In diplomatic black eye for Washington, China reshuffles Middle East deck

March 15, 2023 Ilan I. Berman The Washington Times

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Last week, the People's Republic of China made global headlines when its chief diplomat, Wang Yi, successfully brokered a peace deal between two of the Middle East's most bitter rivals, Saudi Arabia and Iran.

Under the terms of the agreement, regional news sources say, Riyadh and Tehran will resume diplomatic relations and reopen long-shuttered embassies in the next couple of months, thereby paving the way for an end to the Middle East's longest-running sectarian struggle for influence.

Within the Capitol Beltway and beyond, experts are parsing whether the deal will hold, and what it might mean for the region if it does. It's already clear, however, that the new Saudi-Iranian pact represents a triumph for Beijing and a serious strategic setback for Washington for at least three reasons.

The deal positions China as a key regional power broker.

Historically, China's interests in the greater Middle East have been limited, confined to just two principal objectives: Securing energy supplies for its burgeoning economy and selling arms to like-minded regional client states. Over the past several years, however, China's growing international profile, together with its massive Belt & Road Initiative, has propelled it into the Middle East and Africa in a much more substantial way.

There, through a mix of deft diplomacy and economic investments, the PRC has begun to erect what some observers have termed an "emerging Middle Eastern kingdom." It has also capitalized on America's receding regional footprint, as successive administrations prioritized other world regions (such as Asia) and topics, such as climate change, over serious Middle Eastern policy. Now, the Saudi-Iranian deal has cemented the PRC as a central player in the region's political and security dynamics, eclipsing the traditional arbiter of Mideast affairs — the United States.

The deal reflects Riyadh's tilt away from Washington.

Over the past two years, the Biden administration has assumed an activist and decidedly unfriendly stance toward the Kingdom of Saudi Arabia. In contrast to its predecessor, the Biden White House has made a point of hammering Riyadh and Crown Prince Mohammed bin Salman on issues such as human rights and accountability, effectively lighting U.S.-Saudi relations on fire in the process.

The new, more confrontational American policy has had the effect of nudging Saudi Arabia — already questioning the more than 75-year partnership — away from the U.S. and toward partners like China (which has taken a much more laissez-faire approach to the Kingdom's political dynamics). The Iranian-Saudi deal represents a culmination of this drift and moves the Saudis squarely into Beijing's orbit.

The agreement is a potential blow to the Abraham Accords.

The normalization agreements between Israel and the United Arab Emirates, Bahrain and Morocco (as well as Sudan) midwifed by the Trump administration in its waning days in office ushered in a new era in Middle Eastern politics.

Some 2½ years on, the dynamics unleashed by those deals are flourishing, manifested in deepening economic cooperation, stepped-up tourism, and burgeoning social and cultural contacts among the parties. The expectation has always been that, over time, other countries would jump aboard the unfolding normalization wave as well, with Saudi Arabia widely believed to be the most likely to do so. (In fact, in recent days, the Kingdom had informed the United States of its requirements — including security guarantees and assistance for its nuclear program – to make peace with Israel.)

Now, the likelihood of this happening is at least somewhat more tenuous since Saudi Arabia's new partner, the Islamic Republic, actively opposes the accords and Israel's strengthened role in the region. Israeli officials understand as much; the new agreement signals the "collapse of the regional defense wall" against Iran that had been painstakingly erected by Jerusalem in recent years, former Defense Minister Benny Gantz has lamented.

As for America, the Biden administration is putting on a brave face and has "welcomed" the agreement as a step toward greater regional stability. But, against the backdrop of growing "great power competition" between the U.S. and the PRC, not to mention the Biden administration's lackluster Mideast policy, it's hard to see the new deal as anything other than a diplomatic black eye for Washington.

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