

The China-Brokered Iran-Saudi Deal Could Re-Order Global Politics, Not Just the Middle East

By Shada Islam – Senior Commentator on Geopolitics

Western capitals were caught unaware by the announcement in Beijing last month of the breakthrough Iran-Saudi deal to restore diplomatic relations.

The China-brokered landmark agreement certainly has the potential to spark significant changes – both direct and indirect – across the Middle East. Less visible but equally significant are the myriad ways in which the breakthrough deal is likely to hasten a global re-ordering of state-to-state relations and regional alliances, thereby accelerating the rising power and clout of the Global South.

If implemented fully, the Iran-Saudi deal could end one of the world's most damaging rivalries, with immense benefits across the Middle East and the non-Arab Muslim world.

In the Middle East, Iran will no longer be left alone to confront a US-brokered alliance of Israel and Arab states. More specifically, the agreement can end the deadly proxy wars that Iran and Saudi Arabia have been fighting in Yemen and Syria.

In Lebanon, the Iranian-backed Hezbollah's welcome of the agreement has prompted hope that Saudi-funded political and economic elites may now be empowered to take the route of national reconciliation in the country.

Meanwhile, economic benefits for the region include hopes of a reduction in risks to shipping and oil supplies and an increase in trade and investment, including from China.

The consequences of an upgraded Iran-Saudi relationship will therefore be profound. Significantly, the impact will also be felt beyond the region in Central, South and Southeast Asia where, if successful, the agreement could lead to less sectarian Shia-Sunni friction and religious strife. In Afghanistan and Pakistan, such a reduction in tension in violence is especially necessary.

Undoubtedly, China's already positive image in the Global South will be further bolstered, enhancing Beijing's geopolitical clout beyond the Indo-Pacific. Oil-thirsty China has long been reluctant to play a political role in the Middle East, relying more on its formidable economic networks. However, Beijing is clearly now ready to use its economic heft to up its geopolitical standing, already boosted by its Belt and Road Initiative.

The deal is, therefore, a challenge to America's dominant geopolitical clout and relevance across the Middle East. Most notably, it will reduce the region's traditional reliance on Washington. This is worrying for the US, but it also has important lessons for the EU. Below are some points for reflection.

First, instead of hiding behind a Eurocentric smoke screen, the EU should be paying more attention to a rapidly changing world and accept and adjust to the winds of change blowing across the planet. Put simply, the EU should be getting ready to calibrate its own policies to game-changing transformations occurring not only in Asia but in many other nations of the Global South.

Whether the US and Europe like it or not, the long era of a West-dominated international system is unravelling, not least because the rule-setters themselves have turned their backs on the treaties they crafted.

The emerging multipolar world is unpredictable, unstable and fractious. It is also constantly shifting as nations choose their partners – and identify their rivals – not on the basis of Western desires and demands but according to their own interests.

As the Iran-Saudi deal demonstrates, Saudi Arabia leaders are making determined efforts to diversify their foreign relations and move away from being overly dependent on the US.

Separately, India may be on the West's side when it comes to bashing China – but it certainly is not embracing US and EU demands that it stop buying oil from Russia, or sanction Moscow for its war in Ukraine.

Second, this uncertain and unpredictable new world order can certainly seem both intimidating and dangerous. But it is important to remember that the EU, itself a collection of disparate, diverse and often squabbling states, is well placed to navigate the uncharted and treacherous waters of the emerging multipolar world.

The EU has multilateral experience and has mastered the art of compromise and negotiation. Despite attempts at speaking the “language of power”, it is the EU's soft power that is still appreciated across the world. These assets can and should be used more effectively than they are at the moment.

Third, this can only occur if the EU has the self-confidence to disentangle itself from America's smothering embrace. This means moving beyond the reassuring comfort – for the moment – of the transatlantic alliance into an unknown, louder and more contested world.

Fourth, the self-soothing narrative in Brussels – as in Washington – of a “collective West” which speaks the same language of democracy, ideals and values is out-dated and discredited. Dividing the world into good democracies and bad autocracies is not helpful. For proof, look no further than the dodgy credentials of the democracies invited to US President Joe Biden's recent virtual democracy summit.

The simplistic binary choice between good and bad, nice and nasty, has been rejected by most Global South states which, much to the EU's shock last year, rejected Western demands to publicly condemn Russia's brutal war in Ukraine and refused to slap economic sanctions on Moscow.

Fifth, while many in EU capitals and Brussels may still prefer life in a bipolar set-up, there is really no option: the EU will have to participate in the topsy-turvy merry-go-round of a world where changing partners appears to be the norm.

In other words, if the EU is serious about becoming a global actor, not merely a regional one, it is time – to misquote Josep Borrell – to move from the tidy, well-managed garden to the wild but exciting jungle.

Sixth, it is time to talk seriously with China about not just the future direction of EU-China relations, but also what EU states and Beijing can do together to address global challenges, including ending Russia's war in Ukraine, tackling climate change, and achieving the Sustainable Development Goals.

Finally, while the focus is on China, it is high time the EU recognised the growing agency of other countries which make up the Global South.

Once viewed as marginal, easily pliable, and largely insignificant in a world dominated by Great Power competition, the Iran-Saudi deal and China's role in it is further proof that countries in the Global South are no longer shy about demonstrating their self-confidence and enhanced geopolitical heft.

The EU should be prepared for more challenges. EU-Global South relations could turn even more fraught in the years ahead as developing nations struggle with the fallout from the Ukraine war and the impact of the pandemic while, also dealing with rising energy and food prices, as well as climate change.

Global South leaders are likely to become more persistent in pressing home their concerns over climate justice and reparations for colonial exploitation. As such, Europe's hopes of upgrading its trade, business and diplomatic relations with the Global South will depend not on promoting values by referencing "democracy vs autocracy" arguments, but on respecting differences among nations, prioritising economic interests, and learning to navigate in a puzzlingly complex and volatile multipolar world.

Fiercer competition with Russia, China and the US – as well as Britain, which are also upping their game in the Global South – will be an added complication as the EU seeks to remain a geopolitically relevant actor, including through initiatives such as

the Global Gateway, which most developing countries are likely to keep shrugging off as unimpressive.

the Iran-Saudi deal should be seen as a wake-up call to change, track and reflect on past mistakes by EU policymakers. It is not a flash-in-the-pan moment which can be shrugged off and ignored.

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