



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, [Houthi rebels in Yemen](#). 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 between Iran and Saudi Arabia may have a positive impact in dealing with [Israel and the Palestinian issue](#).
 - **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.

[Source: IE](#)

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