

The Saudi-Iran Rapprochement and its Impact on the Middle East Geopolitics and Global Power Dynamics

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Abstract: *The Saudi-Iran rapprochement of 2023, facilitated by China, represents a landmark development with the potential to reshape the geopolitical mosaic of the Middle East and influence global power dynamics. This study investigates the factors driving this reconciliation, including economic challenges, prolonged proxy wars, and the diminishing influence of traditional global powers such as the United States. Employing a qualitative methodology based on thematic and content analysis, the research explores the implications of the rapprochement for regional actors, including the Gulf Cooperation Council (GCC), Turkey, and Pakistan, and for global stakeholders like China, the United States, and Israel. The analysis, grounded in the theoretical frameworks of neorealism and neoliberalism, evaluates whether this reconciliation reflects a pragmatic recalibration of power or a shift toward cooperative regional integration. Key findings highlight the potential of this rapprochement to stabilize global energy markets, foster regional economic integration, and mitigate conflicts in Yemen, Syria, and Lebanon. The study also examines the role of China's mediation as a game-changer in Middle Eastern diplomacy, emphasizing its rising influence in global geopolitics. While the rapprochement offers significant prospects for regional peace and economic cooperation, the research underscores challenges, including enduring sectarian divides, the persistence of external pressures, and unresolved geopolitical rivalries. By highlighting the implications for regional and global stakeholders, this article demonstrates that the Saudi-Iran reconciliation could serve as a blueprint for transforming Middle Eastern power dynamics and fostering a multipolar global order.*

Keywords: Saudi-Iran Rapprochement, Middle East Geopolitics, Global Power Dynamics, Neorealism, Neoliberalism, Regional Stability, Proxy Conflicts, China's Mediation

Introduction

The politics of the Middle East has been profoundly shaped by the decades-long rivalry between Saudi Arabia and Iran, two regional powers whose competing sectarian ideologies, geopolitical ambitions, and external alliances have entrenched conflict across the region. This rivalry, which intensified after the 1979 Iranian Revolution, has fueled proxy wars in Yemen, Syria, and Lebanon, dividing the Middle East into opposing camps and perpetuating instability. Despite numerous mediation attempts by regional players such as Pakistan, Iraq, and Oman, the deep mistrust and external influences from powers like the United States have repeatedly thwarted efforts to achieve lasting peace. These past failures underscore the complexities of Saudi-Iran relations and the profound challenges in bridging their differences.

The 2023 rapprochement between Saudi Arabia and Iran, brokered by China, marks a historic turning point with the potential to redefine Middle Eastern geopolitics. For Saudi Arabia, this reconciliation aligns with its Vision 2030 economic diversification strategy, seeking stability to attract foreign investment and reduce the financial burden of prolonged proxy wars. For Iran, decades of economic sanctions and regional isolation have made normalization a pragmatic step to ease internal pressures and secure regional influence. China's role as a mediator highlights the shifting global power dynamics, with its neutral stance and economic interests enabling it to succeed where previous mediators failed.

This reconciliation not only promises to stabilize the region but also presents a challenge to traditional Western hegemony in the Middle East.

The implications of this rapprochement are wide-ranging, impacting not only the immediate relationship between Saudi Arabia and Iran but also a host of regional and global players. For actors such as the Gulf Cooperation Council (GCC), Turkey, and Pakistan, the agreement offers opportunities for reduced tensions and enhanced regional cooperation. Globally, China's success in mediating this deal showcases its rising influence in global diplomacy, while the diminished role of the United States and Israel signals a significant realignment of global power dynamics. The potential to stabilize global energy markets, reduce proxy conflicts, and foster regional economic integration further underscores the importance of this development.

Despite its transformative potential, the rapprochement faces significant challenges that could undermine its success. Persistent sectarian divides between Sunni Saudi Arabia and Shia Iran, ongoing proxy conflicts in Yemen and Syria, and external pressures from the United States and Israel remain critical hurdles. Intra-GCC dissent, particularly from hardliners such as the UAE and Bahrain, adds another layer of complexity. Addressing these challenges will be vital to ensuring that this reconciliation translates into lasting peace and stability.

A key research gap addressed in this study lies in understanding the long-term sustainability of the Saudi-Iran rapprochement within the context of shifting regional and global power dynamics. While previous research has explored the historical roots of their rivalry and the failures of past mediation efforts, limited attention has been given to the conditions that make this reconciliation distinct. This study also addresses the broader implications for regional integration and global power structures, particularly focusing on China's emerging role as a neutral mediator. By employing a qualitative methodology grounded in neorealism and neoliberalism, this research seeks to provide a nuanced understanding of the motivations, implications, and prospects of the Saudi-Iran rapprochement, offering insights into its potential to transform Middle Eastern geopolitics.

Research Objective

This research aims to critically analyze the transformative implications of the Saudi-Iran rapprochement for the Middle East's geopolitical and geo-economic dynamics. By focusing on the motivations behind this historic reconciliation and its impact on regional stability, the study explores how this normalization influences power structures, ongoing proxy conflicts, and alliances within the region. Additionally, it examines the broader global significance of the rapprochement, particularly in the context of China's mediating role and its challenge to traditional Western dominance. Grounded in the comparative frameworks of neorealism and neoliberalism, the research seeks to evaluate whether this development signifies a recalibration of power politics or a shift toward cooperative interdependence in the region.

Methodology

This study utilizes a qualitative research methodology to explore the Saudi-Iran rapprochement and its implications for the geopolitical and geo-economic landscape of the Middle East. The research relies on thematic analysis and content analysis to examine existing literature, official statements, and diplomatic agreements, identifying recurring themes and narratives relevant to the reconciliation process.

Thematic analysis is applied to uncover key patterns, such as the role of external mediators, the evolving regional alliances, and the socio-political drivers behind the rapprochement. Content analysis is used to interpret textual data from policy documents, speeches, and media reports, enabling a detailed understanding of the motivations, strategies, and potential challenges associated with this development.

This approach is well-suited for capturing the nuanced, multi-layered nature of the subject, allowing the study to analyze both historical contexts and contemporary developments. The chosen methodology

ensures a structured, in-depth exploration of the rapprochement and its potential to reshape the regional and global dynamics.

Theoretical Framework

This research is grounded in the comparative theoretical frameworks of neorealism and neoliberalism, offering distinct perspectives on the Saudi-Iran rapprochement and its broader implications for the Middle East.

Neorealism, or structural realism, emphasizes the anarchic nature of the international system, where states prioritize their survival and security. According to this perspective, the rapprochement between Saudi Arabia and Iran can be viewed as a strategic recalibration driven by the need to balance power and address external threats. Neorealism frames this reconciliation as a pragmatic response to shifting regional and global pressures, such as economic vulnerabilities and the rise of new power centers like China. It highlights the role of self-interest and competition in state behavior, suggesting that the rapprochement is less about trust and more about calculated adjustments to changing circumstances.

Neoliberalism, on the other hand, focuses on the potential for cooperation, economic interdependence, and the role of institutions in mitigating conflict. From this lens, the Saudi-Iran reconciliation reflects a shift toward collaborative engagement aimed at achieving mutual benefits, such as regional stability, economic growth, and reduced costs of prolonged proxy conflicts. Neoliberalism underscores the importance of dialogue, agreements, and shared interests in fostering long-term peace and integration.

By applying these contrasting frameworks, the study provides a nuanced understanding of the Saudi-Iran rapprochement, evaluating whether it represents a realist power-balancing act or a neoliberal move toward interdependence and regional cooperation. This theoretical lens enables the research to dissect the motivations behind the reconciliation and its potential to reshape the Middle Eastern geopolitical and geo-economic order.

The Saudi-Iran Rapprochement in the light of Neorealist Paradigm

Neorealism, which emphasizes the anarchic structure of the international system, offers a clear lens to understand the Saudi-Iran rapprochement. According to this perspective, the reconciliation between these two historically adversarial powers is not a reflection of trust but rather a strategic adjustment driven by shifting regional and global dynamics.

For decades, Saudi Arabia and Iran competed for regional dominance, using proxies and alliances to counterbalance each other. However, their recent normalization can be viewed through a neorealist lens as a pragmatic response to external pressures. Saudi Arabia's costly military involvement in Yemen and its focus on economic diversification under Vision 2030 created a strong impetus to reduce regional conflicts. Simultaneously, Iran's economy, weakened by international sanctions and internal strain, faced limitations in sustaining its proxy engagements across the region.

External actors also play a significant role in neorealist interpretations. China's mediation highlights the changing global power dynamics. As a rising power with significant economic interests in both countries, China provided a platform for dialogue, emphasizing its growing influence in Middle Eastern politics. This development challenges the traditional dominance of Western powers, particularly the United States, in the region. From a neorealist perspective, the rapprochement reflects a recalibration of power, with Saudi Arabia and Iran adapting to the emergence of a multipolar world order while addressing their vulnerabilities.

In essence, neorealism frames the rapprochement as a calculated response to structural pressures rather than a genuine reconciliation. It suggests that the agreement is a transactional move aimed at maximizing power and minimizing threats in an increasingly complex international system.

The Neoliberalism Lens and the Saudi-Iran Rapprochement

In contrast, neoliberalism provides a more optimistic interpretation of the Saudi-Iran rapprochement, emphasizing the potential for cooperation, mutual gains, and interdependence. From this perspective, the normalization is not merely about survival or strategic balance but represents an opportunity to build trust and pursue shared benefits.

The restoration of diplomatic ties and commitments to respect each other's sovereignty signal a shift toward reducing long-standing hostilities. Neoliberalism highlights how economic incentives, such as increased trade, investment, and regional stability, can drive cooperation. For Saudi Arabia, easing tensions supports its Vision 2030 objectives, while for Iran, the rapprochement offers a chance to break free from economic isolation and sanctions-related challenges. These shared interests align with neoliberal principles, where dialogue and agreements pave the way for mutual benefit.

Another key aspect of neoliberalism is the role of external mediators. China's involvement is seen not as a geopolitical maneuver but as a facilitator of cooperation. By mediating between Saudi Arabia and Iran, China underscored the importance of economic interdependence and regional stability, which are central to neoliberalism. Additionally, the potential for collaborative efforts to address conflicts like Yemen further reflects the neoliberal emphasis on dialogue and conflict resolution.

Unlike neorealism, which views the rapprochement as temporary and transactional, neoliberalism sees it as a step toward sustained peace and integration. It suggests that through institutional frameworks, economic collaboration, and shared interests, the normalization could lead to long-term regional stability and cooperation.

The Cross-Section of Neorealism and Neoliberalism and the KSA-Iran Ties

While neorealism and neoliberalism offer contrasting interpretations, certain elements of the Saudi-Iran rapprochement reveal overlaps in their application.

- i. Motivations for Rapprochement: Neorealism attributes the normalization to strategic necessity and structural pressures, while neoliberalism sees it as an opportunity to foster cooperation and interdependence.
- ii. Role of Trust: Neorealism remains skeptical of genuine trust between states, viewing agreements as temporary arrangements. In contrast, neoliberalism highlights the potential for building trust through dialogue and collaboration.
- iii. External Mediation: Neorealism views China's mediation as part of a broader geopolitical contest to challenge U.S. dominance. Neoliberalism emphasizes China's role in facilitating mutual benefits and regional stability.
- iv. Economic Pressures: Both theories recognize the role of economic challenges in shaping state behavior. Neorealism interprets economic strain as a driver of power recalibration, while neoliberalism views it as a catalyst for cooperation.
- v. Impact on Regional Stability: Both frameworks agree that reduced tensions between Saudi Arabia and Iran could stabilize the Middle East, though they differ on the mechanisms driving this stability.
- vi. Structural Adjustments: Both neorealism and neoliberalism acknowledge that structural changes in global and regional power dynamics—such as China's rising influence—have compelled Saudi Arabia and Iran to rethink their strategies.
- vii. Combined Perspective: Taken together, the two theories provide a comprehensive understanding of the Saudi-Iran rapprochement. Neorealism explains the immediate drivers of the agreement, emphasizing pragmatic adjustments to economic and security pressures.

Neoliberalism, on the other hand, highlights the longer-term potential for cooperation, regional stability, and economic integration.

By combining these perspectives, the rapprochement emerges as both a strategic necessity and a potential turning point for the Middle East. While the motivations may align with neorealist calculations of power and survival, the outcomes could reflect neoliberal aspirations for collaboration and mutual benefit. This dual framework underscores the complexity of the Saudi-Iran reconciliation, capturing its transactional nature while recognizing its transformative possibilities.

Literature Review- Meta Analysis and Research Gap

The Saudi-Iran rivalry and the recent rapprochement have garnered significant scholarly attention, with various authors offering insights into their historical context, motivations, and geopolitical implications. This review consolidates existing perspectives, highlights overlapping arguments, and identifies gaps in the current research.

Heiden and Krijger (2018) describe the Saudi-Iran rivalry as one of the Middle East's most enduring conflicts, rooted in ideological, sectarian, and geopolitical differences. They argue that this rivalry has perpetuated instability in the region, exacerbated by the interference of external powers. Similarly, Fozia and Ali (2018) emphasize that any meaningful stabilization in the Middle East hinges on resolving tensions between these two powers. However, these works primarily focus on the rivalry's historical underpinnings, with limited attention to the evolving regional dynamics and external pressures that have shaped recent developments.

Challenges to the Past Mediation Efforts

The failures of past mediation efforts are well-documented. Ibrahim (2020) highlights that attempts by Pakistan, Iraq, and Oman were largely unsuccessful due to limited political leverage and the influence of external players, particularly the United States. Keynoush (2020) expands on this by noting how Pakistan's economic dependence on Saudi Arabia and its geopolitical sensitivities limited its ability to act as an impartial mediator.

Najat (2022) evaluates Iraq's Baghdad Dialogue (2021–2022), which achieved modest success in reducing tensions but failed to deliver substantial breakthroughs due to ongoing proxy conflicts and entrenched distrust. Engel (2016), McEniry (2017), and Sherlock (2019) examine Oman's neutrality as a strength in its diplomatic role. Oman's efforts, though commendable, were undermined by the lack of institutional frameworks or follow-up mechanisms to ensure long-term engagement. These analyses focus on the structural constraints of past mediators but do not fully explore the conditions under which mediation could succeed, leaving a gap in understanding the necessary ingredients for lasting rapprochement.

The Role of External Powers: A Shift in Dynamics

The 2023 rapprochement, brokered by China, represents a turning point that scholars such as Almaari (2023) and Esfandiary and Jacobs (2023) consider unprecedented. They argue that China's neutral position and economic interests in both nations allowed it to mediate successfully, contrasting sharply with the limited success of prior mediators. Haghirian and Scita (2023) frame China's involvement as a strategic move to challenge U.S. hegemony and reshape the regional security architecture, underscoring a shift in global power dynamics. While these analyses provide valuable insights into the role of external actors, they do not sufficiently address whether China's mediation model can be replicated in other regional disputes, leaving a critical gap in the literature.

Economic Drivers of Reconciliation

A recurring theme in the literature is the role of economic pressures in driving rapprochement. Mnekhair (2023) and Jahandad and Mustafa (2022) argue that economic fatigue, driven by prolonged proxy wars

and internal challenges, compelled both nations to reconsider their rivalry. Saudi Arabia's Vision 2030, aimed at economic diversification, and Iran's struggle with sanctions-induced isolation are identified as primary factors motivating reconciliation. Tabrizi (2016) highlights the potential for cooperation in stabilizing global energy markets, while Motamedi (2022) underscores Yemen's strategic importance as a test case for broader de-escalation. While these studies offer valuable perspectives, they largely focus on immediate economic incentives and neglect the potential long-term implications for regional economic integration.

Challenges to the Regional Stability

Farouk (2023) and Nuruzzaman (2020) caution against overestimating the rapprochement's durability, pointing to persistent challenges such as external pressures from the U.S. and Israel, intra-GCC dissent, and the unresolved proxy conflicts in Yemen, Syria, and Lebanon. These authors highlight the fragility of the peace process but do not delve deeply into strategies to mitigate these risks, leaving room for further exploration of the conditions required to sustain the reconciliation.

Research Gap

The existing literature provides a detailed understanding of the historical roots, economic drivers, and geopolitical factors influencing the Saudi-Iran rapprochement. However, a significant gap lies in examining the long-term sustainability of this reconciliation within the framework of shifting global power dynamics. While past efforts failed due to structural constraints, the 2023 rapprochement represents a unique case where external mediation by a rising power like China has introduced new variables. There is limited research on whether this model of mediation can address enduring issues, such as sectarian divides, external pressures, and the role of proxies. Furthermore, the implications of this rapprochement for broader regional integration and its alignment with global power shifts remain underexplored.

Discussion and Analysis

The Saudi-Iran rapprochement of 2023 is an extraordinary development in the Middle East, signaling a potential shift in the region's long-standing rivalries and opening avenues for greater stability. This reconciliation, facilitated by China, comes after decades of ideological, sectarian, and geopolitical divisions that have fueled proxy wars and disrupted regional cohesion. The motivations behind this normalization, the implications for regional and global actors, and the obstacles that could threaten its sustainability collectively provide a comprehensive framework to assess its transformative potential.

Lessons from Past Mediation Efforts. Efforts to mediate between Saudi Arabia and Iran have historically faced significant obstacles. These initiatives, primarily led by regional actors such as Pakistan, Iraq, and Oman, were often limited in scope and constrained by external influences. Understanding these past failures underscores the distinctiveness of the 2023 rapprochement.

Pakistan's Limited Success:

Pakistan's role as a mediator in the Saudi-Iran rivalry has been shaped by its unique position as a nation with religious, geographic, and political ties to both countries. In 2016, Pakistan attempted to ease tensions after the execution of Shia cleric Nimr al-Nimr led to the storming of the Saudi embassy in Tehran. Similarly, in 2019, it intervened following the Aramco oil facility attacks that were widely attributed to Iran-backed groups. While Pakistan's neutrality allowed it to initiate dialogue, its efforts remained limited. External factors, such as U.S. interests in maintaining controlled tensions in the region, and Pakistan's economic dependence on Saudi Arabia, restricted its ability to broker a long-term solution. As Keynoush (2020) explains, Pakistan's geographic sensitivities, particularly its shared border with Iran, further complicated its mediatory role.

The Baghdad Dialogue and Iraq's Role:

Iraq's Baghdad Dialogue in 2021–2022 represented a significant attempt to bring Saudi Arabia and Iran to the negotiation table. Iraqi Prime Minister Mustafa al-Kadhimi's leadership facilitated direct talks between the two nations, breaking a long-standing diplomatic deadlock. However, as Najat (2022) observes, the lack of transparency in these discussions and the ongoing proxy conflicts in Yemen, Syria, and Lebanon limited their effectiveness. While the dialogue marked an important step forward, it failed to address the structural causes of mistrust between Saudi Arabia and Iran.

Oman's Consistent Neutrality:

Oman has maintained a policy of neutrality in Middle Eastern politics, earning it the reputation of a trusted mediator. Over the years, Oman has facilitated informal communication between Saudi Arabia and Iran during moments of heightened tension. Its role in the Iran nuclear negotiations exemplifies its ability to bring conflicting parties together. However, as Sherlock (2019) and Engel (2016) note, Oman's efforts in mediating Saudi-Iran relations have often been confined to maintaining dialogue rather than addressing core issues such as sectarian divides or competing geopolitical ambitions.

These past efforts illustrate a recurring pattern: regional mediators often lacked the leverage or neutrality required to achieve lasting reconciliation. This context highlights the uniqueness of the 2023 rapprochement, which involved China—a global power with significant economic stakes in both nations and no sectarian bias—facilitating the agreement.

The Motivations behind the 2023 Rapprochement:

The Saudi-Iran reconciliation was driven by a combination of economic imperatives, strategic exhaustion, and the evolving geopolitical landscape. Economic considerations were central to the rapprochement. Saudi Arabia's Vision 2030 aims to transform its economy by reducing dependence on oil exports and fostering sectors like tourism, technology, and foreign investment. Stability in the region is critical to achieving these goals. The prolonged conflict in Yemen, where Saudi Arabia has led a military coalition against the Iranian-backed Houthis, has drained resources and posed a significant obstacle to economic diversification.

For Iran, decades of crippling sanctions and regional isolation have taken a toll on its economy, limiting its ability to project influence and sustain proxy campaigns. By normalizing relations with Saudi Arabia, Iran seeks to break its isolation, reduce economic pressures, and reassert itself as a regional power. As Mnekhir (2023) argues, the economic strain on both nations created a mutual incentive to pursue reconciliation.

China's Role and Global Power Shifts:

The involvement of China as a mediator marks a significant departure from previous attempts at reconciliation. Unlike Pakistan, Iraq, or Oman, China brought substantial economic and political leverage to the table. As the world's largest importer of energy, China has a vested interest in stability in the Middle East to secure its energy supplies and protect its investments in the Belt and Road Initiative (BRI). Haghirian and Scita (2023) emphasize that China's neutrality and growing influence in global politics allowed it to succeed where others had failed. This development also reflects the diminishing influence of the United States in the Middle East, as regional powers increasingly look to alternative players for diplomatic solutions.

Implications for Regional and Global Players: The normalization of Saudi-Iran relations has significant implications for a variety of stakeholders, including regional actors, global powers, and international institutions.

The GCC and the Regional Cohesion: The rapprochement has the potential to strengthen the Gulf Cooperation Council (GCC) by fostering greater unity among its members. However, intra-GCC

dynamics remain a challenge. Countries such as the UAE and Bahrain have historically taken a hardline stance against Iran, accusing it of supporting subversive activities in the region. Saudi Arabia must navigate these differences to ensure that the normalization with Iran does not create rifts within the GCC. Tabrizi (2016) highlights the importance of a cohesive GCC approach to addressing shared economic and security challenges.

Implications for the Countries in Neighboring Regions: Turkey and Pakistan The Saudi-Iran recently brokered reconciliation has far reaching effects for the geopolitical calculations of neighboring states like Turkey and Pakistan. Turkey, which has significant interests in Iraq and Syria, will likely watch closely how this reconciliation impacts Iranian influence in these regions. For Pakistan, the normalization offers a chance to maintain balanced relations with both nations while benefiting from a more stable regional environment. Reduced tensions in the Middle East could also provide Pakistan with greater opportunities for economic cooperation and trade.

Global Key Players: China, the US and Israel: China's role in mediating the Saudi-Iran agreement demonstrates its rising influence in Middle Eastern diplomacy. Almaari (2023) argues that this development aligns with China's broader strategy to challenge Western dominance and reshape global power dynamics. Conversely, the reconciliation complicates U.S. and Israeli efforts to contain Iran. Farouk (2023) notes that the normalization weakens the anti-Iran coalition in the region, reducing Israel's leverage in its geopolitical contest with Tehran.

The Global Energy Market: The Saudi-Iran rapprochement has significant implications for global energy markets. Reduced tensions between the two nations lower the risk of disruptions near critical maritime trade routes, such as the Strait of Hormuz. Tabrizi (2016) emphasizes that cooperation between Saudi Arabia and Iran could lead to more cohesive OPEC policies, stabilizing oil prices and benefiting producers and consumers alike.

Chances of Success and Key Challenges. While the rapprochement offers significant promise, several factors will influence its long-term sustainability. The opportunities for success can also be of vital interests. The shared economic benefits of normalization, coupled with China's neutral mediation, provide a strong foundation for reconciliation. Both nations have shown a willingness to de-escalate tensions, as evidenced by their commitments to reopen embassies and respect each other's sovereignty. If these initial steps are sustained, the rapprochement could pave the way for broader regional cooperation.

Challenges to Sustained Peace. While the Saudi-Iran rapprochement of 2023 offers hope for regional stability, several deeply rooted challenges could undermine its progress. These hurdles, stemming from sectarian divides, entrenched proxy conflicts, external pressures, and regional rivalries, must be carefully navigated to ensure the reconciliation leads to lasting peace.

Sectarian Divides: The Sunni-Shia divide, a fundamental driver of Saudi-Iran tensions, continues to shape their rivalry. As regional leaders of Sunni and Shia Islam respectively, Saudi Arabia and Iran have used sectarian narratives to assert influence, which has deeply polarized the region. While the rapprochement is a positive step, mistrust rooted in ideological differences will not disappear overnight. Religious hardliners within both nations could oppose normalization, threatening to derail progress. To overcome this, both nations need to prioritize inter-sectarian dialogue and adopt a more inclusive approach to religious diplomacy.

Proxies in Yemen and Beyond: Proxy wars remain a significant test of the rapprochement's sincerity. Yemen, where Saudi Arabia supports the government and Iran backs the Houthi rebels, represents the most pressing example. Prolonged conflict in Yemen has drained resources and exacerbated humanitarian crises. If both sides reduce support for their respective proxies and collaborate on mediation efforts, Yemen could become a symbol of reconciliation. However, similar challenges persist in Syria and Lebanon, where their competing influences remain entrenched.

External Pressures: External actors, particularly the United States and Israel, view Iran as a principal threat and could oppose the reconciliation. For the U.S., the rapprochement challenges its traditional role as a security guarantor in the Middle East. Israel, meanwhile, relies on Gulf states like Saudi Arabia to counterbalance Iran's influence in the region. Normalized Saudi-Iran ties could weaken Israel's strategic alliances, especially in light of ongoing conflicts involving Iran-backed groups like Hezbollah. These external pressures could complicate efforts to sustain peace between the two rivals.

Intra-GCC Dynamics: Within the Gulf Cooperation Council (GCC), not all member states share Saudi Arabia's willingness to engage with Iran. The UAE and Bahrain, for instance, have historically taken a harder stance, accusing Iran of interference in their internal affairs. These divisions within the GCC could undermine collective efforts for regional stability. Saudi Arabia will need to lead diplomatically to align GCC members toward a unified approach that balances engagement with caution.

Iran's Nuclear Program (JCPOA): Iran's nuclear ambitions remain a critical point of contention. Saudi Arabia views Iran's pursuit of nuclear capabilities as a destabilizing factor that threatens the balance of power in the region. Without clear agreements or confidence-building measures regarding nuclear proliferation, this issue could reignite hostilities and derail the reconciliation process.

The Saudi-Iran rapprochement represents a historic opportunity to reshape the Middle East's geopolitical and economic landscape. Unlike past efforts, this reconciliation reflects a pragmatic shift in priorities, driven by economic realities and facilitated by China's neutral mediation. While challenges such as sectarian divides, proxy conflicts, and external pressures remain, the implications for regional stability and global power dynamics are immense. If sustained, this agreement could mark the beginning of a new era of cooperation and stability in the Middle East.

Conclusion

The 2023 Saudi-Iran rapprochement marks a pivotal moment in the history of Middle Eastern geopolitics, offering an opportunity to resolve decades of rivalry that have shaped the region's conflicts and alliances. This study explored the motivations behind this reconciliation, including economic pressures, strategic exhaustion from prolonged proxy wars, and shifting regional dynamics. Unlike previous failed mediation attempts, often constrained by limited leverage or external interference, this rapprochement was facilitated by China, a neutral global power with significant stakes in the stability of the Middle East.

The research addressed the gap in understanding the long-term implications of this normalization for regional and global players. It analyzed whether the reconciliation reflects a recalibration of power based on mutual interests or a step toward sustained regional integration. Grounded in neorealism and neoliberalism, the study highlighted the transformative potential of this agreement for regional stability, global energy markets, and power dynamics between emerging and traditional global players.

However, the challenges to sustained peace remain substantial. The deeply rooted sectarian divide between Sunni Saudi Arabia and Shia Iran continues to fuel mistrust. Proxy conflicts, particularly in Yemen, Syria, and Lebanon, test the sincerity of this reconciliation, while external pressures from actors such as the United States and Israel complicate its trajectory. Additionally, intra-GCC dissent and Iran's nuclear ambitions present further hurdles that could derail the peace process.

Despite these challenges, the rapprochement signifies a crucial step toward reconfiguring the regional power calculus. If successful, it could redefine the Middle East's geopolitical mosaic by mitigating tensions, fostering economic cooperation, and reducing the influence of external powers in regional affairs. The broader global implications of this agreement, particularly in establishing a more multipolar order with China at the forefront, are equally profound.

This study concludes that while the rapprochement is fragile and faces numerous obstacles, its potential to reshape the Middle East's political and economic landscape cannot be understated. It offers a unique

opportunity for Saudi Arabia and Iran to transcend their historical rivalry and pave the way for a more stable and cooperative regional order.

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