

Iran: A Rising Regional Power and Its Diplomatic Relations

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ABSTRACT

Over the past decade, Iran's influence in Middle Eastern affairs has grown considerably, altering the regional power dynamics in its favor. This increased prominence is driven by cultural, ideological, and geopolitical factors, alongside emerging international security threats, such as Al Qaeda terrorism, which have led to conflicts and divisions within the Muslim world, particularly between Iran and its main rival, Saudi Arabia. Consequently, Iran has become a pivotal player in political-security matters, especially following the Iraq crisis of 2003. The current situation in the Middle East has afforded Iran unprecedented opportunities to capitalize on its strategic geopolitical and cultural advantages, thereby amplifying its regional and international influence. Additionally, the geopolitical rivalry between Saudi Arabia and Iran, exemplified by various proxy wars, has further destabilized the region. At the same time, new actors like China are seeking to shape regional security as traditional powers like the US experience a decline in influence.

Keywords: Middle East, Iran, regional power, strategic influence, security policies, proxy wars, Saudi Arabia, China, US

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INTRODUCTION

The eastern Mediterranean and the Gulf region remain an extremely turbulent and unstable neighborhood, where a “Hobbesian” security environment prevails¹. There is a general failure of governance and a long list of frequently interacting – and in some cases interconnected – security problems, including several protracted conflicts (1). However, there have been notable exceptions where regional powers have strengthened, and new actors have emerged, driven primarily by economic motivations.

Over the last decade, Iran's influence in Middle Eastern affairs has significantly increased, shifting the regional power balance in its favor. This rise in importance stems from cultural, ideological, and geopolitical factors, as well as the evolving nature of threats to international security, such as Al Qaeda terrorism, which has caused wars and divisions in the Muslim world, particularly with Iran's chief adversary, Saudi Arabia (2). The global campaign against Al Qaeda terrorism following 9/11 has ignited new regional dynamics in Afghanistan, Iraq, and Lebanon, heightening the significance of Middle Eastern issues on international security. This shift has reshaped the roles of both regional and international actors, driven by the interconnected nature of Middle Eastern developments. Current threats now include identity-based conflicts, religious extremism, ethnic geopolitics, and the influence of ideology and religion, alongside the increasing involvement of the masses in economic and political spheres.

As a result, Iran has become a central player in political-security affairs, especially after the Iraq crisis of 2003. The present situation in the Middle East has provided Iran with unprecedented opportunities to leverage its advantageous geopolitical and cultural positions, thereby enhancing its regional and international influence. Furthermore, the geopolitical rivalry between Saudi Arabia and Iran, manifested through various proxy wars, has further destabilized the region. Meanwhile, new actors like China are attempting to influence regional security as traditional powers like the US decline.

In this way, Iran is seeking to exert significant influence in the Middle East through its territory, population, and culture, but primarily through its substantial hydrocarbon resources. These resources provide leverage over buyers and the financial means to develop weapons programs and finance destabilizing activities, such as those conducted by terrorist groups like Hamas in

¹ A "Hobbesian" security environment refers to a state of affairs characterized by pervasive distrust, fear, and competition, where entities (such as states or individuals) are in constant conflict or threat of conflict, each seeking to ensure their own survival. This term is derived from the philosophy of Thomas Hobbes, particularly his views expressed in his seminal work "Leviathan" (1651).

Palestine, Hezbollah in Lebanon, and possibly the Young Believers (the armed wing of the Al-Houthi, members of the Zaidi minority) in Yemen (3).

Iranian diplomacy is also striving to break free from international constraints. The strategic relationship with China is particularly significant in this context: oil and gas in exchange for a strategic partnership, which could even include the establishment of a Chinese base in an Iranian port or on an Iranian island. The importance of Iran's relationships with its neighbors — from Türkiye in the northwest to the Arab states to its south — is a central aspect of its regional policy. These interactions are characterized by a complex mix of cooperation and competition, with significant implications for the region's stability and security. Iran's engagement with its neighbors has been volatile, combining antagonistic rhetoric with dialogue and strategic maneuvering.

Therefore, Iran's role in the Middle East is both historical and evolving, marked by a strategic interplay of religion, ideology, politics, and regional dynamics. Positioned at the heart of crucial geopolitical intersections, Iran's actions have far-reaching consequences that resonate throughout the region and beyond.

IRAN'S POSITION IN THE MIDDLE EAST

Long before 2011, Iran was already present in the Middle East. As early as 1982, following the Israeli invasion of southern Lebanon, where Shiites are numerous, the Iranian government decided to support them by creating Hezbollah². Indeed, it was Hezbollah fighters, trained by Iranian officers, who dealt a (semi-)defeat to the IDF in 2006, significantly boosting their prestige among Arab public opinion, particularly the Palestinian public.

From 2011 onwards, with the withdrawal of American troops from Iraq, Iran was able to establish itself as a major player in the Middle East's geopolitical dynamics. President Barack Obama's decision to withdraw most American troops from Iraq gave Iranians free rein to intervene even more strongly in Iraq. It is worth noting that Shiites are the majority in Iraq, and it hosts the most important Shiite pilgrimage sites. Additionally, 2011 marks the beginning of the Iranian government's unwavering support for its loyal Syrian ally, Bashar al-Assad, from

² Hezbollah, or "Party of God," is a Shia Islamist political, military, and social organization based in Lebanon. It was founded in the early 1980s, primarily as a response to the Israeli invasion of Lebanon in 1982, with the support of Iran's Revolutionary Guard Corps (IRGC). Hezbollah is designated as a terrorist organization by several countries, including the United States, Israel, and members of the European Union. However, some countries, including Russia and China, do not label it as such and engage with its political representatives.

the early days of the uprising against his regime. Incidentally, since the conflict between Iran and Iraq from 1980 to 1988, the Syrian government has been an ally of Iran, with Iraq being perceived as a threat to its own sovereignty (4).

Iran is primarily attempting to assert itself by leveraging the religious factor. It has created a Shiite axis through its military presence in Iraq, Syria, and Lebanon. Crucially, this Axis allows Iran to project power and influence beyond its borders while reducing the risk of direct confrontation with key adversaries like the United States and Israel. Although in practice it is more of an "archipelago," as Bernard Hourcade explains, because Iranians are far from being able to control a continuous territory between Iran and the Mediterranean coast. The recent involvement of Iran-backed groups, namely Hezbollah and the Houthis, in the ongoing war between Hamas and Israel in Gaza further illustrates Tehran's strategic positioning within the broader regional context.

Additionally, the energy factor is also a crucial element in this complex geopolitical game, and it is the main reason for the Saudi Iranian competition. Since the 1970s, following the oil shocks, Western countries have been dependent on oil-producing countries, mainly in the Middle East. In fact, as a major oil producer, Iran holds a strategic position in global energy markets. Its ability to influence oil prices through production levels gives it leverage in international diplomacy and economic negotiations. For instance, any disruption in Iranian oil exports can have significant ripple effects on global oil prices, affecting economies worldwide. But this situation is now changing. For shale oil production to be profitable, the price of a barrel of oil must be above \$60 (it reached \$80 on May 17, 2018). Production has resumed vigorously since prices rose following production cuts by Russia and Saudi Arabia, who need to maintain high prices. To keep oil prices high, the best way is to reduce the number of hydrocarbons on the market, for example, by excluding Iran through sanctions. This would be a significant advantage for Saudi Arabia, as its enemy would be weakened, deprived of Western markets (though China and India would remain), and of the much-needed Western oil technology. The ability or inability to export oil and gas significantly impacts Iran's economy. Sanctions targeting Iran's energy sector aim to curtail its revenue, thus limiting its capacity to fund regional proxy groups and military activities.

Moreover, Tehran, unable to confront the United States or even Israel directly—given Israel's advanced military capabilities, including missile systems and nuclear potential—has opted for an asymmetric strategy. This is particularly because, from a purely material standpoint, the military balance favors the GCC (Gulf Cooperation Council) member states with their vast

financial resources and sophisticated weapon systems. Unlike Saudi Arabia, which can form coalitions against terrorism, as it has done since December 2015, the Islamic Republic is not part of any military alliance, has not signed a defense agreement with any third state, and does not host any foreign bases on its soil. To counter potential external threats, the Islamic Republic has two means of deterrence. One is based within its territory, the other outside. Domestically, Iran has established a scientific and military infrastructure for missile construction. Initially, Iranians developed tactical missiles with a range of 80 to 750 km, capable of destroying naval targets in the Persian Gulf and the Gulf of Oman. Tehran then embarked on the construction of Medium Range Ballistic Missiles, capable of reaching targets up to 2,000 km away. The other aspect of Iranian deterrence involves using militias, political parties, and other allied organizations outside the national territory in case of an attack, supported by Revolutionary Guards when necessary. With the capability to disrupt operations beyond its borders, Iran could leverage other theaters of operations, dispersing the adversary's resources.

Consequently, because of these factors that have relatively isolated the country on the regional and international stage, Iran has prioritized the survival of its regional interests and internal security. Iran's policy of expanding its regional and international influence through multiple avenues is not solely driven by security considerations for the regime and the country, but these concerns are integral to the ambitions of a state seeking to assert its status as a regional power while avoiding direct confrontation with superior forces. Iranian leaders view the United States and its regional allies—primarily Israel and certain Arab countries—as the most significant threats to their security. This perception has led to a primarily defensive strategy, particularly in response to multiple crises in the region. Iranian regional policy manifests in various forms, including proxy engagements, asymmetric military strategy, and deterrence both within and outside Iranian territory. Whether in Iraq during the American presence, after their departure, or in the Syrian civil war, Iranian armed forces have never intervened directly and openly. In Syria, Tehran's involvement has been crucial in saving President Bashar al-Assad's regime and fostering closer Iran-Russia cooperation, later evident in the war in Ukraine. In Iraq, Iran has expanded its influence directly and through its allies within Shiite factions. Iraq has also become a proxy battlefield between Iran and the United States. Similarly, in Yemen, Iran's support for Ansar Allah (the Houthi movement)³ underscores its strategic intent to extend its influence in

³ The Houthi movement is a political and armed movement that emerged from the Zaidi Shia community in northern Yemen. The movement was founded in the 1990s by Hussein Badreddin al-Houthi, a member of the Houthi family, who was later killed in 2004 during a Yemeni government offensive. The Houthi movement has been accused of receiving support from Iran, although the extent and nature of this support are debated. This alleged Iranian support has contributed to the perception of the conflict as a proxy war between Iran and Saudi

the Arabian Peninsula and counterbalance Saudi Arabia's involvement in Bahrain and Syria. (5).

In brief, recent events have altered the geopolitical landscape. With Washington's political influence waning in Yemen and its diplomacy proving ineffective, Iran's position is strengthened by using proxies, making it the dominant power in the Middle East. When considering Hamas in Gaza, Palestinian factions in the West Bank, and militias based in Iraq and Syria, it is clear that Iran has assembled a remote-controlled coalition capable of outlasting the U.S. Bombing Houthi bases, rather than pushing for a ceasefire in Yemen's protracted civil war, will not change this reality. It is more likely to fuel Tehran's anti-Western, anti-Israel narrative across the region (6). Thus, the mullahs now have three principal foreign policy aims: to push the U.S., the "Satanic foe" of the 1979 revolution, out of the Middle East; to maintain regional pre-eminence; and to strengthen key alliances with China and Russia. This is facilitated by the restoration of complicated diplomatic relations with Saudi Arabia.

IRAN AND ITS SHIFTING RELATIONS WITH THE COMPETITIVE POWER, SAUDI ARABIA

Saudi Arabia's position in the Middle East

Saudi Arabia has taken numerous steps in recent years to establish itself as a leader in the Arab world. With the *de facto* ascension of Crown Prince Mohammed bin Salman in 2017, "Saudi Arabia has undergone significant changes both domestically and internationally [...] Saudi Arabia's rise has also been bolstered by its hydrocarbon-rich economy and the support provided by the United States during Donald Trump's presidency as a countermeasure against Iran," explains analyst Amirah-Fernández (7).

Following Qatar's withdrawal of support for Sunni rebels in Syria, Saudi Arabia seized the opportunity to become the primary backer of Salafist movements in the Near East, solidifying its position as the leading Sunni power. Additionally, its main objective, following the Arab Spring uprisings, has been to combat the influence of its perennial rival in the region, Shia Iran, and its Iraqi and Syrian allies. This rivalry has been described by many experts as a "new Cold War in the Middle East." In recent years, this situation has been exacerbated by "proxy wars" across several areas of the region, as seen previously (8).

Arabia. In response to the Houthi takeover, a Saudi-led coalition launched a military intervention in 2015 to restore Hadi's government.

The “new Cold war” in the Middle East and its evolution

Saudi Arabia and Iran play pivotal roles in shaping Middle Eastern security dynamics. Historically, during the Cold War, both countries were considered the "twin pillars" of Persian Gulf security, united against threats like Soviet communism and Arab nationalism. However, the Iranian Revolution of 1979 drastically altered the regional balance, leading to increased defense spending by Iran to bolster domestic and regional influence. From the very first months he took power, Ayatollah Khomeini, who intended to export the Islamic revolution, showed his low regard for the Al-Sauds and his rejection of monarchical regimes by criticizing the conservatism of the Saudi regime and, above all, its alliance with the United States. After the outbreak of the Iran-Iraq war, Saudi Arabia supported Saddam Hussein, provided substantial financial aid to Baghdad, and in 1981 created the GCC to counter Iran and extend its zone of influence. In July 1987, Iranian pilgrims, supported by representatives of the Tehran regime, organized an anti-American demonstration in Mecca. The Saudi authorities violently suppressed the protest, resulting in 402 deaths, including 275 Iranians. In Tehran, demonstrators ransacked the Saudi Arabian embassy. On April 26, 1988, Riyadh broke off diplomatic relations with Iran. The crisis ended in 1991 when the Saudis once again allowed Iranian pilgrims.

The 1990s saw a period of calm in relations between the two countries and a resumption of diplomatic ties. However, following the American intervention in Iraq in 2003, the installation of a Shiite-led regime in Baghdad gradually rekindled tensions. Indeed, the Shiite-Sunni, or rather Shiite-Wahhabi, opposition has formed the backdrop for the often tumultuous relations between the two states since 1979, gradually becoming a structuring factor in Middle Eastern geopolitics. Furthermore, Wahhabi ideology, central to the Al-Saud dynasty's regional diplomacy, regards Shiite Muslims as "heretics." From this viewpoint, Shiites are seen as pursuing an agenda of "Shiite-ization of Islam" under the guise of interfaith dialogue. In response, Iran emphasizes the theme of "Islamic awakening" to counter the impression of a "Shiite revolution." However, since the onset of the Syrian crisis in spring 2011, there has been a recognition within Iranian political circles of the reality of the Sunni-Shiite sectarian divide within Islam. Therefore, the Arab Spring and subsequent regional upheavals brought these antagonisms and rivalries between Iran and Saudi Arabia to the forefront, manifesting, from a Saudi perspective, as a Shiite-Sunni confrontation. This conflict is evident in Yemen, Bahrain, among Shiite minorities in Saudi Arabia, Lebanon, Iraq, and Syria – where the crisis has crystallized this rivalry, with Iran supporting Bashar al-Assad's government and Saudi Arabia backing Syrian Salafists.

In early January 2016, a new crisis erupted between Iran and Saudi Arabia. On January 2, the Shia cleric Bager Al-Nimr, along with 46 others convicted of "terrorism," was executed in Riyadh. In Tehran and Mashhad, Saudi diplomatic missions were attacked by crowds. On January 3, Riyadh announced the severance of diplomatic relations with Tehran. The following day, Saudi allies followed suit, with Bahrain and Sudan breaking ties with Tehran, while the United Arab Emirates recalled their ambassador and reduced their relations. The UN Security Council condemned the attacks on Saudi diplomatic missions. President Rouhani declared that those responsible for the attacks would be prosecuted. However, these events intensified sectarian polarization in the Levant and the Persian Gulf, promising to escalate the proxy war between Iran and Saudi Arabia. This rupture echoed the break in relations in 1988 at the end of the Iran-Iraq conflict, which had led to reconciliation two years later during the Kuwait crisis. Since then, many Arab League countries have followed Riyadh's lead, making Iran's isolation from its Arab neighbors greater than ever as a coalition forms against Daesh.

When Donald Trump entered the White House in 2017, relations between Riyadh and Tehran deteriorated once again. Saudi Arabia had to navigate the Trump administration's hardline stance on Iran, including its decision to withdraw from the nuclear deal in May 2018 and reimpose sanctions on Tehran, which included banning oil exports and isolating Iran from the global banking system. In May 2019, Saudi Arabia sought to rally the Islamic world behind it by organizing three simultaneous summits in Mecca to confront Iran after attacks on Saudi tankers in the Persian Gulf and the Sea of Oman. The kingdom also accused Iran of being behind the attacks on Aramco facilities in Abqaiq and Khurais in September 2019, which temporarily disabled half of Saudi Arabia's oil production, as part of a proxy war waged by Iran through its allies in Yemen and Iraq.

This resurgence of tension highlights Iran's return to the international stage and the competing influence Tehran and Riyadh seek to exert in the Middle East. In short, the chaotic relations between Saudi Arabia and Iran are not new. However, the struggle for leadership became evident following the Iranian Islamic Revolution.

The domains of competition

Religiously speaking, indeed, the Shiite-Sunni, or rather Shiite-Wahhabi, opposition has been the backdrop for the relations between the two states since 1979. Saudi Arabia is obsessed with the notion of a Shiite encirclement and does everything possible to confine Iran within a Shiite ghetto to limit its influence in the Sunni world. The notion of the "Shiite Crescent" emerged

after the American intervention in Iraq in 2003, driven by neoconservatives who believed that Shiite movements would promote democracy. With the new Iraqi regime, moderate Sunni Arab regimes perceived a rise in Shiite power. King Abdullah of Jordan mentioned this term in 2004, used by Sunni regimes to counter Iranian influence, which was exacerbated by the Bush administration's policies. Positioning itself as a regional power, Iran developed alliances with Afghanistan and Iraq, while sectarian tensions increased, particularly with the Syrian crisis and military interventions in Syria and Bahrain. However, it needs to be noted that Iranian influence, based on realpolitik, manifested through support for various actors, regardless of their religious affiliation, such as in Christian Armenia. Therefore, the competition between the two countries is not solely due to religious reasons but can also be explained by many other factors.

The complex security issues and strategic environment between Saudi Arabia and Iran are mainly focused on sustaining a balance of power through political and economic influence. This power struggle is manifested in various forms, including regional power antagonism and involvement in intra-regional, non-state, and extra-regional conflicts. For instance, Saudi Arabia's treatment of its Shi'ite minority and the execution of Shi'ite cleric Nimr-al-Nimr in January 2016 strained bilateral ties and led to a diplomatic fallout with Iran. Saudi Arabia's intervention in the Yemen civil war also reflects its assertive strategy against Shi'ite influence in the region. The strategic competition and ideological conflict between Iran and Saudi Arabia have significant long-term repercussions both regionally and internationally. Sectarian lines have become increasingly influential, with Iran and Saudi Arabia vying for dominance along Sunni-Shia divides. The Syrian conflict, initially portrayed as a political struggle, gradually revealed sectarian tensions, drawing support from Iran, Russia, and Sunni Islamist paramilitaries. Saudi Arabia has pursued policies aimed at replacing regimes, notably supporting Sunni-led governments. (9).

The struggle between the two countries included an economic dimension as well. To weaken Iran, Saudi Arabia increased its oil production, driving down prices and jeopardizing Tehran's exports, but they are both rich in oil resources which leads to the competition. During the period of post-nuclear rapprochement, Iran had an advantage in accessing open oil markets, which became a critical factor in the competition within the Middle Eastern oil market.

Moreover, new types of advanced weapon systems, especially aircraft with offensive capabilities, have entered service in several of those countries, strengthening the competition. Especially for Saudi Arabia and other GCC states, the main cause of this arms race has been increased concern about Iran's intentions and actions and the perceived threat they pose to their

security, heightening the regional security dilemma. This dilemma, characterized by the states' defensive measures against perceived threats, often turns into an "insecurity dilemma," where internal threats are exploited, further destabilizing the regimes. Both nations strategically leverage external conflicts to address internal insecurities, thereby maintaining regime stability at the cost of wider regional instability. Since the end of the Cold War, those countries have been trying to strengthen their security through weapons acquisition for their armed forces, but also through external balancing (procurement, mostly by the US, in exchange for protection against security threats). Saudi Arabia is by far the largest military spender in the area and ranks fourth in the world. Its military spending rose from \$44.2 billion in 2006 to \$87.1 billion in 2015. Iran has been gradually building up its military capabilities through the acquisition of weaponry, mainly from Russia, China and North Korea, but also by increasing its domestic production. The Iranian military is considered capable of conducting limited, short duration offensive actions beyond Iran's borders, but is currently incapable of sustaining large-scale operations. However, contrary to many other countries in the region, Iran saw a decrease in its defense expenditure by 7.3% between 2007 and 2016. This was mainly due to the economic sanctions imposed by the international community. The continuation of those sanctions because of the American withdrawal from the Joint Comprehensive Plan of Action (JCPOA) will function as an important constraint for Iran's efforts to increase its defense spending.

Finally concerning the nuclear competition, it is important to know that Iran's nuclear program is perceived as a destabilizing threat by Saudi Arabia, exacerbating the regional security dilemma. The defensive measures taken by both nations to address threats, however, often lead to internal instability, further destabilizing the region, because also Arab states had consequently initiated their own peaceful nuclear programs. Furthermore, Iran's nuclear program will continue to be an important issue in the regional and global international security agenda, and, because of the Trump Administration's policy choices, the issue may be re-opened in the near future. As a consequence of the conflicts in Syria, Libya and Yemen, together with the significant transfer of conventional weapons by a number of third parties, the proliferation of small arms and light weapons will affect not only the countries involved, but also adjacent regions. Finally, the eastern Mediterranean and the Persian Gulf's lack of a regional security architecture – in the form of regional security organizations, formal or in formal discussion fora, arms control agreements and confidence-building measures – will continue to hinder tension reduction, conflict management and conflict resolution efforts.

The role of China in Saudi Iranian reconciliation

As Iran becomes more authoritarian domestically and faces increased pressure internationally from the West, there has been a noticeable pivot toward cooperation with Eastern powers like Russia and China. This shift is part of Iran's "Look East" strategy (10), reflecting a strategic realignment in response to global and internal dynamics. These shifts impact how Iran engages regionally, influencing its interactions, policies, and alignments. In fact, the most significant aspect of the deal between Saudi Arabia and Iran, issued from the negotiations between the 6th and 10th mars 2023 was that China brokered it. The deal brought back the diplomatic relations that broke in 2016 and launched a new security and economic cooperation. The deal hasn't been a surprise just because of the hostility between these two great Gulf powers, which continues to fuel regional conflicts, but it is unprecedented due to Chinese mediation, which follows a series of attempts by regional allies of the United States to diversify their diplomatic relations by seeking to strengthen their ties with China and Russia, as said earlier (10). The tripartite announcement of the normalization of Saudi Iranian relations from Beijing has resonated loudly. It is already influencing the geopolitical balances that pit the two superpowers, the United States and China, against each other in a tense region where the stalemate over the Iranian nuclear issue persists.

As the Gulf Arab regimes are disappointed by the strategic withdrawal of the United States from the Middle East and Washington's inability to stabilize the region through the renegotiation of a lasting agreement on the Iranian nuclear issue, China, which maintains close relations with Tehran, became, in 2015, the primary commercial and economic partner of the Gulf Cooperation Council (GCC) states, especially the two regional leaders: Saudi Arabia and the United Arab Emirates (UAE). By striving to find a balance between the two regional rivals, Iran and Saudi Arabia, Beijing succeeds in achieving the normalization of Saudi Iranian relations, creating a conducive climate for managing tensions. The restoration of Saudi Iranian relations is based on previous agreements: the security agreements of April 2001 and the commercial agreement of May 1998, as cited in the joint communiqué.

Iran and China are now great allies. And it's this, more than other factors, that has transformed Iran's fortunes, making it a power to be reckoned with. The Ukraine invasion, and the prior Sino-Russian "no limits" cooperation pact, was the catalyst for this transition. Since Xi Jinping took power over a decade ago, China has created spheres of geopolitical and economic influence to rival and, if possible, supplant those of the US. Under Chinese sponsorship, Iran has joined the Brics group and the Shanghai Cooperation Organisation. On the counterpart,

conspiring with Beijing to circumvent sanctions, Iran sells millions of barrels of discounted crude to China each month, transported there by “dark fleet” oil tankers.

Globally, the elements put forward by Chinese diplomacy are welcomed almost unanimously by the states of the Middle East, a region that has been subjected to continuous interventionism by the great powers for its various resources since the 19th century. Middle Eastern states appreciate China's position of non-interference in their internal affairs. They see China as a reliable partner, likely to help forge confidence-building measures, particularly between the two regional rivals Saudi Arabia and Iran, which are its partners in the region. They appreciate that China does not openly oppose the United States in the region, and does not, for example, demand that states distance themselves from Washington, as it can do in Europe and especially Asia. China knows that its partners in the Middle East have no desire to be caught in the vice of a cold war, forcing them to choose between Beijing and Washington. The thinking of certain Chinese researchers and think-tanks is rather in favor of these states cooperating more closely with China and the United States to resolve the crises and conflicts in the Middle East.

The Benefits of an Iranian-Saudi Alliance

Against this backdrop of heightened regional rivalry, the main challenge for normalization between Riyadh and Tehran remains the easing of sectarian tensions in Bahrain, Iraq and Syria, as well as in Lebanon, where clashes are taking place between Salafist movements and Hezbollah. The new Iranian president has set himself the goal of restoring Iran's regional power, and he believes this means normalizing relations with the petro-monarchies of the Arabian Peninsula. According to Ayatollah Rafsanjani's supporters, relations with Riyadh take on an existential dimension for the Islamic Republic due to Saudi Arabia's status as a swing producer, the only country capable of replacing Iranian oil exports in the event of a total oil embargo imposed by the US Congress. From this perspective, normalizing relations with Riyadh takes precedence over the imperative ideological need to confront Israel in order to appear as the leader of the "resistance" in the Middle East (11).

Despite their defensive strategies, the security dilemma has driven both countries to enhance their capabilities and maintain influence in strategic areas like Yemen, Bahrain, Iraq, and Syria. Saudi Arabia has diversified its military resources to sustain its regional influence. Waltz notes that defensive strategies aim to counter the power of other states without seeking power maximization, which explains the ongoing competition between Saudi Arabia and Iran to counterbalance each other's presence in the Middle East. The Middle Eastern security would

have been remained stable if Iran along with Saudi Arab has cooperated in areas of more political dynamic would have then opened avenues for cooperating at the economic and military affairs. Therefore, President Raisi, realizing this necessity, early on expressed his desire to draw closer to the Gulf states, particularly Saudi Arabia, in response to his predecessor's failure to reach a lasting agreement with the West (12). The prevailing belief among Tehran's elites was that a deal with Saudi Arabia could translate into Saudi support for reviving the nuclear deal, as a condition for lifting the unprecedented sanctions imposed on Iran by the Trump administration.

It seems that Iran's sense of caution has been further heightened by the escalating US-Israeli military coordination over the nuclear program, which increased further after the IAEA announced that it had found enriched uranium in the Fordow fuel enrichment plant at levels close to the purity needed to make a nuclear weapon, as well as the intensification of Israeli operations inside Iran. Iran knows that an agreement with Saudi Arabia will certainly weaken any regional alliance established against it under the aegis of the United States, especially after Israel succeeded in making major inroads into its Arab relations in the Gulf, particularly with the United Arab Emirates and Bahrain (10).

Finance Minister Mohammed Al-Jadaan's declaration of Riyadh's willingness to invest and develop commercial ties with Iran reflects the shift in Riyadh's diplomatic approach to normalization. By offering Tehran a glimpse of its willingness to invest, Riyadh is betting that commercial relations will create a bond with Tehran and is making economic dynamics the key to lasting normalization. The prince is therefore pinning all his hopes on the economic dynamic to guide the new directions of his diplomacy. He wants to build greater regional integration, by investing in infrastructure, logistics, food security, the energy transition and everything to do with financing and cooperating on the effects of global warming in the Middle East (desertification, access to water, natural disasters via the Saudi Green Initiative). It is in these sectors, where Saudi Arabia and Iran face common challenges, that funding from Gulf countries would be used to set up cooperation in projects linked to human security. The resumption of diplomatic relations between Iran and Saudi Arabia under Chinese auspices is a prerequisite for the realization of the often-converging economic interests of the three protagonists. It is also a sign of the reconfiguration of political and strategic relations in the region (13).

To address these security challenges, cooperation between Iran and Saudi Arabia could offer significant opportunities to mitigate the insecurity dilemma and reduce their involvement in

regional conflicts. This cooperation is essential for achieving long-term stability in the Middle East.

CONCLUSION: THE PERSPECTIVES OF IRAN'S POSITION IN THE MIDDLE EAST

On the Iranian side, it was from the 1990s onwards that the objective of promoting closer ties with the Gulf states, and Saudi Arabia in particular, became a priority for successive administrations. The aim was to accept the status quo, i.e. the structuring of international relations through the prism of nation-states (previously contested by Ruhollah Khomeyni), but where Iran would still be a pole of regional influence. Challenged since September 2022 by popular protest, initially marked by the "women's revolt", and more generally by the populations of the outlying Kurdish and Baluchi regions, mostly Sunni, which Riyadh is accused of supporting, Tehran expects the kingdom not to interfere in its internal affairs, as suggested by Saudi financial support for an Iranian opposition media outlet in London. These levers at Riyadh's disposal, at a time when the Islamic Republic's legitimacy has never been weaker, appear to have been decisive in convincing the Iranian regime, weakened both internally and externally, to negotiate with the Saudi kingdom. The agreement also enables Iran to normalize its image with the international community, at a time when the country has once again become a transgressor of the non-proliferation regime since 2019 (14).

However, any attempt to expand Iran's regional influence based on sectarian considerations quickly reaches its limits. In addition to this structural constraint, there have been political constraints since the Islamic Revolution, stemming from the desire of opposing actors to marginalize Iran. The Middle East is predominantly Sunni, and Shias are a minority there, even though their number is relatively larger compared to Sunnis in this part of the Muslim world than in other regions with Muslim populations. Khomeini was aware of this, which is why he always presented his revolution as Islamic, downplaying its Shia characteristics. Furthermore, by advocating the fight against "global arrogance" (imperialism) and emphasizing the struggle between the mostazafin (the oppressed) and the mostakbarin (the oppressors), he aimed to give a social dimension to his ideology to garner the support of Sunni masses with a rebellious discourse. From the 1990s, Iran developed its ties with Hamas and Islamic Jihad at the expense of its relations with the PLO (Palestine Liberation Organization). By providing financial aid and supplying arms and ammunition to Palestinian Sunni organizations, Tehran wanted to show

that it was involved in the Arab Israeli conflict in its own way and that it did not only support a Shia movement like Hezbollah in the Middle East. However, with its active involvement alongside Bashar Al-Assad, the Islamic Republic lost some of its credibility with Hamas in particular, and more generally with Arab Sunnis. In fact, in 2014-2015, Hamas gradually distanced itself from Iran and moved closer to Saudi Arabia.

Iran's position in the Middle East is both historic and evolving. The country has leveraged its geopolitical and cultural positions to enhance its regional and international influence, especially after the Iraq crisis of 2003. The normalization of relations between Iran and Saudi Arabia, mediated by China, is seen as a significant step towards regional stability and cooperation, reflecting the reconfiguration of political and strategic relations in the region. This shift also indicates a move away from traditional power dynamics, with new actors like China playing a more prominent role in regional security and diplomacy.

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