In this context, we can refer to a number of possibilities and considerations that reflect a potentially positive US assessment of the Iran-Saudi agreement, primarily the following:

- **The agreement can be understood beyond the framework of US-Chinese strategic competition:** China is a sponsor of the agreement and it was signed against the backdrop of mounting strategic competition between Beijing and Washington. However, this competition is not a strong enough motive for the United States to attempt to ensure the agreement is aborted or sanctioned. Neither the United States nor the West could have been an alternative to China in brokering this agreement. In addition, the agreement is consistent with US attitudes toward the Middle East. The United States had previously backed the Saudi-Iran preliminary rounds of talks in Iraq and the Sultanate of Oman. The agreement enables the United States to foster stability in the region, regardless of whether or not China's role expands. The United States is still confident that it is the most important security partner to the region's countries and no other world power can take its role in the near future. Chinese involvement in the region predates this agreement, whether in terms of protecting sea lanes or combating non-conventional dangers such as maritime piracy. Furthermore, the region's countries have misgivings about China's aspirations and ambitions.

- **The agreement achieves US objectives in the region:** The United States' policy has focused on non-interference and non-involvement in crises and disputes. Rather, it has worked to bolster deterrence, military deployment, diplomacy and digital tools to curb the potential dangers and to safeguard its vital interests. The United States has encouraged regional powers to engage in dialogue rather than disputes and bear the cost of

securing their borders and interests instead of relying on the traditional protection umbrella that it has provided. This US hands-off approach is visible in the easing of tensions between Saudi Arabia and Iran, given that their disputes have triggered regional disputes and competition and granted bigger roles to other US rivals. Thus, the agreement is largely consistent with current US orientations in the region. Since US expectations are probably based on the hypothesis that the agreement will lead to a state of no-peace, no-war, Washington believes that the agreement will not hinder the clout it exerts in managing the dispute between the two regional powers and will therefore work in its favor. Furthermore, the agreement could be employed to ease tensions that serve US interests, such as settling the dispute in Yemen.

- **US partnership with Saudi Arabia remains effective and symbiotic:** Saudi Arabia is keen to pursue independent policies and has made great strides in diversifying its international partnerships. However, it pursues realpolitik considerations when implementing its foreign policy, realizing the possible space and boundaries for maneuvering. The diversification that Saudi Arabia is pursuing is consistent with the ongoing dynamics and shifts in the global order's structure. Its recalibration has not put Saudi Arabia in a face-off with any of the global powers, including the United States. With regard to the agreement, Saudi Arabia briefed the United States on the steps it was taking, given that it is Riyadh's partner. The Boeing deal signed between Saudi Arabia and the United States and announced by US President Joe Biden reflects the strength and momentum of bilateral relations. Additionally, the agreement does not obstruct the Abraham Accords and there is a possibility for the accords to expand in the future if the appropriate conditions exist. It is a known fact that Saudi Arabia does not mind expanding the

Abraham Accords and it has conditions that it has passed on to the United States and Israel.

• **The possibility of employing the agreement to enhance the chances of reviving the nuclear deal and changing Iran's malign regional behavior:** The regional powers have always expressed a desire to broaden the scope of the nuclear deal to address the regional threats posed by Iran. But the United States failed to make this happen. Today, perhaps the United States will view the Iran-Saudi agreement as a groundbreaking move to revive the nuclear deal. Following the agreement, regional countries no longer have a reason to halt the revival of the nuclear deal if it excludes Iranian regional behavior. The agreement could also prompt the Iranian “hardliners” to reverse their behavior. The agreement serves as a lever against the Iranian regime so that it moves ahead to revive the nuclear deal, reevaluates its ties with the United States and ends the state of unjustified disputes which have deprived the Iranians of their resources, development and welfare, all enjoyed by Tehran's Gulf neighbors. The Iranian regime, thus, could be pushed to reconsider its positions and return to the nuclear deal. Externally, Saudi Arabia and China could work to curb Iran's nuclear ambitions, an aim that the United States, China and Saudi Arabia share.

Conclusion: Taking Advantage of an Agreement That May Not Go So Far

Based on the risks and possibilities offered by the agreement, it could be claimed by some that the agreement came as a surprise and embarrassed the United States as it reflects the nature of the region's ongoing transformations, which may not be in Washington's best interests. China succeeded in brokering this agreement, benefiting from the US withdrawal from the

region and giving up on its allies. However, the United States may believe that there is no reason to defy China, particularly on this issue. There are various grounds for the United States' possible stance: first, the nature of the conflict between the global poles has shifted, as have their tools. Second, the confrontation is centered in specific areas of the world, and there is a lack of preparedness to bear the costs of this confrontation in areas deemed secondary by the United States. Finally, in some cases, Chinese initiatives may unintentionally achieve the same goals that are in line with Washington's interests. For example, if the Iran-Saudi agreement leads to the resolution of the crisis in Yemen or elsewhere, it will be in line with US interests. Despite the agreement reflecting the erosion of US stature and its role in the region, the United States will unlikely hinder the agreement, particularly given that the assessment suggests that the agreement will not change its initiatives, approaches or policies toward the region that aim to achieve the following: preventing Iran from possessing nuclear weapons, barring it from posing a threat to US interests in the region, including attacks on US forces in the Gulf, preventing any threats to the security and safety of maritime waterways and the flow of trade, and restoring calm to the region's countries, which allows Washington to pursue other priorities on the global stage. Accordingly, the United States is unlikely to object to this agreement because it will not advance or go too far, given the prevailing ideological and geopolitical factors as some observers argue. The reemergence of the dispute between Iran and Saudi Arabia is quite plausible, given the two countries' strong distrust — the obvious example being Tehran's nuclear ambitions. Furthermore, in the event of a sudden crisis or conflict between Saudi Arabia and Iran, Beijing may find itself caught in the crossfire and unable to strike the proper balance between the two regional powers.

