3-5 SEPTEMBER 2017 XIAMEN, CHINA

Anlaytical paper | April 2023

The Saudi-Iranian Understandings and the Map of Expanding BRICS

|Eman Zahran



South24 Center for News and Studies

Content

Introduction	3
The agreement's motives	4
The agreement's impacts	5
Why BRICS now?	9
Possible effects	12

Introduction

With quick moves that accompanied the entire entangled international and regional interactions, the resumption of the Saudi-Iranian relationships was announced on March 10th, 2023 through a Chinese mediation. This has redrawn the political scene, not only at the sub-regional level but at the entire map of world order. This is about dismantling and installing allies and their proxies in the sub regions. This pushes for evaluating the indications of the agreement according to the following findings:

- The resumption of ties between Riyadh and Tehran was announced without talking about a 6th negotiation tour. The declaration ignored any mention of the Iraqi and Omani mediation efforts over the two past years.

- The official Chinese-brokered agreement was signed in Beijing came in wake of talks between 6 and 10 March 2023, which were not revealed at that time. It is a qualitative shift in the Chinese foreign approaches and its various roles in the Middle East contrary to the economic, investment and commercial roles given the Belt and Road Initiative.

- Reassessing and reviewing the hypotheses of international relationships and the global order. This is in light of the "Chinese vision" in managing the conflict file as a pattern that differs completely from the "missionary theories" adopted by the US regarding the cultural struggle or the democratic frames in the face of the authoritarian regimes. China offers the world a flexible pattern that absorbs all differences concurrently with the reelection of Xi Jinping for a 5 year-third term.

- The Chinese mediation to resume the Saudi-Iranian relationships came in parallel with Beijing's attempts to add both Riyadh and Tehran to BRICS and Shanghai Cooperation Organization. The Saudi Cabinet announced its approval of a memorandum which gives KSA the status of a dialogue partner in the Shanghai Cooperation Organization¹ to achieve a sort of global geopolitical balance by attracting "influential opponents in the Middle East".

¹ Saudi Press Agency (SPA), Twitter

The agreement's motives

The Recommendations of the "Al-Ula Declaration" issued by the GCC Summit on Jan 5th, 2021 included calling for pacification and mitigating the tension of regional conflicts. This pushed the Iraqi mediator to start a mitigation dialogue between Riyadh and Tehran. This was followed by an Omani mediation and an attempt to patch up the rift between the two countries as well as encircling its ramifications on the Yemeni crisis. Over two years and despite the supreme diplomatic efforts, according to what was stated at that time, the Saudi-Iranian dialogue with a regional mediation has led to nothing.² Despite the failure of regional negotiations, they certainly scheduled the contentious issues and the solution visions of all parties. This was built upon by Chinese mediation which in turn established for the parties' motives to ensure the success of this agreement as illustrated below:

- <u>The Saudi motives:</u> These motives are related to several goals, foremost of which are: First: The Saudi aspiration for a different role in the region away from the close ties with the US. Secondly: Saudi Arabia wants to follow the policy of diversifying allies through its relationships with international forces, not only with Washington. May this tripartite agreement under Chinese sponsorship be a step towards achieving that goal. This is although Washington tried to belittle Beijing's role in this agreement. White House Spokesperson John Kirby stressed that KSA kept American officials aware of the talks with Iran.³ Thirdly: Riyadh aspires for settling the Middle East's conflicts and mitigating its crises. This aims at creating a regional environment suitable for the development of "Vision 2030", announced by Saudi Crown Prince Mohammed bin Salman. It is a developmental economic plan which does not only rely on oil revenues but aims at attracting international investments to Saudi Arabia. This requires securing the stability of the region and ending the causes of tension inside it.

- <u>The Iranian motives</u>: By the agreement, Iran targets some messages, the most prominent of which is breaking the regional isolation imposed on it. The second

³ Rania Makram, Economic Incentives: Iran's motives behind the Agreement of the Return of Relationships with Saudi Arabia, Future Center for Advanced Research and Studies, March 13th 2023.https://bit.ly/3TmUM1J

² Dr Abdulmonem Al-Saeed, Why did the Chinese Mediation between Riyadh and Tehran Succeed? Future Center for Advanced Research and Studies, March 14th 2023, <u>https://bit.ly/42hOK6p</u>Al Deen..

one is to mitigate the international pressure against it. The third message is to barter the growing international pressure on the Tehran regime due to reports about its engagement in the Russian-Ukrainian war. The fourth one is related to the status of human rights amid turmoils and protests which have been witnessed by the country over several months in row and how the security authorities deal with them. The fifth message is linked to the failure of the successive talks to settle the nuclear deal with the Western forces. Regarding the aforementioned contexts, Tehran will seek an achievement at the size of the resumption of the relationships with Saudi Arabia to allow the Iranian regime re-market itself internally and externally.⁴

- The Chinese motives: The Chinese motives of the Saudi-Iranian agreement can be summarized as follows: First: A diplomatic victory for Beijing and the political reposition in an area that has qualitative weight and has been dominated by the US. This came after Washington retreated from the Middle East's issues and shifted its focus towards a conflict on a "unilateralism of the international system" with China and Russia. ⁵ Secondly: The agreement is considered a window to redirect Middle Eastern interests toward the East. This is an indication of diversifying allies in a way which is compatible with the interests and goals of the parties in this strategic region without the troubled dependence on one force. ⁶ Thirdly: The Saudi-Iranian Agreement serves as a "direct message" through which Beijing seeks to enhance the hypothesis of the "rising powers" and ensure recognition of its political and strategic presence at all international political and diplomatic levels not only the commercial and economic ones. ⁷

The agreement's impacts

The Chinese-brokered agreement about the resumption of Saudi-Iranian agreements has led to several direct and indirect impacts at different troubled

⁴ The previous reference

⁵ Saleh Hassan, "Newspaper: Iran pledges to stop its destabilizing activities according to the Saudi Agreement", March 12th, 2023, <u>https://bit.ly/3mZGBn1</u>

 ⁶ Abdulrahman Al-Rashid, "Beijing-Will it End a 40-Year Conflict?", March 12th 2023, <u>https://bit.ly/3ZVJofL</u>
⁷ Dr. Amr Al-Shibaki, "Saudi Arabia and Iran", March 12th 2023, <u>https://bit.ly/3mWeHIx</u>

files and the top priority development issues in the Middle East given the following points:

<u>- Zeroing problems regionally</u>: One of the most important impacts of the resumption of the Saudi-Iranian relationships is to turn the conflict ties-the current and the possible ones-into more cooperative relationships. This came after the entire negative effects on the regional countries due to the Covid-19 pandemic and the Russian-Ukrainian war. This pushes the region's states to adopt the policy of "zeroing problems". This began with ending the intra-Gulf disputes, moving towards an Egyptian-Turkish dialogue and the ongoing efforts to bring back Syria to the Arab incubator as well as the subsequent Saudi-Iranian understandings and their impact on the following files given the map of Iranian expansion in the turbulent countries.



Source: Emma Graham-Harrison, The Map of Iranian Influence in the Region and the World, January 13th, 2020, <u>https://bit.ly/3G5n5,w1</u>

1- **The Yemeni file:** This is one of the most important direct impacts of the agreement given the fact that Saudi Arabia is the primary and the biggest

supporter of Yemeni legitimacy. On the other hand, Iran is considered the main and the biggest backer of the Houthis who control large parts of Northern territories that have high population density including the capital city Sanaa. Thus, fulfilling the requirements of the resumption of relationships between Riyadh and Tehran would move the Yemeni file to the phase of achieving political settlement. This can be attained by forcing the warring parties to end the ongoing crisis and moving towards rebuilding the national state.

- 2- The Syrian file: By looking at the maps of direct support regarding the "Syrian issue", we can find that Tehran backs the Assad Regime along with Moscow in addition to its forces and field militias in the Syrian territories. On the other hand, Riyadh supports forces that oppose the Syrian government. However, after the latest earthquake, Saudi Arabia announced the possibility of Syria's return to the Arab incubator. Furthermore, sources in the Saudi Foreign Ministry announced that Damascus and Riyadh agreed on reopening their embassies in both countries. ⁸
- 3- <u>The Lebanese file</u>: The Saudi-Iranian reconciliation will contribute to repaying the political situations within Lebanon at several levels. The most prominent of which is the political one. The latter includes ending the status of the presidential vacuum following the era of President Michel Aoun. This came after the Sunni and Maronite blocs rejected Hezbollah's candidate Suleiman Frangieh. The economic level is represented in bumping Gulf investments to balance the recession and economic collapse amid the state bankruptcy. Furthermore, this includes achieving reconstruction requirements and the destruction caused by the Beirut Port explosions.
- 4- <u>The Iraqi file:</u> Over the two past years, Baghdad cooperated with the Omani regime to create joint areas between the Saudi and Iranian regimes before the Chinese mediation. They sought to create qualitative understandings among different forces supported by Iran. The latter has become the biggest player in the Iraqi arena since the US invasion in 2002. Iraq wants to achieve

⁸ Saudi-Syrian talks to resume the consular services (skynewsarabia.com)

political stability requirements and restore Baghdad's heavyweight in the Arab region.

- 5- <u>Reconciliation file</u>: The agreement would invoke the so-called "domino theory". The event is likely to be exploited in deepening Iran-UAE reconciliation. Despite the resumption of the relationships between Tehran and Abu Dhabi, the latest reconciliation may defuse the situation which has been always flaming due to many crises. They include Iran's occupation of the three Emirati islands, Greater Tunb, Lesser Tunb, and Abu Musa. ⁹ This is in addition to the possibility of improving the troubled relationships with Bahrain as well as the resumption of the ties between Cairo and Tehran which have been frozen since the outbreak of the Iranian Revolution in 1979. One reason for the ongoing boycott has been Egypt's refusal of Iran's threats to the Arab Gulf states.
- 6- Expanding the map of allies: There are many bets accompanying narratives of the Saudi-Iranian agreement. The most prominent of which is related to expanding the map of allies and influential international forces in the region. Beijing has succeeded in promoting its "political pattern" as being a successful alternative to the "Western pattern" via some determinants that have been well-received in the Arab region. They ¹⁰ include: First: Stressing the non-interference principle regarding the internal affairs of other countries such as not talking about the file of human rights. Secondly: Granting the friend countries unconditional economic and development aid. Thirdly: Promoting the idea of redrawing the international order towards "multipolarity" as well as renouncing the hypothesis of "American unilateralism". All of these are determinants that have pushed Middle Eastern countries towards the East. The aim of this is to diversify the map of their allies in the international regime, liberate themselves from the "unilateralism" pattern and rely upon the multipolarity one in a way that

⁹ Emad Al Deen Hussein, The Winners from the Saudi-Iranian Reconciliation, March 12th 2023. <u>https://bit.ly/3LygNbK</u>

¹⁰ Mario Michael, China and the Iranian-Saudi Agreement-Redrawing the Map of the Region, March 14th 2023, <u>https://bit.ly/40fYqwz</u>

serves the development agendas as well as the Arab national and regional strategic goals.

7- Openness to the emerging economic blocs: There is a direct relationship between political interactions and economic aspirations as each one serves the other's agenda. Based on that, Saudi-Iranian understandings by a Chinese mediation intersect with the latter's desire to add Middle Eastern states to notable emerging economic blocs within their geographical surroundings, foremost of which is BRICS. Both Riyadh and Tehran asked to join BRICS. During its conference this year, the organization will likely discuss new membership requests, foremost of which came from Cairo, Riyadh and Tehran. They seek to diversify the economic maps based on the experience emanating from international and regional dealing with abnormal crises such as the Covid-19 pandemic and the various effects of the Russian-Ukrainian war on all economic, commercial and development aspects. This requires reconsidering the patterns of economic allies towards openness to pluralism and diversification of partners.

Why BRICS?

BRICS is an acronym for five leading emerging economies: Brazil, Russia, India, China, and South Africa. It was founded in Russia in June 2009 with the presence of 4 states. This included the announcement of the establishment of a bipolar world order. The leaders of the countries agreed then to resume coordinating the most urgent economic issues. In 2010, South Africa joined the group. Its members have a combined area of about 25% of the world's land surface. Moreover, their estimated total population constitutes about 40% of the global population. ¹¹

By pointing to the entire international traditional and nontraditional interactions as well as their direct impact on the economies of the world's countries, we can note that BRICS seeks to build a larger platform for

¹¹ BRICS-(wikipedia.org)

international cooperation and create new horizons for joint development among the markets of the emerging and developing states. Thus, several Middle Eastern states have sought to join this economic and developmental alliance. This is based on some determinants that support the hypothesis of that accession given the following points:

- The outcome of the globalization movement and the subsequent recession of the global economy as a result of many non-traditional turmoil, foremost of which is the Covid-19 pandemic. This prompted the BRICS countries to build common understandings in the face of the new challenges raised by the crises, as well as the desire to structure a more fair international economic system that would better meet the aspirations of developing and emerging countries.
- The Russian-Ukrainian war pushed the developing and emerging states to review the aspects of economic and developmental alliances. This impacted what is known as "double orientations" by BRICS to enlarge its scope. Developing and emerging countries have sought to join groups characterized by flexibility and diversity. For example, China proposed to kick off the BRICS expansion process. Representatives of Argentina, Egypt, Indonesia, Kazakhstan, Nigeria, the United Arab Emirates, Saudi Arabia, Senegal and Thailand joined the BRICS-Plus consultations. All of these countries may be potential future members of the organization, given the next meeting of the organization in August in South Africa.
- The next meeting will likely discuss many top-priority files, given the scale of the ongoing interactions in the world order including¹²: First: The Accession requests submitted by important countries. Secondly: The hypotheses of expanding the solution scope of the global problems including urgent issues such as climate change and the trade in agricultural commodities. Thirdly: Discussing the expansion of BRICS business circles in all commercial, financial and investment fields, despite all the traditional and non-traditional problems and difficulties that afflict

¹² BRICS Summit 2023. New World Currency and Solutions for International Crises, Jan 31th 2023, <u>https://bit.ly/42oitL6</u>

most of the world's economic systems. Fourthly: Discussing the ways of global recovery by proposing structuring a new pattern for international relationships to disseminate development efforts.

- Talking about joint understandings among the developing and emerging countries to enhance the empowerment frames and reform the multilateral system. This includes making the tools and mechanisms of global governance more comprehensive and participatory as well as enhancing qualitative participation in all vital areas in developing and emerging countries, especially in global decision-making processes and structures, based on the recommendations of the statement issued by the Beijing Declaration of the 14th BRICS Summit.¹³
- Joining BRICS will pave the way for the countries to move towards building frames for "economic integration" with the group's states. This would push for some reinforcements in all qualitative domains. The most prominent among them are: Multiple and bilateral companies that aim to develop infrastructure, new joint economic and investment projects, sign preferential agreements related to lifting customs restrictions and nontariff obstacles, as well as benefiting from the experiences of the leading BRICS countries in specific sectors such as industry, agriculture, mines and the exploitation of underground wealth.
- Benefiting from the tendencies of BRICS tendencies toward the developing countries by seizing the opportunity for the establishment of the new Development Bank. The relationships between BRICS countries and developing and emerging ones could lead to the emergence of common strategies for mutual benefit, in light of the turmoil in the economies of states as a result of the Russian-Ukrainian war.

¹³ China Summit- What is the BRICS's role in the Post-Ukrainian War World, June 24th 2023, <u>https://bit.ly/3yT33kx</u>

Possible effects

The successive developments of the Russian-Ukrainian war have led to a state of division in the global order, between a Western camp+ Washington and another one that supports the Russian policies. In the middle of both parties, several countries adopted a cautious approach based on creating qualitative balances between the Western and Russian camps. In light of the siege imposed by Western countries on the countries that refuse to align with them in the ongoing war, some states want to distance themselves from this conflict by redirecting their rudder toward other economic blocs. BRICS comes on top of this as a tool for liberation and disengagement from Western hegemony. As aforementioned, several countries submitted BRICS accession requests such as Turkey, Saudi Arabia, Egypt, Argentina and Iran. These requests will likely be decided in the next meeting in South Africa. This paves the way for a number of possible effects as follows:

- The turmoil of structural homogeneity: If Iran and Saudi Arabia join BRICS, this would cause a state of "disparity" in the orientations of the members and their strategic vision along with the ongoing disagreements among the founders. Their views differ about the international order, their relationships with the West and their positions towards multipolarity. For example, Russia adopts a strict stance towards bypassing the Western institutions, reducing the risks of interacting with them and creating a parallel area to manage economic, commercial and investment relationships away from the US and European Western bloc. On the other hand, China has adopted a cautious stance amid the intertwining of Beijing's trade system with all countries of the world, while the Indian position is neutral and hesitant in light of India's geopolitical aspirations through its historical alignment with the West and its membership in the Quads Alliance.
- **<u>Reconsidering the formulation of "BRICS-Plus</u>": A dispute will likely break out about Beijing's proposal announced in 2017 by which it sought to expand global southern participation. Additionally, this includes**

reconsidering proposals that aim to merge regional blocs into BRICS. They include Eurasian Economic Union, Southern African Customs Union, and Mercosur. Moscow wants to promote joint strategies with these regional blocs to increase payments in national currencies in their mutual trade. This comes in light of the growing packages of Western sanctions. Joining BRICS will likely become more complicated if regional blocs or organizations are accepted. There are tensions and conflicts within each bloc that could hinder the work of the BRICS as a whole.¹⁴

- The imbalance of security homogeneities: One of the most important possible effects of the accession of new members -such as KSA and Iranis related to security homogeneities among BRICS countries. For example, Tehran's request to join BRICS was submitted concurrently with an Argentinian one. Argentina holds Iran responsible for the terrorist attacks committed within its territories. This is in addition to the internal division between the BRICS countries over the eligibility to add some new countries, such as Iran, and the scale of the negative repercussions of that decision on the relationships of the BRICS countries with both the US and the European bloc.
- Employing the Chinese-Regional coordination: The Saudi-Iranian understandings would likely constitute a positive outcome and direct impact on different files of regional common interest, top of which is "managing the Yemeni crisis". Moreover, the Chinese influence in the region would enhance pushing towards achieving the development requirements in the countries involved in the "New Silk Road" project, foremost of which is Yemen. Furthermore, this would include activating the frameworks of the Memorandum of Understanding signed in April 2019, as part of the work of the second Summit of the Silk Roads. The latter stipulated that Yemen joins the "Silk Road". Therefore, Chinese coordination with the Saudi-Iranian regional powers may contribute to strengthening options for a peaceful settlement and a gradual transition

¹⁴ Ambassador Dr Ezat Saad-Challenges to Expand BRICS amid a Turbulent International System, Future Center for Advanced Research and Studies, February 8th 2023.

toward scheduling reconstruction plans, especially in South Yemen. This can be attained by strengthening work paths under the "Agreement for the Improvement of the Port of Aden" and the cooperation to protect the international shipping route through the Bab al-Mandab Strait.

Accordingly: The ongoing interactions in the map of the international system have pushed developing and emerging countries to seek new paths and cooperative formulas as well as disengagement from the Western unilateral policies. The various effects of the Russian-Ukrainian war and managing the Covid-19 pandemic globally invoke the patterns of protectionism and isolation amid the surge of right-wing and ultra-nationalist movements. This has pushed Middle Eastern states to reconsider the current and possible forms of alliances, foremost of which is allying with BRICS and enhancing foreign response towards a pattern of "positive and active non-alignment". This is amid a troubled geopolitical international system whose ramifications on all political, economic and security fields in all sub regions of the current international system are difficult to predict.

The opinions included in this paper reflect those of the author.

Image of the cover: Reuters

The Saudi-Iranian Understandings and the Map of Expanding BRICS

|Eman Zahran

International Relations & Regional Security Specialist

All rights reserved to:

South24 Center for News and Studies South24.net

