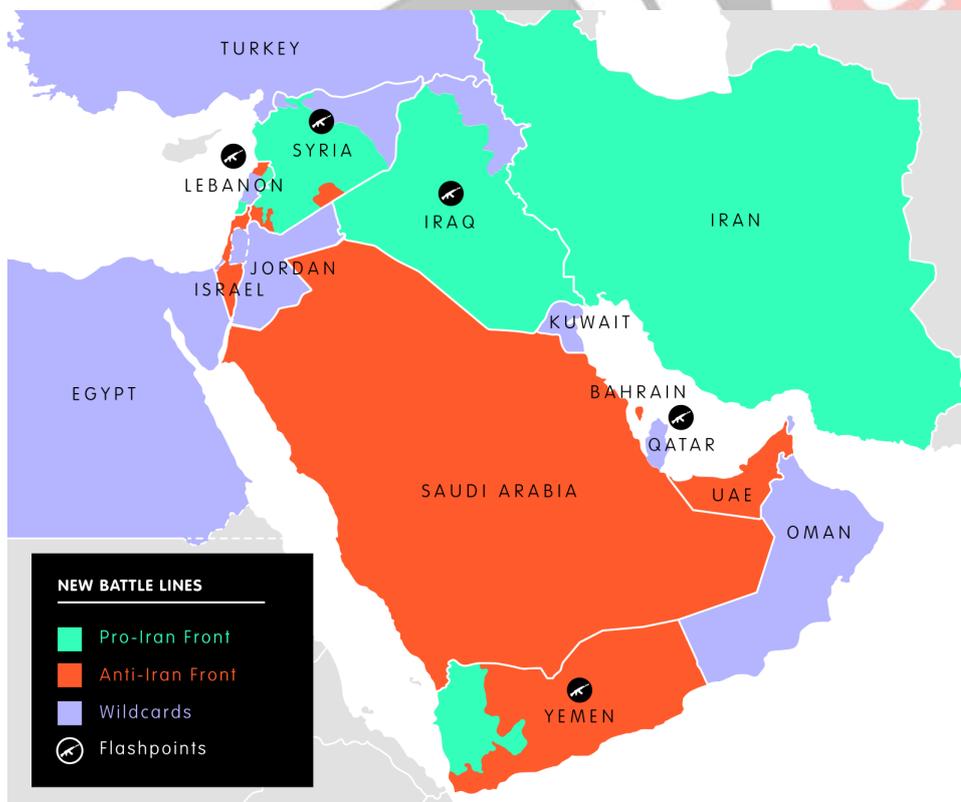# Saudi, Iran agree to Restore Diplomatic Ties

For Prelims: Houthi rebels in Yemen, Geographic Location of Middle Eastern Countries, West Asia.

For Mains: Role of India in Saudi-Iran Relations, Effect of Policies & Politics of Countries on India's Interests.

Why in News?

Recently, **Saudi and Iranian officials held bilateral talks** that concluded with an agreement **to restore diplomatic ties** which have been severed since 2016. The **major diplomatic breakthrough negotiated by China** in Beijing.

- It comes as diplomats have been trying to end a long war in Yemen, a conflict in which both Iran and Saudi Arabia are deeply entrenched.

What are the Key Outcomes of the Talks?

- The two countries **plan to reopen their respective embassies in Tehran and Riyadh.**
- They also vowed to **respect countries' sovereignty and not interfere in internal affairs.**

- They also **agreed to activate a 2001 security cooperation agreement, as well as a general economy, trade and investment agreement** signed in 1998.

What is the Conflict between Iran and Saudi Arabia?

- **Religious Factor:**
  - **Saudi Arabia broke off ties with Iran in 2016** after protesters invaded Saudi diplomatic posts after Saudi Arabia had executed a prominent Shiite cleric days earlier.
  - **Saudi Arabia has long portrayed itself as the world's leading Sunni nation** while **Iran views itself as the protector of the Islam's Shiite minority.**
- **Attacks on Saudi Arabia:**
  - Since US's withdrawal from Iran's Nuclear deal, Iran was blamed for a series of attacks including one targeting the heart of Saudi Arabia's oil industry in 2019.
    - Western nations and experts have blamed the attack on Iran though the latter has denied launching the attack.
- **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.
- **Leader of Islamic World:** 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.

What can be the Global Implications?

- The deal may have **implications for a US-led effort to isolate Iran** economically through sanctions as the deal **may facilitate possible Saudi investment inside Iran.**
- In Yemen, the Saudis have been backing the internationally recognised government in an eight-year civil war against Iranian-backed Houthi rebels but have been **looking for a way to end the war by conducting private talks in Oman with the Houthis.**
  - **Saudi Arabia will hope** that Iran will halt Houthi drone and missile strikes on the kingdom, and **that Iran will help with Saudi talks with the Houthis.**
- The deal will cause **concern among many Israeli politicians who have sought global isolation for its arch-enemy Iran.** Israel described the pact as a "serious and dangerous" development.

What can be the Implications for India?

- **Energy Security:**
  - Iran and Saudi Arabia are **two major oil producers** in the world, and **any conflict between them can lead to oil price spikes** that can have a significant impact on India's energy security.
  - Normalizing ties between these two countries could **help stabilize global oil prices** and ensure a consistent supply of oil to India.
- **Trade:**
  - Both Iran and Saudi Arabia are **important trading partners for India.** Normalizing ties between them could open up new avenues for trade and investment, leading to increased economic opportunities for India.

- **Regional Stability:**
  - India has strong economic and strategic interests in the Middle East including International North-South Transport Corridor **(INSTC).**
  - Iran is part of India's **extended neighbourhood.** Any instability in the region can have far-reaching consequences for India. Normalizing ties between Iran and Saudi Arabia could contribute to greater stability in the region, reducing the risk of conflict and terrorism.
- **Geopolitics:**
  - India maintains **cordial relations with both Iran and Saudi Arabia** and plays a role in maintaining peace and stability in the region. Normalizing ties between these two countries could help India in its efforts to promote peace and security in the region.
  - However, Chinese mediation between Iran and Saudi will create **challenges for India as it will contribute to increasing Chinese influence in the region.**

Way Forward

- India can play a constructive role in **promoting dialogue and cooperation between these two countries**, which can help in achieving regional stability.
- India needs to be **vigilant about the increasing Chinese influence in the region** and work towards securing its strategic interests in the Middle East.

UPSC Civil Services Examination, Previous Year Questions (PYQs):

Q.1 Which one of the following countries of South-West Asia does not open out to the Mediterranean Sea? (2015)

(a) Syria
(b) Jordan
(c) Lebanon
(d) Israel

Ans: (b)

Q.2 Which of the following is not a member of 'Gulf Cooperation Council'? (2016)

(a) Iran
(b) Saudi Arabia
(c) Oman
(d) Kuwait

Ans: (a)

Q.3 What is the importance of developing Chabahar Port by India? (2017)

(a) India's trade with African countries will enormously increase.
(b) India's relations with oil-producing Arab countries will be strengthened.
(c) India will not depend on Pakistan for access to Afghanistan and Central Asia.
(d) Pakistan will facilitate and protect the installation of a gas pipeline between Iraq and India.

Ans: (c)

Source:IE