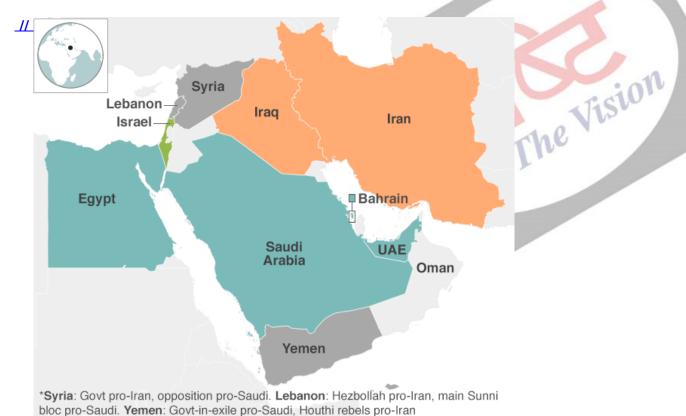


Normalizing Saudi-Iran Relations

Why in News

Recently, **four meetings** took place between representatives of **Iran and Saudi Arabia in Baghdad**, **and one in New York.** These meetings indicate continuity in the **warming of bilateral relations** that had been frozen since 2016.

• The renewed bilateral ties and normalization of relations between Saudi Arabia and Iran will pave the way for **regional stability and diplomatic ease for India as well.**



Key Points

- Background (Saudi Arabia-Iran Conflict):
 - Religious Factionalism: The decades-old feud between them is exacerbated by religious differences.
 - They each follow one of the two main branches of Islam. Iran is largely **Shia**Muslim, while **Saudi Arabia** sees itself as the leading **Sunni Muslim power**.
 - Historically, **Saudi Arabia**, a monarchy and home to the birthplace of Islam, **saw** itself as the leader of the **Muslim world**.

- However this was **challenged in 1979 by the Islamic revolution in Iran** which created a new type of state in the region a kind of revolutionary theocracy that had an explicit goal of exporting this model beyond its own borders.
- **Regional Cold War:** Saudi Arabia and Iran two powerful neighbours are locked in a fierce struggle for regional dominance.
 - Uprisings across the Arab world (after the **Arab Spring** in 2011) caused political instability throughout the region.
 - Iran and Saudi Arabia exploited these upheavals to expand their influence, notably in **Syria, Bahrain and Yemen**, further heightening mutual suspicions.
 - Moreover, external powers like the US and Israel have a major role in exacerbating conflict between Saudi Arabia and Iran.
- Proxy Wars: Iran and Saudi Arabia are not directly fighting but they are engaged in a variety of proxy wars (conflicts where they support rival sides and militias) around the region.
 - For Example, <u>Houthi rebels in Yemen</u>. These groups can acquire greater capabilities which can cause further instability in the region. Saudi Arabia accuses Iran of supporting them.
- 2016 Flash Point: Many Iranian protesters attacked Saudi diplomatic missions in the Iran following Saudi Arabia's execution of the Shiite Muslim cleric Sheikh Nimr al-Nimr.
- Reasons for Normalization of Relations:
 - Saudi Arabia Vision 2030 Strategy: This refers to targeted reforms within the country's economy, defense, tourism and renewable energy.
 - In the context of Covid-19, Saudi Arabia has realised that to attract serious investment, it can only achieve that through a de-escalation with Iran.
 - Compromise on Regional Front: Saudi Arabia is also involved in the process of establishing Syria's power holder Bashar Assad in the Arab League (a regional organization)- a move that has been welcomed by Iran.
 - Withdrawal of US from the Region: The arrival of the new US president (Joe Biden)
 administration and withdrawal of US from Afghanistan and now focusing more on the
 Indo-pacific region, could be another reason for softening of Saudi-Arabia's stance on Iran.
- Possible Impact of Normalization of Relations:
 - **Resolution of Israel-Palestine Conflict:** Warming of relations betwen Iran and Saudi Arabia may have a postive impact in dealing with <u>Israel and the Palestinian issue</u>.
 - **Stabilization of Oil Market:** Iran and Saudi Arabia share a common interest for stable oil prices given the importance of the market to their economies.
 - Normalization of relations would ensure steady oil revenues for all producing countries and more predictability to economic planners in both Saudi Arabia and Iran.

Way Forward

- Role of India: Historically, India has good diplomatic relations with both the countries.
 Stabilization of relations between the two countries may impact India in a mixed way.
 - On the negative side, higher oil prices will affect the balance of trade in India.
 - On the positive side, this could provide easing of investments, connectivity projects across the region.
- **Reciprocity by Iran:** Iran still needs to make a mark in its diplomatic efforts by publicly supporting a cease-fire in Yemen.
- **Easing of US Sanctions:** Clarity on **US sanctions over Iran** is of prime importance, if Iran-Saudi Arabia relations are to get normalised.

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