4. The Middle East and the Deal: In Search of a New Balance*

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This chapter will try to map how Iran and other regional states understand the implications of the Joint Comprehensive Plan of Action (JCPOA) and its effect on their interests and competition. In order to do this we must first understand what the nuclear accord actually is and how it is perceived – and thus the repercussions it can have. These perceptions go beyond the negotiations themselves and can help us understand how actors not present at the table (e.g. Israel and Saudi Arabia) understood the process and are adapting to or resisting its implementation.

The JCPOA is an incredibly detailed technical and political road map that in several steps, stretching for more than 15 years, will settle the complicated issue of Iran’s nuclear programme. The ability of the negotiating parties to maintain a very specific (not narrow) focus on non-proliferation, combined with an unprecedented and intense dialogue between the United States and Iran, made the final agreement possible.

During the difficult years of President Ahmadinejad’s tenure, the technical dimension of the issue was considered insurmountable. In some ways this provided the justification for all parties to avoid entering an actual negotiation that would require serious political capital and risk taking. During those years European efforts

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to keep the process alive were crucial\textsuperscript{2}. For regional powers like Israel and Saudi Arabia, any change that would entail some kind of American rapprochement with Iran was (and remains) a highly negative outcome, but as long as the negotiations were not getting anywhere, Tel Aviv\textsuperscript{3} and Riyadh were happy with the sanctions pressure that was being applied as part of that (frozen) process. A negotiation process that primarily yielded pressure on Iran without achieving a settlement of the issue was in essence the equivalent of both eating and getting to keep the proverbial cake: Iran was isolated and the regional Iran-excluding balance was kept intact\textsuperscript{4}.

The breakthrough in the negotiations came when President Obama abandoned the unrealistic demand of zero enrichment, and Ahmadinejad’s political fortunes dwindled. So the technical issues became secondary to the political dialogue – a dialogue that accelerated tremendously with the election of President Rouhani in June 2013\textsuperscript{5}.

Serious negotiations and incremental progress, however excruciatingly slow at times, made it clear to all that an actual agreement could be reached. It was no longer just a theoretical possibility constantly undermined by technical difficulties or objections. Thus, the wider framework, the political setting that had in many ways engendered the whole problem, to begin with would be fundamentally altered. In essence, most of the opposition to an agreement, regardless of the address of the sender, revolves

\textsuperscript{3} For a incisive analysis of domestic Israeli dynamics and the nuclear accord see D. Levy, “Israel’s Iran Deal Enthusiasts. Politics, Pragmatism, and Netanyahu’s Short-Term Victory”, Foreign Affairs, 12 August 2015, https://www.foreignaffairs.com/articles/israel/2015-08-12/israels-iran-deal-enthusiasts.
\textsuperscript{4} S. Ellis, A. Futter, “Iranian nuclear aspirations and strategic balancing in the Middle East”, Middle East Policy, vol. XXII, no. 2, Summer 2015, pp. 80-93.
\textsuperscript{5} On the secret negotiations between the US and Iran, initiated before Rouhani’s election see interview with former Foreign Minister and present head of Iran’s Atomic Energy Agency Ali Akbar Salehi: “We reached our goal”, Iran Daily, 4 August 2015, http://www.irna.ir/fa/News/81707613/.
around this perceived, and over time probable, change of relationships in, and balance of, the region. This is also where much of the actual conflicts involving Iran and its position are centred.

**Regional balance, regional security?**

A quick glance at the recent history of the region belies the general assumption of an existing, natural as it were, balance: radical Arab states in the 1960s, the departure of the British, independence of Bahrain, the twin pillar policy of the United States, the Iranian revolution in 1979 and a devastating war initiated by Saddam Hussein’s Iraq against the nascent revolutionary Islamic Republic of Iran in 1980. The revolution and the war in turn engendered the only regional security organisation to date: the Gulf Cooperation Council (GCC) which is dominated by Saudi Arabia, but has yet to admit Iraq or Iran. Thus it is a precarious and rather dysfunctional organisation, primarily pointed against Iran and as such epitomises the lack of constructive approaches to comprehensive security.

The notion of a power balance as system of alliances based on external military and political threats does not, in a satisfactory way, explain the actual politics and alignments of Middle East states. Their threat perceptions are more domestic and their ability and willingness to balance external threats by entering into alliances with other regional powers are quite limited.

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The proverbial balance

With the removal of the Pahlavi monarchy, the regional US-backed alliance was destroyed. Over the following years Riyadh became more of a driver for a Gulf-centric counterbalance, first against Iran and then against Iran and Iraq after Saddam Hussein’s invasion of Kuwait in 1990. In turn, the United States became much more involved, culminating in the stationing of American troops and navy assets on a permanent basis in the Gulf. This balance was again upset, now by Washington, through the epically disastrous occupation that followed on the invasion of Iraq and removal of Saddam Hussein in 2003.

Throughout this period two states remained not only firmly in the US camp, but were also crucial for the prevailing Pax Americana: Israel and Saudi Arabia. Both have longstanding and deep roots in domestic American politics. Tel Aviv can count on various constituencies in the United States such as some American Jewish groups organised through lobbying organisations like the American Israel Public Affairs Committee (AIPAC) and, increasingly, Republican Evangelicals. Saudi Arabia in turn has a longstanding relationship with American business and political élite families through Saudi Aramco and other joint ventures.

Both Tel Aviv and Riyadh have thus helped create and benefit from a regional balance, whose foundation is American support, and rests on the working assumption that Tehran is not part of the picture other than as a perpetual menace. Just as Palestinian violence and Salafism, in Israel and Saudi Arabia respectively, are used as justifications for not dealing with domestic problems, Iran’s nefarious influence in the region serves as main argument for arms purchases as well as for undermining demands for change of policies. Yet neither country can uphold this regional ‘balance’ – Iran’s geopolitical weight is beyond what Tel Aviv and Riyadh can outmanoeuvre on their own. That this ‘balance’ had held this long was due to two reasons.

The primary reason is the Iranian intransigence and inability to adapt the fierceness of its rhetoric (revolutionary) to its geopolitical priorities (stability and status quo). The second reason is that
the United States backed up and paid for (literally and metaphorically) the extra counterweight needed to keep Iran boxed in. Whether it was thwarting the Iranian oil industry or keeping Tehran on its toes with regard to its border security, Washington did the actual heavy lifting. The deadly aspect of this continuous encounter with its conflicting logics came to the fore in Iraq, where the Iranians gained an upper hand when the United States removed Saddam Hussein without a plan for the aftermath. The Iranians, with their more strategic understanding of Iraq and better connections to viable Iraqi opposition groups, helped undermine the United States while at the same time having to worry about Iraq becoming destabilised beyond salvaging. In short, thirty-odd years of institutional enmity between Washington and Tehran clashed with their mutual, and very real, long term interest. All the while Iraq bled.

**Iraq**

Iran’s relationship with Iraq has been complicated to say the least. In the 1970s a border dispute and sense of competition (however uneven in Iran’s favour) constituted the backdrop for Iraqi invasion of Iran in September 1980. In this 8 year long war, one of the bloodiest wars of the 20th century, Iraq (supported by the US, Gulf Arab countries, and the Soviet Union) and Iran fought each other to a very costly stalemate. Together with the revolution this harrowing ordeal is the formative experience for many Iranians living today.

Iraq is the only country that has invaded Iran in modern times. This aspect of Iraq differentiates it from countries like Turkey, to which Iran is economically interconnected and has maintained its good relationship with, despite their open disagreement on Syria.

7 For a recent discussion of Turkey and Iran see B. Aras, E. Yorulmazlar, “Turkey and Iran after the Arab Spring: Finding a middle ground”, *Middle East Policy*, vol. XXI, no. 4, Winter 2014, pp. 112-120; G. Bahgat, “Iran-Turkey energy cooperation: Strategic implications”, *Middle East Policy*, vol. XXI, no. 4, Winter 2014, pp. 121-132.
Saudi Arabia, on the other hand, for all its lavish arms purchases, has neither the experience nor the capacity to pose a serious threat to Iran in conventional military terms. So the American invasion of Iraq in 2003 removed a dangerous foe for Iran and presented Tehran with several new opportunities. Iran could now reap the benefits of the long-term investment in Iraqi anti-Saddam Shi'a groups as these groups and militias now returned home. In addition, the American attempt to democratisate Iraq increased, by definition, the political importance of the Shi'a constituents by virtue of their demographic size.

Iran’s stated long-term goal is the removal of all outside military forces (i.e. US troops) from the region and thus the American occupation of Iraq was ideologically and strategically anathema. Yet the occupation, though disastrously managed, was also necessary in the sense that Iran did not want to be left with a basket case neighbour in dire need of all kinds of assistance (financial, military, humanitarian, technological etc.). In short, Iran objected to the occupation and at times assisted Shi'a militias battling the US but also did not want the Americans out before the situation in Iraq had stabilised.

Tehran has proven to be better at influencing the volatile politics of Iraq than Washington. That being said, the Iraqis are neither subservient to Tehran, nor has Iranian influence yielded comfortably predictable results. In the end al-Maliki’s disastrous premiership (in turn partly the result of the structural flaws of the new Iraqi polity, being haphazardly built) became too much even for Tehran. Iraq’s body politic had been disintegrating for some time and the Sunni dissatisfaction with the general situation crystallised in the success of a radical takfiri militant group – Da'esh (ISIS). The expansion of Da'esh and the inability of the Iraqi army to handle and suppress it has prompted Iran to engage much more directly with the effort to battle Sunni radicalism. In this sense Iran clearly also misjudged both the political stability of Baghdad

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and the effects of continued sectarian strife on Iraqi society and state. Thus Iran is now directly engaged, militarily, in various ways to combat Da'esh\(^9\).

These problems, notwithstanding the integration of the two countries, go beyond politics. Trade has grown steadily, especially goods, infrastructure projects and energy flowing from Iran to Iraq to the tune of $12bn per year with officials hoping that it will reach $20bn by 2017\(^{10}\). Despite tensions with the KDP (Kurdistan Democratic Party) in the autonomous Kurdish region, Iran is the largest trading partner of the Kurdish Regional government after Turkey\(^{11}\).

**Syria**

Syria has been an ally of the Islamic Republic since the early 1980s\(^{12}\). In this regard it is a prime example of the triumph of *re-alpolitik* over ideology – Iran is a theocracy and Syria is supposedly a socialist republic. What was a marriage of convenience with little substance has, despite a couple of ups and downs, turned out to be a quite durable alliance. One of the most important reasons for this is the evolution of the Lebanese civil war and the growth

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of Hizbollah. Syria acts as the main conduit for deliveries of arms to Hizbollah, which is vital considering the frequent ‘small wars’ that Israel and Hizbollah have fought over the years. With the constant threats of using military force against Iran by Israeli Prime Minister Benjamin Netanyahu in the last 5-6 years in mind, Tehran’s support for Hizbollah’s military capability is calculated to increase the costs of such an Israeli attack.

Thus the baseline for Iran’s interest in Syria began with Damascus being its only Arab ally during the war against Iraq and then continued due to its relevance for Hizbollah\(^\text{13}\). When the Arab Spring spread to Syria, the domestic dynamic of the country got caught up in the regional geopolitical chess game. Riyadh wanted Tehran’s ally ousted, but its support for the opposition has suffered from the inevitably factioning and deterioration of the armed opposition. Tehran’s support for Damascus in the ensuing civil war has been quite steadfast – but not without nuances\(^\text{14}\). In the early phase of the unrest, Tehran was advising Damascus to tread lightly in order to not provoke greater resistance. Instead Damascus applied heavy-handed tactics that fanned the flames of discontent. When al-Assad’s star seemed to wane in 2012 Tehran tried to reach out to some Syrian opposition groups, and also to stress that its objective was to succour its ally (the state of Syria) and, increasingly, to stem the tide of Saudi-inspired Salafism in the region, rather than propping up a particular ruler (Bashar al-Assad)\(^\text{15}\). As the conflict has escalated Tehran’s support has


\(^{14}\) For a discussion of Iranian and GCC states’ participation in the Syrian conflict see E. Hokayem, “Iran, the Gulf States and the Syrian Civil War”, Survival, vol. 56, no. 6, 2014, pp. 59-86.

grown, but to what extent it is directly connected to the person of Assad is unclear.

It is important to keep in mind that various political hardliners and military officials in Iran tend to use every opportunity to interpret the official position as more uncompromising than it necessarily is, in order to maximise the chasm between Iran and Western powers and their regional allies. There are two overlapping motives for this: firstly, it obstructs attempts by Iranian politicians who want to moderate the tone and/or substance of Iranian foreign policy in order to create better relationships with the outside world and the West in particular (Europe more than the US). Usually such endeavours go hand in hand with a more relaxed and less security-oriented domestic agenda. This is considered anathema by more hardline groups and factions in the political system who have a very narrow and rigid interpretation of the revolutionary heritage, that they claim to be the best and even sole rightful heirs to and interpreters of. The other aspect of this revolutionary heritage is to reject an international order dominated by the US and its Western allies. This, in turn, feeds into a security-oriented threat perception that considers cooperation or a *modus vivendi* with the US and its allies as entrapment and an invitation to meddle in Iranian domestic affairs.

Up until recently, whatever process the US and Saudi Arabia and others where willing to support entailed shutting Iran out. This, combined with the early demand for Bashar al-Assad’s resignation as a precondition for negotiations, doomed all efforts. When the UN Special Representative tried to include Iran in a regional peace-making effort the then US Secretary of State Hillary Clinton shot it down immediately. Iran’s Foreign Minister Javad Zarif in turn launched his own 4-point peace plan which got no traction at first but might amount to a piece of the puzzle now that

the nuclear issue has been resolved\textsuperscript{17}. These have been formidable obstacles, although the nuclear deal has now made possible a serious discussion with all parties involved in the conflict.

**Yemen**

Iran’s reactive and opportunistic stance with regard to regional developments is evident to an even greater extent in the case of Yemen. The Saudi claims and fears notwithstanding, it is fairly certain that Tehran’s interest in, and ability to, influence events in Yemen was rather low until Riyadh made the constantly unstable situation in that country an extension of its own rivalry with Tehran\textsuperscript{18}. The highly ideological and paranoid perspective in Riyadh became to a certain degree a self-fulfilling prophecy. The Houthis are not beholden to Tehran, whether in religious or political terms, but in the constant game of creating and seeking cronies Tehran and the Houthis have made some connections which also involve advice and possible weapons transfers\textsuperscript{19}. Thus the Saudi claim, and the action predicated on that claim, created an opportunity for Tehran. Its subsequent support for the Houthis has not been a game changer nor has it influenced the group in any particular direction since, irrespective of Tehran’s ambitions, the conflict in Yemen is homegrown and structural, having played out over sev-


\textsuperscript{19} There is little tangible evidence for any systematic and consequential Iranian military involvement. For a rightfully sceptical reading of the situation see Brian Whitaker’s blog *al-bab*, “Yemen and Iran. What’s really going on?”, 30 March 2015, http://www.al-bab.com/blog/2015/march/yemen-iran.htm.
eral decades. What this support has achieved is of course to cement Saudi fears and draw Riyadh further into a quagmire it has been skirting around for many years.

**Realities and realignments after the nuclear accord**

The participation of various regional actors in the conflicts raging across the Middle East can at most influence but not determine their outcome. These conflicts thus become hot wars of attrition. In this regard, what the discussion of Syria and Yemen above show us is that Iranian foreign and security policy is reactive and, in a sense, opportunistic rather than strategic. There is a basic security doctrine: confront potential enemies in foreign theatres rather than at home, insist on global actors like the US staying out of the region and thus accentuate Iran’s geopolitical weight. But beyond this general approach the actual behaviour is much more pragmatic and reactive than the accompanying rhetoric would let on. Syria, for instance, has its own relevance for Iran, but Bashar al-Assad’s place within it is more of an open question than the rhetoric from Tehran would let on. The more hardline and security related Iranian officials are the most vociferous in explicitly equalising Iran’s support for Syria with standing by Assad. And they do so partly in reaction to Western insistence on Assad having to go. In short this is also part of the Iran-West dynamic within the security and ideological framework of Iranian domestic politics.

If we leave aside for a moment the indirect competition conducted through these conflict zones, the question becomes: where are these regional powers headed in their direct relations with one another? Iran’s position is undoubtedly stronger than it was before the United States’ invasion of Iraq, and its ability to sustain Hizbollah and Assad indicates that its position is fairly grounded. It is

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however not a clear-cut case of Iranian strength, but rather a combination of Iranian strength relative to the weakness and disarray of its opponents. The narrative put out by Tel Aviv and Riyadh that Tehran will use its new-found ‘freedom’, subsequent to the nuclear accord, to wreak havoc in the region and assert itself even further is therefore simplistic and disingenuous. This narrative disregards the local dynamics in the conflicts and overestimates the resources needed to keep those conflicts alive and achieve anything beyond a standstill and stalemate. So even if the main ambition of decision-makers in Tehran would be ‘outright’ victory, the nuclear deal does not constitute a qualitative change to Iran’s capabilities. 

A much more likely scenario is that the Rouhani government will concentrate on economic recovery and development at home while mending fences, in so far as possible, with Riyadh. This will not be an easy task as the rivalry and antagonism now has elements of sectarianism, regional competition and also stakes and investments in various conflicts. While some kind of neighbourly rapprochement has been possible in the past (President Rafsanjani and Crown Prince Abdullah in the 1990s)\textsuperscript{21}, it is clear that this time it will be more difficult: there has been a change of guard in Riyadh and the willingness and ability to conceive of a different, less antagonistic, relationship with Iran has yet to manifest itself\textsuperscript{22}.

Some are suggesting that while the security situation in the region may become more precarious because of heightened tensions between Iran and the GCC and Israel, the very fact that the GCC

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\item For an interesting recap of Iran-Saudi relations by an Iranian former Ambassador to Kuwait and presently Minister of Culture, Ali Jannati, see “The roots of the crisis between Iran and Saudi Arabi”, IR Diplomacy, 18 June 2012, http://www.irdiplomacy.ir/fa/page/1902870/ای-ران+روابط+شرکته+یران+در+دری+شده+و+عرب+سی+شن+و+html.
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and Israel have the same perception of an Iranian threat will actually promote stability. In short, Israel and Sunni Arab states will increasingly see some sort of cooperation between them as necessary in order to counter expanding Iranian influence. Key here is the perception of Tehran’s influence expanding, which, as discussed above, is both exaggerated by outsiders and corroborated by Iranian rhetoric for exactly that purpose. In the last couple of years there have been signs of intensifying dialogue between Tel Aviv and Riyadh. This conversation began behind closed doors but is now taking place very openly at the Council for Foreign Relations in the United States. This is hardly a coincidence as it is, in the end, to Washington D.C. that these American allies want to make their case.

It is, however, easy to overestimate the ability and willingness of states to enter into alliances in order to balance common rivals. Considering the manifold issues of serious contention between Israel and Saudi Arabia, it is difficult to see this latest dialogue as a serious reorientation and coordination between them. While it does signal the magnitude of their concern with Iran, which is also the beginning and the end of their common position. Saudi Arabia cannot afford outright conflict with its northern neighbour and is at best interested in maintaining a common front of aggressive vigilance vis-à-vis Tehran and push back, primarily through GCC and other Arab Sunni states, and proxies. Israel’s rhetoric (yet to be matched by deeds) is much more aggressive and

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as Tel Aviv will not face the consequences of its own action, unlike Riyadh by virtue of sharing a physical border with Iran, Netanyahu believes he can allow himself more brinkmanship.

**Conclusion**

Following the nuclear agreement in July 2015 the premise of Iran being the third rail of American politics\(^{26}\) and thus a regional power boxed in by and to a large degree neutered through American power is no longer valid. This premise constituted a constant in the calculations of Iran’s regional rivals, Israel and Saudi Arabia (and many others with them), when looking at the regional power play. While Washington D.C. and Tehran are not going to be friends any time soon, their institutional enmity can no longer be taken for granted, and thus their comfortable regional strategic position of having the United States automatically balance Iran out is most probably something of the past.

Rule of thumb in the regional power play and conflict in ideology matters but is not decisive. Talleyrand’s old *dictum* that states have interests, not friends, is still valid, all the fiery and heartfelt rhetoric notwithstanding. Iranian bluster may give the impression that Tehran has rigid red lines and is committed, to the hilt, to a number of ideologically motivated positions and allies. Yet the fundamental cost-benefit analysis of decision-makers in Tehran tends to yield a much more cautious actionable policy then the rhetoric implies.

In Riyadh it seems decision-makers have not made up their minds as to whether they should continue to ostracise Iran or respond positively to the overtures of Iranian Foreign Minister Zarif for a serious dialogue about regional problems. But unless Iran overplays its hand and starts believing the hype about its increased clout, Tehran will maintain its support of its allies while trying to find a way to reach a *modus vivendi* with Riyadh. At best there is a

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possibility that the win-win approach that was so successful in the nuclear negotiations will be adopted in the attempts to mend fences between Iran and the GCC. This would be most welcome since a truly common security framework is direly needed in this region and cannot be created without a comprehensive and inclusive approach that goes well beyond hard security and forces all neighbours out of their comfort zone\textsuperscript{27}.

More likely, unfortunately, is a replay of the usual way security challenges are dealt with: arms purchases and aggressive rhetoric. This approach has been tried many times and has yielded little in terms of détente or durable peace. The GCC has so far failed to become a better functioning organisation no matter what the perceived or actual threat has been. Considering the generally awful state of affairs in the region, business as usual is not something any of the actors involved can actually afford. Nor can the people of Syria, Iraq and Yemen.