

# The Impact of the Iran Deal on International Politics in the Middle East

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After the P5+1 secured a nuclear agreement with Iran, attention shifted to the implications of the deal for the Middle East region and its security, and prospects for maintaining, perhaps even expanding, the dialogue with Iran. For better or worse, meaningful dialogue with Iran was predicated on resolving the nuclear issue first. As a result, all other problems took a back seat over the past two decades. This barrier to dialogue with Iran has now been removed. Over time, the nuclear agreement should help temper Iran's regional policy. But in the short term, its impact is likely to be mixed. Iran is clear about its aims to mend the divide between itself and its Gulf Arab neighbours. But Tehran has not scaled back its disruptive activities in the region. As a result, the fear that the nuclear agreement would worsen intra-regional tensions has materialized.

## The Impact of the Nuclear Agreement

The general implications of the nuclear agreement between Iran and the P5+1 are threefold: on Iran's domestic politics, on its regional relations and on Iran's relations with the West – the US and the EU in particular.

When examining the regional impact of the deal, examining its domestic effects is important because that determines the government's ability to conduct

foreign, and therefore, regional policy. In the immediate aftermath of the July 2015 deal, the fighting and competition between the political factions in Iran worsened. But it is anticipated that the agreement will empower and further legitimize those who pursued it: the Rouhani camp. There is more scope for moderation with an empowered President, who, since his election in 2013, has shown that he is in favour of engagement with the West and with Iran's neighbours. Ultimately, there is no doubt that a strong, more moderate and independent Iran will naturally pursue its own interests. But it too seeks some form of regional stability. What's more, Iran is likely to be more understanding of Western goals, if it develops ties with the European Union, the United States and the region.

## The Region

The nuclear agreement freed up political space for dialogue with Iran. Iran's participation in the Syria talks and negotiations to free the captured US sailors and prisoners are evidence of this. But the deal has had a mixed impact on Iranian regional policy. President Rouhani's administration has made it clear that it aims to normalize dialogue with its neighbours,<sup>1</sup> while Tehran continues some of its nefarious activities in the region. Part of the reason for this is the restricted foreign policy files that the President controls. Foreign policy issues are the purview of the Supreme Leader and the Revolutionary Guards, both more hawkish than the Rouhani administration. As a result of this, and the regional fear of an empowered Iran, we are witnessing greater intra-regional tensions.

<sup>1</sup> Arash KARAMI, "Zarif calls for talks with Saudi Arabia," *Al-Monitor*, 15 October 2015, [www.al-monitor.com/pulse/originals/2015/10/zarif-iran-saudi-talks.html#](http://www.al-monitor.com/pulse/originals/2015/10/zarif-iran-saudi-talks.html#)

The Gulf Arab countries wanted a nuclear agreement with Iran that was not achievable.<sup>2</sup> For them, Iran's nuclear programme was an inferior concern to Tehran's perceived expansionist regional policy. They believe that the Joint Comprehensive Plan of Action (JCPOA) will provide Iran further means to fund its proxies and destabilize the region. They see the agreement as paving the way for a US-Iranian rapprochement at their expense, even though this is clearly not on the cards in the foreseeable future. Throughout the negotiations between the P5+1 and Iran, Saudi Arabia was the most vocal in its scepticism. With the agreement, Riyadh's need to counter Iran and its influence became more pressing. But much of Saudi Arabia's resulting regional efforts have been counterproductive, including for itself. Its efforts in Yemen for example, are draining Saudi resources without much of a positive outcome and negatively impacting its reputation.

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Other than Oman, other countries in the GCC will likely follow Riyadh's lead. This became evident after the Iranian sacking of the Saudi embassy in January 2016 in response to the Shia Sheikh Nimr Al-Nimr killing, when most of the Gulf Cooperation Council (GCC) countries either cut off diplomatic relations or downgraded ties with Iran. The United Arab Emirates (UAE), for example, struggled with Iranian influence in the past. Abu Dhabi is known for

being generally weary of Iran, compared to Dubai, a hub for Iranian trade in the region.

Countries like Saudi Arabia repeatedly claim they are entitled to the same nuclear programme that Iran has under the JCPOA.<sup>3</sup> This has led to concerns of a proliferation cascade scenario. A careful look at the region's actual technical capability, political and security context and the intentions of potential contenders, confirms that much of this hype is baseless.<sup>4</sup>

#### *Limited response*

As a result, there is a limited response possible from the Gulf Arab states to the post-deal environment. For now, the Gulf Arabs will continue to view Western efforts to engage Iran as tantamount to accepting Iranian gains in the region, and regional conflicts as part of a larger struggle against rising Iranian influence and meddling, which will worsen sectarian tensions and regional conflicts. But the current downward spiral cannot be sustained. The threat to acquire nuclear weapons is unlikely to materialize, and reckless action like that taken in Yemen will not help the GCC cause. Today, the JCPOA is a fact of life in the region. The US and Europe have gone a long way towards reassuring their Gulf Arab allies. The post-deal context should be an opportunity to test Iranian willingness and ability to engage on regional conflicts and patch long-standing regional rivalries.

#### *Dialogue?*

The conflict in Yemen presents such an opportunity. The Shi'ite Houthis takeover of Sanaa in September 2014 frightened neighbouring Saudi Arabia. For decades, Yemen has been a primary zone of influence for Riyadh, and the Houthis have been accused of being an Iranian proxy. But the link between Iran and the Houthis has been exaggerated. Tehran provided some level of support for the Houthis, but not to the extent portrayed by the conventional media.<sup>5</sup> Unlike its strategy in neighbouring Iraq and Syria, Tehran's

<sup>2</sup> Dina ESFANDIARY, "Is there any possible nuclear deal with Iran that would satisfy leaders of the Gulf States?" *The Telegraph*, 14 May 2015, [www.telegraph.co.uk/news/worldnews/middleeast/iran/11601320/Is-there-any-possible-nuclear-deal-with-iran-that-would-satisfy-leaders-of-the-gulf-states.html](http://www.telegraph.co.uk/news/worldnews/middleeast/iran/11601320/Is-there-any-possible-nuclear-deal-with-iran-that-would-satisfy-leaders-of-the-gulf-states.html)

<sup>3</sup> Barbara PLETT USHER, "Iran deal could start nuclear fuel race – Saud Arabia," *BBC*, 16 March 2015 [www.bbc.co.uk/news/world-middle-east-31901961](http://www.bbc.co.uk/news/world-middle-east-31901961).

<sup>4</sup> D. ESFANDIARY and A. TABATABAI, "Why nuclear dominos won't fall in the Middle East," *Bulletin of Atomic Scientists*, 22 April 2015 <http://thebulletin.org/why-nuclear-dominos-wont-fall-middle-east8236>.

<sup>5</sup> The White House, *Daily Press Briefing*, Jen Psaki, White House Spokesperson, 12 February 2015, [www.state.gov/r/pa/prs/dpb/2015/02/237453.htm](http://www.state.gov/r/pa/prs/dpb/2015/02/237453.htm).

Yemen policy lacks an ultimate goal, largely because it is not a priority issue for Iran. Yemen is the area of overlap for Iran and Saudi Arabia: it is a high priority issue for Riyadh and a low priority issue for Tehran. Iran seems willing to compromise on Yemen. The conversation should begin here.

### **General Dialogue on Regional Security with Iran?**

Dialogue with Iran should follow a two-pronged strategy: discussions on areas of conflict resolution today and possible future collaboration on wide-ranging issues important to both the region and external actors, such as combating drug trafficking.

#### *Iraq*

Combating ISIS in Iraq presents another opportunity for dialogue with Iran, and the prospect of limited collaboration with the West. Iran has many interests at stake in Iraq, including religious links, the volume of trade and the 1,500 km of porous border they share. Initially, Iran sought to keep its presence in Iraq limited by empowering local groups to fight ISIS. Iran ramped up its involvement progressively, by sending in advisors including General Qasem Soleimani – the public face of the Iranian Revolutionary Guard Corps (IRGC) – and military equipment. The Islamic State (ISIS) cannot be contained and rolled back with just US-led air strikes. Iran's ground assistance is welcome, as long as it integrates Iraq's Sunni population. With the July 2015 nuclear agreement, limited Western coordination with Iran becomes possible, acceptable and even desirable. Not only has this made, and will continue to make, the campaign against ISIS more effective, but it will help manage the Shi'ite militias under Tehran's influence.

#### *Syria*

Syria poses a bigger problem. Here, Tehran's efforts are intended to prop up and maintain the Assad government, which has been ruthlessly bombarding Syrian civilians for the past five years. In

order to do this, Iran has been funnelling money and surveillance equipment and funding, training and arming local Popular Committee militias. By April 2014, Iran reportedly provided up to \$12.6 billion in financial support to the Assad regime.<sup>6</sup> This has been a real drain on Iranian resources.

Today, Iran is beginning to feel the pain of its involvement in Syria. IRGC deaths have risen, including that of senior IRGC commander Hossein Hamedani on 9 October 2015. Many in Iran, led by the Foreign Ministry under Javad Zarif, want to find a solution to the Syria crisis and push ISIS in Syria back. Reports of Iran ramping up its involvement in Syria in the autumn of 2015 complicated efforts to resolve the crisis through negotiations held in Vienna at the end of October 2015. Notably, this was the first round of talks in which Tehran was taking part. But today, increased Russian involvement through aerial bombardments have made finding a peaceful solution to the Syria crisis through negotiations increasingly difficult. Nonetheless, it is noteworthy that Iran has finally been included in the talks, and that it sits across the table from its regional rival Saudi Arabia. This was inconceivable on Syria only a few months ago. The nuclear deal arguably paved the way for Iran's inclusion in these talks.

### **Conclusion**

The July 2015 nuclear agreement removed a barrier to dialogue with Iran. Today, including Iran in discussions about other regional security issues, which could not be resolved without a major regional stakeholder present, has become possible. But the immediate regional impact of the agreement has left much to be desired. Some Gulf Arab states, most notably Saudi Arabia, worried by the perceived added credibility the nuclear deal gives Iran, have strengthened their commitment to the strategy of countering the Islamic Republic's influence in the region. This type of behaviour is likely to continue and can only be resolved by encouraging intra-regional dialogue, particularly between Saudi Arabia and Iran.

<sup>6</sup> Jim MUIR, "Syria: Proxy war heats up as endgame inches closer," *BBC*, 12 April 2013 [www.bbc.co.uk/news/world-middle-east-22123660](http://www.bbc.co.uk/news/world-middle-east-22123660).