



# Saudi Arabia, Iran, and the Search for a Durable, Less Militarized Consensus

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*Published as part of debate #4 of the SALAM project, Fall 2024*

The March 2023 declaration in Beijing that Saudi Arabia and Iran had agreed to resume diplomatic relations, more than seven years after they were cut in January 2016, has proven unexpectedly durable and resilient in the face of Israel's brutal, indiscriminate war on Gaza following Hamas' violent attack on Israeli territory on 7 October 2023. While the ongoing crisis is the longest and deadliest episode in the Arab-Israeli conflict since 1948, the risks of a broader regional conflagration have been somewhat mitigated by a convergence of interests across the Middle East that few would have predicted prior to 2020. As the wider region stands on the precipice of a broader conflict, the rapid warming of Saudi-Iran ties offers a rare point of optimism. This memo explores the degree to which the rapprochement can become the basis for a meaningful new relationship between Riyadh and Tehran and whether the coming together over Gaza may contribute to decentering arms in at least some aspects of regional security dynamics.

## Lack of a security community

Contrary to claims from both sides of the Saudi-Iran divide, bilateral relations did not abruptly freeze after the Shah was toppled in January 1979 and replaced by Ayatollah Khomeini's revolutionary clerical regime. Senior Saudi princes, including two future kings, initially responded with cautious optimism to the Islamic nature of the new political order in Tehran. In January 1980, Crown Prince Fahd stated, "the new regime in Iran is working under the banner of Islam, which is our motto in Saudi Arabia," while Prince Abdullah told the Gulf News Agency, "The Holy Quran is the constitution of our two countries, and thus links between us are no longer determined by material interests or geopolitics."<sup>1</sup> Over time, however, political, more than religious, factors led leaders in Tehran and Riyadh to construct 'the other' as a threat to national security and regional stability, especially after the outbreak of the Iran-Iraq War.<sup>2</sup> Even in these circumstances, bilateral ties waxed and waned and were far from static.<sup>3</sup>

Neither a workable regional order nor a viable security community emerged in the Gulf despite a period of optimism in the late 1990s and early 2000s which saw Saudi and Iranian leaders reach a wide-ranging economic agreement in May 1998 and a security

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1 Dilip Hiro, *Cold War in the Islamic World: Saudi Arabia, Iran and the Struggle for Supremacy* (London: Hurst & Co., 2018), 66-67.

2 Talal Mohammad, *Iranian-Saudi Rivalry since 1979: In the Words of Kings and Clerics* (London: I.B. Tauris, 2023), 54-55.

3 Nader Entessar, "A Regional Great Game? Iran-Saudi Relations in Flux," in Kristian Coates Ulrichsen (ed.), *The Changing Security Dynamics of the Persian Gulf* (London: Hurst & Co., 2017), 130-31.



cooperation pact three years later.<sup>4</sup> The 2001 security pact, focused on practical cooperation in tackling shared challenges like drug trafficking, crime, and terrorism, had the potential to serve as an important building block. However, it was signed in April, only to be overtaken within months by the events of September 11, the ensuing Global War on Terror, and the U.S.-led invasion of Iraq, and was seemingly never activated.<sup>5</sup> By the time Abdullah became King of Saudi Arabia in 2005, the political trajectory of post-Saddam Iraq had generated deep mistrust in Riyadh regarding Iran's (perceived) policy objectives.<sup>6</sup> A sectarian dimension increasingly shaped perspectives on regional security challenges in the decade after 2003, which also influenced responses to uprisings in Bahrain and Yemen in (and after) 2011.<sup>7</sup> Internal and external dimensions of security became conflated as regimes on both sides of the Gulf blamed political protests (in Iran in 2009 and in GCC states in 2011) on external meddling and accused each other of trying to interfere in domestic affairs for geopolitical gain.<sup>8</sup> In addition, the Arab Gulf States continued to deepen their defense ties with Western partners, especially the U.S., which cut against Iran's insistence that extra-regional powers had no place in security dynamics.<sup>9</sup>

Tensions between Saudi Arabia and Iran were not the only reason for the breakdown in regional order in the Gulf, although they spiked again in 2016 when Iranian crowds stormed Saudi diplomatic facilities after the execution of prominent Saudi Shia cleric Nimr al-Nimr, leading to the rupture in ties that lasted until 2023. Indeed, regional geopolitics in the decade between the Arab uprisings in 2011 and the global pandemic in 2020 was arguably defined more by disputes among the Arab Gulf States rather than by tensions with Iran. Rifts between Qatar and a trio of neighboring Arab Gulf states (Saudi Arabia, Bahrain, and the UAE) dominated much of the 2010s and served to reshape threat perceptions within the Arab Gulf.<sup>10</sup> Together, the rise of tensions among Arab Gulf States and the multiple regional and sectarian flashpoints fueled a surge in arms imports that contributed to the intensified militarization of the Gulf after 2011. Saudi Arabia, the UAE, and Qatar, long among the world's top military spenders, solidified their positions as three of the top five arms importers in the world, with the Middle East's share of international arms transfers rising from 23 percent to 35 percent across the decade.<sup>11</sup> Qatari leaders

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4 Barry Buzan and Ole Waever, *Regions and Powers: The Structure of International Security* (Cambridge: Cambridge University Press, 2003), 204-05.

5 Faris Almaari, "Clarifying the Status of Previous Iran-Saudi Agreements," *The Washington Institute for Near East Policy*, Policy Analysis, March 16, 2023.

6 Kitty Harvey, *A Self-Fulfilling Prophecy: The Saudi Struggle for Iraq* (London: Hurst & Co., 2021), 133.

7 Fred Wehrey, *Sectarian Politics in the Gulf: From the Iraq War to the Arab Uprisings* (New York: Columbia University Press, 2014), xvii.

8 Nader Hashemi and Danny Postel, "Introduction: The Secterianization Thesis," in Nader Hashemi and Danny Postel (eds.), *Sectarianization: Mapping the New Politics of the Middle East* (London: Hurst & Co., 2017), 11.

9 Kristian Coates Ulrichsen, "Rebalancing Regional Security Dynamics in the Persian Gulf," *Baker Institute for Public Policy*, Issue Brief, February 2020, 14.

10 Dina Esfandiary, *New Order in the Gulf: The Rise of the UAE* (London: I.B. Tauris, 2023), 2-3.

11 Emma Soubrier, "The Weaponized Gulf Riyal Politik(s) and Shifting Dynamics of the Global Arms Trade," *The Economics of Peace and Security Journal*, 15(1), 2020, 49.

responded to the imposition of a Saudi- and Emirati-led embargo in 2017 by placing massive new orders of fighter jets from the U.S., the U.K., and France, their Emirati counterparts sought to acquire the latest-generation F-35 fighters from the U.S. after the UAE's normalization agreement with Israel (the Abraham Accords) in 2020, and both the Emiratis and the Saudis invested heavily in developing their defense sectors to localize procurement.<sup>12</sup>

## Changing regional dynamics

The most important factor that shifted the regional dynamic away from confrontation was an unintended consequence of the Trump administration's highly unconventional style of decision-making. Between May and September 2019, a series of attacks linked to, but never formally claimed by, Iran (or Iranian-aligned groups) targeted energy and maritime infrastructure in Saudi Arabia and the UAE. These culminated in the missile-and-drone strike on Saudi oil facilities at Abqaiq and al-Khuraish in September 2019, which temporarily knocked out more than half of the Kingdom's production capacity.<sup>13</sup> Despite the scale of the attack, President Trump declined to intervene in support of Saudi Arabia, pointedly stating that "that wasn't an attack on us".<sup>14</sup> Trump's non-response shocked policymakers in Riyadh and Abu Dhabi, who had previously appeared to take U.S. support largely for granted, particularly over issues such as energy security which were believed to be 'red lines,' and who began to reassess their stance on Iran by reaching out directly to counterparts in Iran for talks (in the Emirati case) and indirectly through intermediaries (in the Saudi case).<sup>15</sup>

Multiple rounds of dialogue between Iranian and Saudi officials, mostly held in Iraq but also facilitated by Oman and supported by Track II initiatives in European cities, paved the way for the March 2023 breakthrough in Beijing. The trilateral announcement of a sequential plan to restore diplomatic relations took many analysts of regional affairs by surprise, and was intriguing for three main reasons: first, China's involvement in finalizing the deal; second, the fact that U.S. observers were caught flat-footed as they had been expecting a Saudi normalization with Israel rather than Iran; and third, the Beijing declaration referenced the muscle memory of the prior agreements of 1998 and 2001. The mention of these prior agreements between Iran and Saudi Arabia was particularly interesting for the narrative arc that presented the 2023 agreement as a return to a

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<sup>12</sup> Kristian Coates Ulrichsen, *Qatar and the Gulf Crisis* (London: Hurst & Co., 2020), 209; Mark Mazzetti and Edward Wong, "Trump Administration Pushes Arm Sale to UAE Despite Israeli Worries," *New York Times*, August 19, 2020; Matt Smith, "UAE and Saudi Arabia Race to Develop Defence Industries," *Arabian Gulf Business Insight*, May 1, 2023.

<sup>13</sup> David Roberts, *Security Politics in the Gulf Monarchies: Continuity amid Change* (New York: Columbia University Press, 2023), 157.

<sup>14</sup> Steve Holland and Rania El Gamal, "Trump Says He Does Not Want War after Attack on Saudi Oil Facilities," *Reuters*, September 17, 2019.

<sup>15</sup> Liz Sly, "The UAE's Ambitions Backfire as it Finds Itself on the Front Line of U.S.-Iran Tensions," *Washington Post*, August 11, 2019; Farnaz Fassihi and Ben Hubbard, "Attack on Saudi Oil Facilities Tests U.S. Guarantees to Defend Gulf," *New York Times*, September 19, 2019.



previous era of better relations. Adding a Chinese imprimatur to the Saudi-Iran rapprochement sent a strong signal from all three parties in support of dialing down tensions in the Gulf, at a time when the Biden administration had given up on re-engaging in the Joint Comprehensive Plan of Action, and concerns over a possible Israeli strike on Iran were intensifying.

Officials in Riyadh and in Tehran had their own reasons to support the process of geopolitical reconciliation in (and since) 2023. Crown Prince Mohammed bin Salman has made Vision 2030 the centerpiece of his ambitious effort to overhaul Saudi Arabia's economic and social structures, and 2023 marked the midpoint of the project of visionary change, launched in 2016. The challenge for Saudi authorities has been that levels of inward investment have been lower than anticipated, which has meant that funding for Vision 2030 and the 'giga-projects' has had to be largely self-generated.<sup>16</sup> As a result, Mohammed bin Salman has placed a premium on 'de-risking' Saudi Arabia from regional instability, which has contrasted sharply with the impulsive and assertive set of regional policies, including in Yemen, which had marked his earlier political rise from 2015 to 2019. With 2023 halfway between the launch of Vision 2030 by then-Deputy Crown Prince in 2016 and its 2030 target, the focus for Mohammed bin Salman (and those around him) needs to shift decisively toward implementation to achieve measurable outcomes by the end of the decade.<sup>17</sup> For Iran, the restoration of ties with Saudi Arabia enabled the leadership to demonstrate that U.S. attempts to isolate Tehran had failed, and that they retained diplomatic options both regionally, with the UAE also restoring ties, Bahrain moving to do so, and Kuwait working to integrate all regional states in a holistic vision of security,<sup>18</sup> and globally, with partners such as China and Russia, which also wanted a workable balance in the Gulf for reasons of economic and energy security.

## The Gaza convergence

Iran and Saudi Arabia exchanged ambassadors on September 5, 2023, nearly six months to the day after the March 10 agreement was announced, as other elements of the reconciliation, such as the exchange of pilgrims and tourists, also restarted. High-level visits between the two countries recommenced in the summer of 2023, initiating a fairly continuous dialogue between officials which ensured that channels of regular communication were open and functional. These steps marked the beginning of a process of de-escalation and the (re)construction of political and diplomatic relationships, and these renewed ties showed their resilience amid the intense escalation of overt violence following Hamas's assault on Israeli territory on October 7 and Israel's extensive

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16 Tim Callen, "Financing Saudi Arabia's Ambitious Reforms," Arab Gulf States Institute in Washington, May 29, 2024.

17 Kristian Coates Ulrichsen, "Saudi Plans to 'De-Risk' Region Have Taken a Hit with Gaza Violence – but Hitting Pause on Normalization with Israel Will Buy Kingdom Time," The Conversation, October 18, 2023.

18 Bader al-Saif, "Armless Visions? The Quest for Security in the GCC", PRISME Initiative, November 11, 2024, <https://prismeinitiative.org/blog/quest-security-gcc-bader-al-saif/>.



operations in Gaza since then. Mohammed bin Salman and Iran's then-President Ebrahim Raisi spoke by telephone (for the first time since the March agreement) on October 11, four days after the attack, and the following month Raisi became the first Iranian president to visit Saudi Arabia since 2012, when he attended a joint meeting of the Organization of Islamic Cooperation and the Arab League in Riyadh.<sup>19</sup> In the months since, Saudi and Iranian officials have repeatedly emphasized that they do not wish to see the Gaza war spread and regionalize, and Saudi statements condemning Israeli policies and violence against Palestinians have gradually drawn closer to Iranian rhetoric in their language and tone.<sup>20</sup>

Eighteen months after the Beijing declaration and a year after October 7, the regional security framework in the Gulf has evolved in some respects but remained static in others. The Gaza war has not derailed the Iran-Saudi rapprochement, nor has it ended the normalization agreements signed by the UAE and Bahrain with Israel in 2020. Officials in each of the Gulf States are reacting in their own way to perceptions that the U.S. may not remain as vested in the region and making assessments as to what happens next. Meetings between Iran's new president, Masoud Pezeshkian, and the rulers of Bahrain and the UAE, together with Mohammed bin Salman's decision to receive Iran's foreign minister, Abbas Araghchi, as U.S. and Israel tensions with Iran soared in October 2024, sent powerful signals to Washington, D.C. that Arab Gulf leaders' interests were decisively not served by an escalation of tensions.<sup>21</sup> A shift toward a more internationalized approach to regional security was already developing prior to 2023, with the U.K., France, Turkey, and China becoming more visible participants, albeit in an ad hoc and uncoordinated manner, focusing primarily on 'hard' security linkages, like military forces and facilities. Iran and Russia also advanced (separate) visions for a new regional construct of security in 2019, but neither gained traction before the pandemic intervened.

What has changed in the security dynamic is that there is a consensus in favor of measures to mitigate against the risks of regional escalation, which have become far more acute as Israeli forces began a campaign to decapitate the Hezbollah leadership in September 2024 and made deep incursions into Lebanese territory the following month. Officials in Qatar and Oman have continued their mediation and facilitation of diplomacy and dialogue, but they are not as exposed in the region as they were in the 2010s, when their calls for moderation put them in the geopolitical crosshairs of regional leaders opposed to reconciliation. Thus, while the movement toward rapprochement predates the Gaza war, concerns over Israeli (and U.S.) strategies in the campaign to defeat Hamas, characterized by disproportionate and brutal military actions that seem disconnected from achievable political objectives, have exposed the hollowness of relying solely on hard power. This

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19 Summer Said, "Iran's Raisi To Attend Summit in Saudi Arabia on Sunday," Wall Street Journal, November 8, 2023.

20 Sophie Tanno, Adam Pourahmadi, Caroline Faraj, Matog Zalah, and Zeena Saifi, "Saudi-Hosted Summit Condemns Israel as Iran Leader Pays Rare Visit," CNN, November 11, 2023.

21 Mostafa Salem, "Washington's Arab Allies Engage with Iran as US Efforts to Stem Middle East Violence Falter," CNN, October 23, 2024.



echoes the costly lessons Saudi and Emirati leaders faced in their military intervention in Yemen, beginning in 2015. Officials in Riyadh (and Abu Dhabi) have distanced themselves from the U.S. and British airstrikes in response to Houthi attacks on commercial shipping in the Red Sea, and have not come under attack.<sup>22</sup> However, it remains to be seen whether the plethora of meetings (at the highest political level) between Arab Gulf and Iranian leaders can move to a next level, which would be to develop a set of inclusive new security mechanisms that might amount in practice to decentering the role of arms in regional dynamics.

A space has thus been created in which it may become possible to reimagine a concept of regional security with a multiplicity of actors and issues, even if the Gulf Cooperation Council's Vision for Regional Security, published in March 2024, was somewhat limited in both scope and detail.<sup>23</sup> It is also the case that underlying points of friction in the Saudi-Iranian détente remain unresolved, and bilateral trade and commercial exchanges have been slow to resume.<sup>24</sup> Nevertheless, the longer the Gaza war continues and regional outrage at the actions of Israeli forces, supported by U.S. policies, intensifies, the opportunities arise for senior figures on all sides of the Gulf divide to think creatively about how a genuinely new approach to regional security might operate in practice. This environment also opens the door for the Saudi-Iranian rapprochement, which may initially have been tactical in nature, to take on more of a strategic form that would have a significant impact.<sup>25</sup> While 'traditional' hard security issues remain relevant, there is greater awareness of common challenges that face the Gulf, such as the ramifications of the climate emergency (as well as the implications of energy transitions for fossil fuel producers). Anger at U.S. policies, which have made the region less, rather than more, secure, may therefore serve as a catalyst for consequential thinking about alternative pathways that look forward rather than back, and could be the starting-point for a reassessment of Gulf security considerations that is less focused on arms buildup and more reliant on strengthening the shared interests in regional stability that have become more visible as the horrific events in Gaza and U.S. policy responses have unfolded.

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22 Gregory Johnsen, "The Houthis' Achilles Heel," Arab Gulf States Institute in Washington, August 15, 2024.

23 Jean-Loup Samaan, "The GCC's Joint Security Vision: Reading Between the Lines," Gulf International Forum, May 9, 2024.

24 International Crisis Group, "Great Expectations: The Future of Saudi-Iranian Détente," June 13, 2024.

25 Times of Israel, "Iran and Saudi Arabia Hold Joint Naval Exercise in Sea of Oman," October 24, 2024.



# PRISME

Pathways to Renewed and Inclusive  
Security in the Middle East



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# PRISME

Pathways to Renewed and Inclusive  
Security in the Middle East

## PRISME Initiative

PRISME aims to redefine the conception of “security” in the Middle East and North Africa, as the starting point for strategic relations between MENA countries and their European and North American partners. It does so in pursuit of effective, collaborative approaches to ensuring a more peaceful and stable future. To this end, PRISME sponsors dialogue and debate between foreign policy professionals across diverse backgrounds and perspectives. These include individuals in governments, thinktanks and academic institutions located in the MENA region, Europe and North America, with a specific focus on engaging young and emerging thinkers and practitioners. Its goal is to re-define security in the Middle East, broadening the definitions of what it looks like, for whom, how it can be achieved, and how outside actors can contribute to it.\_\_\_\_

## SALAM Project

SALAM (Sustaining Alternative Links beyond Arms and the Military) proposes to rethink the centrality of the arms trade in international relations with and among Middle East & North Africa (MENA) countries.

It fosters and amplifies ideas from a network of scholars and practitioners working in and with the Middle East. Issues they will address include the arms trade’s advertised role in cementing bilateral and multilateral ties between North America, Europe and the MENA region; the opportunity costs of over- or sole reliance on weaponry as security; and alternative modes of engagement that might redefine a shared strategic agenda.