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Saudi Arabia and Persian Gulf rivals

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Introduction

Problems and the course of conflicts

Understanding the modern conflicts and political dynamics in the Persian Gulf requires examining key historical events that shaped the rivalry between Saudi Arabia, Iran, and Iraq. For the purpose of this paper, we are going to focus on three primary events: the Sunni-Shia divide in the name of Saudi-Iran rivalry, Iraq's transformation of dynamics in the regional competition and the economic rivalry between the countries. The rivalry between Saudi Arabia and Iran is rooted in ideology and also geopolitics.

Saudi-Iran Rivalry and the Sunni-Shia Divide

The rivalry between Saudi Arabia and Iran is both ideological and geopolitical in nature (Gause, 2010). Central to this conflict is the sectarian divide within Islam (Nasr 2006), with Saudi Arabia representing Sunni orthodoxy and Iran emerging as a Shia theocracy after the 1979 Iranian Revolution. This revolution marked a major turning point in the region, as Iran adopted a revolutionary foreign policy aimed at exporting its Shia Islamist ideology (Gause 2010), challenging the status quo dominated by Saudi Arabia and other Sunni monarchies (Matthiesen 2013).

The Iranian Revolution's ideological message deeply polarized the region (Gause 2010). Iran's efforts to position itself as a leader of the Islamic world were perceived as a direct threat to Saudi Arabia's claim to religious and political leadership. Saudi Arabia responded by framing its opposition to Iran as both a defence of Sunni Islam and a counter to the expansion of Shia influence. (Matthiesen, 2013)

An example of this rivalry is Saudi Arabia's intervention in Bahrain during the Arab Spring. In 2011, Saudi-led forces suppressed Shia-led protests against the Sunni monarchy of Bahrain, which Riyadh viewed as a proxy challenge from Iran. Matthiesen (2013) argues that this intervention not only reflected Saudi Arabia's resistance to Iranian influence but also served a domestic purpose: channelling public discontent away from internal problems and toward an

external threat. This dual use of sectarianism, as both a geopolitical tool and a domestic distraction, highlights the complexities of the Saudi-Iran rivalry.

Iraq as a Battleground in Regional Rivalries

Historically, Iraq served as a critical buffer state between Saudi Arabia and Iran, maintaining a balance of power in the Gulf region (Gause, 2010). This role was evident during the Iran-Iraq War (1980–1988), when Saddam Hussein’s Iraq acted as a counterbalance to revolutionary Iran. Backed by Saudi Arabia and other Sunni monarchies, Iraq sought to contain Iran’s ideological and territorial ambitions. (Nasr, 2006)

The U.S.-led invasion of Iraq in 2003 marked a dramatic shift in this dynamic. The removal of Saddam Hussein’s regime created a power vacuum that Iran quickly exploited, expanding its influence through alliances with Iraq’s newly empowered Shia majority and support for Shia militias (Gause, 2010). The establishment of a Shia-led government in Iraq heightened Saudi fears of an "axis of Shia influence" stretching from Iran through Iraq to Syria and Lebanon (Nasr, 2006). In response, Saudi Arabia supported Sunni groups in Iraq, exacerbating sectarian polarization and contributing to the country’s instability (Gause, 2010).

As a result, Iraq has transitioned from being a key Gulf player to a battleground for competing regional interests. As Gause (2010, p. 6) notes, “Iraq since the invasion has been a playing field, not a player, in regional politics.” This transformation underscores how external interventions and sectarian divides have reshaped Iraq’s role in the region.

Economic Rivalry and the Role of Oil

The Gulf’s vast oil reserves, accounting for approximately two-thirds of the world’s supply (Britannica), are central to the economic rivalry between Saudi Arabia and Iran. Oil is not only an economic commodity but also a strategic asset used to achieve geopolitical goals.

Saudi Arabia, as a leading member of OPEC, uses its dominance in oil production to stabilize global markets and fund its domestic reforms, particularly under Vision 2030 (Gause, 2010). Conversely, Iran, constrained by U.S. sanctions, seeks higher production quotas to sustain its economy (Nasr 2006). This competition over OPEC policies reflects their broader strategic

objectives: Saudi Arabia seeks to limit Iran's influence by controlling oil prices (Nasr 2006), while Iran uses oil revenues to fund its regional proxy networks in Yemen, Lebanon, and Iraq (Gause 2010).

Matthiesen (2013) highlights the intersection of sectarian and economic dynamics in oil-rich regions like Saudi Arabia's Eastern Province, home to a marginalized Shia population. He argues that Saudi Arabia suppresses Shia activism in these areas to maintain control over critical economic zones. This systemic repression highlights the broader identity and power struggles that characterize Gulf politics.

Chosen Regional Actors

Saudi Arabia

Saudi Arabia lies on the Arabian Peninsula and has a population of over 36 million people, and its approximately 2.1 million square kilometers make it the Middle East's largest country. Its official language is Arabic and ethnic Arabs make around 90 % of the country's population, the rest could be described as Afro-Asian. Due to the harsh climate of the region, most of Saudi's historically nomadic inhabitants are concentrated near the sources of petroleum which are also at the centre of its economy. As of 2020, Saudi Arabia holds an estimated 17 % of the world's proven oil reserves and is considered an OPEC leader. (CIA The World Factbook 2024)

The modern Saudi state was founded in 1932 as the Kingdom of Saudi Arabia, when its independence was recognised by the UK. (Knauerhase 1975) It is an absolute monarchy headed by a family dynasty. (CIA The World Factbook 2024) Saudi Arabia plays a crucial role in Middle Eastern politics, both its religious and economic power influencing the regional dynamics.

Saudi Arabia is the birthplace of Islam with the two holiest places – Mecca and Medina – on its territory. The vast majority of its population is Muslim, officially 85 to 90 % of Saudi citizens are Sunni and 10 to 12 % Shia, with other religious groups in the minority.[1] (CIA The World Factbook 2024) Even though all citizens are considered Muslim, there is a significant immigrant population of around 30 percent as of 2013, public religious expressions of non-Muslims are restricted and they are not allowed to hold Saudi citizenship. (CIA The World

Factbook 2024) A part of the Kingdom of Saudi Arabia's religious establishment is Wahhabism, a rigid "purified" form of Islam from the 18th century which has been associated not only with propaganda-spreading and global terrorism, but has also shaped societies and religious (Islamic) views around the world. (Darwich 2022)

Iran

Iran is one of the key players in the Middle East, with a rich history and a key geopolitical role in the region. In 1979, the country underwent a revolution and Iran was transformed from a monarchy into the Islamic Republic that it is today. The supreme leader of Iran is their spiritual leader, Ali Khamenei. Iran is located in a strategically important area. It has access to oil and gas deposits, which partly provides it with economic influence. However, Iran's economy has long been under sanctions imposed on it by the international community. These sanctions are causing, for example, rising inflation, worsening poverty, high unemployment, and others.

Iran's relations with Iraq and Saudi Arabia

Relations between Iran and Iraq have evolved from the open hostility witnessed in the 1980s to a relatively strategic partnership encompassing political, strategic, and economic dimensions. Iran's primary motivation for maintaining relations with Iraq lies in establishing the country as a buffer zone against U.S. influence, while also utilizing Iraq as a transit route to enhance Iranian regional influence. Furthermore, Iran is leveraging economic strategies to gain access to Iraq's mineral resources (Seloon 2024). This growing Iranian influence significantly impacts Iraqi sovereignty, and it is likely that Iran will continue to exert its influence through not only hard power but also primarily soft power mechanisms, such as economic leverage (Seloon 2024).

Conversely, the relationship between Iran and Saudi Arabia is considerably more complex. The primary tensions between the two nations stem from religious differences and the collaboration between the U.S. and Saudi Arabia. Nevertheless, there have been notable diplomatic advances in recent years, including the restoration of diplomatic relations brokered by China in March 2023 (Alsmadi 2024). Despite this normalization, numerous unresolved issues remain

regarding the future trajectory of their relationship. Their rivalry persists in other conflicts, such as those in Syria and Yemen, with Saudi Arabia perceiving Iranian actions as a threat to its own security. Additionally, tensions surrounding Iran's nuclear program pose the risk of igniting a regional arms race (Alsmadi 2024).

Iraq

Iraq lies on the historical territory of ancient Mesopotamia, underscoring its significant economic potential. In its modern form, Iraq was established after World War I from part of the Ottoman Empire, gaining independence in 1932. However, the country has faced numerous deadly conflicts throughout its existence (Kennedy et al. 2024).

Iraq's political system, often described as an elite pact justified by the sectarian divisions within its society, derives its legitimacy from a specific understanding of the nation's social fabric (Dodge and Mansour 2020). This system was hastily constructed due to regime changes, incorporating democratic elements adapted to Iraq's ethnic diversity. However, this adaptation – where voting patterns first fracture along ethnic lines and then political affiliations – results in highly fragmented election outcomes (Ottaway 2023). The division among Shia, Sunni, and Kurdish groups complicates government formation, often taking months and involving concessions and alliances (Dodge and Mansour 2020). The 2021 elections exemplified these challenges, culminating in a parliament that did not fully reflect the election results (Ottaway 2023).

Although Iraq's constitution theoretically upholds democratic principles (Chambers et al. 2024), the reality diverges significantly, with governance dominated by ethnic-religious representation (Ottaway 2023). Since 2019, the system is no longer explicitly called sectarian, but it operates similarly, exposing the country to ethnic and political challenges (Dodge and Mansour 2020). One such issue is the prevalence of severe corruption, which is both protected and perpetuated by the government (Dodge and Mansour 2021).

Ethnic divisions in political decision-making fuel societal violence. Since the early 21st century, Iraq has experienced intense sectarian tensions (Al-Qarawee 2014). Sectarianism in Iraq is characterized by the integration of distinct groups with their own identities and internal solidarity, which, when linked to political power, leads to mobilization along these lines (Saouli 2019). A critical issue in Iraq's current political and ethnic landscape is that most power rests with the Shia majority. Since 2021, it can be argued that Iraq, a multinational state, has been

governed predominantly by one ethnic group, leaving citizens' voices underrepresented (Sommer 2024). This reflects the impact of political mobilization rooted in sectarianism (Saouli 2019). These dynamics highlight that the idea of secular nationalism and a unified Iraq has been overshadowed by ethnic and religious divisions, nonetheless, the ruling groups have shown no willingness to relinquish their acquired power (Dodge and Mansour 2020).

Motivation of Chosen Actors

Saudi Arabia

The objectives of Saudi Arabian foreign policy are shaped by a combination of factors, the more significant of which will be included in this brief overview. As is probably the case of many countries, these are influenced by historical experiences as well as the preservation of the current regime. The protection from external threats and the continuation of the ruling family Al-Saud's reign are paramount. (Nuruzzaman 2019) A major factor in Saudi foreign policy is its de facto leader, Crown Prince Mohammed bin Salman and his efforts to consolidate power and transform the country into not only a regional, but also a global actor. (Jacobs 2023)

One of the recent innovations is the introduction of Saudi Vision 2030, a development initiative to diversify the country's economy – reducing its dependence on oil by posing itself at the centre of clean energy transition as well as transforming the economy by bolstering tourism, entertainment, attracting foreign investments and residents. This initiative has come with some reforms¹ but the situation has not changed in terms of political rights. (Jacobs 2023) However, oil production and market dynamics still majorly affect the country's economy, Saudi Arabia's clear intent is thus to maintain market stability. (CIA 2012)

As mentioned in the introductory paragraph on Saudi Arabia, the country presents itself as a significant religious leader, using its soft power to influence the region and to position the kingdom as the leading power of the Middle East. (Jacobs 2023)

The kingdom's traditional alliance with the United States has withstood severe challenges including the 9/11 attacks, but continues to this day. (CRF.org Editors 2018) It has added to

¹ For instance, the removal of the religious police, the possibility for women to drive or to allow women to work or travel without the need of a guardian's approval.

Saudi efforts of counterbalancing Iran and other actors perceived as threats. Only in 2023 has Saudi Arabia resumed its diplomatic relations with Iran. (Farouk 2023) Recently, Saudi

Arabia has sought to diversify its security and economic partnerships, engaging with China and Russia to bolster its interests. (Jacobs 2023)

Iran

Since the 1979 Islamic Revolution, Iran has actively promoted its theocratic governance model, declaring itself the guardian of Shiite communities throughout the Middle East. This ambition has been manifested through financial and military support for various Shiite militias in countries like Iraq, Lebanon, and Syria, effectively creating a network of armed groups aligned with Iranian interests (Raouf 2019). Iran's primary objective has been to establish itself as a regional hegemon in the Middle East. Following the downfall of Saddam Hussein's regime in 2003, Iran capitalized on the ensuing chaos and instability in the region. This allowed Iran to significantly enhance its influence in countries such as Iraq and Syria, where it formed a network of alliances known as the "axis of resistance." This coalition has positioned itself as the foremost opposition to both Israel and the United States, actively challenging their interests in the region (Raouf 2019).

At a regional level, Iran seeks to assert its political dominance by leveraging various non-state actors and proxy groups. For instance, Iran has provided substantial support to Hezbollah in Lebanon, Hamas in the Gaza Strip, and the Houthis, known as Ansar Allah, in Yemen. By backing the Houthis, Iran aims to weaken Saudi Arabia's geopolitical standing, broaden its own sphere of influence, and create a counterbalance to Saudi involvement in conflicts in Syria and Bahrain. This highlights that the rivalry between Iran and Saudi Arabia is not solely rooted in religious differences (Shia vs. Sunni) but is also deeply intertwined with broader geopolitical strategies and aspirations (Akbarzadeh and Azizi 2024). The underlying motivation for Iran's support of these groups is predominantly to extend its influence and power beyond its national borders, while simultaneously avoiding direct confrontation with major powers such as the United States and Israel. This strategic aversion to open conflict is particularly evident in Iran's "Look East" policy, which emphasizes building stronger ties with countries like Russia and China. Through this orientation, Iran has adopted firmly anti-American, anti-Western, and anti-Israeli positions, shaping not only its foreign policy but also significantly altering the regional power dynamics in the Middle East (Akbarzadeh and Azizi 2024).

Additionally, Iran's pursuit of nuclear capabilities plays a crucial role in its strategy for regional hegemony. The Iranian nuclear program is viewed as a significant threat by other states in the region, particularly Israel and Saudi Arabia, due to the perceived danger of an emergent nuclear-armed Iran. The advancement of nuclear technology serves as an asymmetric leverage point, potentially equalizing the existing military imbalances in the Middle East and providing Iran with a more formidable position in its ongoing power struggle (Raouf 2019).

Iraq

Iraq shares borders with both key actors discussed in this work: Saudi Arabia to the south and Iran to the east (Kennedy et al. 2024). Iraq serves as one of the key battlegrounds in the regional rivalry between Saudi Arabia and Iran, with this competition being especially visible in Iraq's ongoing political instability (Gul et al., 2021). Before the the U.S. invasion in 2003, Iraq had a large percentage of independent regional influence, which distinguishing it from other states, where Saudi Arabia and Iran engage in proxy conflicts like Yemen or Syria, Lebanon and so on. (Fawcett 2023). However, the country has been significantly weakened by the wars of the 21st century, even creating fertile ground for jihadist organizations like ISIS and Al-Qaeda (Saikal 2022).

The above-mentioned political and ethnic conflicts currently facing Iraq are largely fueled by the regional competition between Saudi Arabia and Iran (Gul et al. 2021). Maintaining influence in Iraq is crucial for Iran as it serves as: 1) a buffer against the aforementioned Sunni extremists and Western influence, 2) a corridor for maintaining its influence in Syria and Lebanon, and 3) an important reservoir of economic markets (Sellom 2024). Iran's influence in Iraq grew particularly following the U.S. withdrawal in 2011, the fight against ISIS in 2014, and the tensions in 2020, when Iraq was at risk of becoming a battleground between Iran and the U.S. (Sellom 2024). In this regard, Iran has successfully extended its influence over the Iraqi government (Gul et al. 2021), with some politicians under Tehran's direct control (Sommer 2024). Iran's effectiveness is also reflected in its influence over Sunni and Kurdish leaders, leveraging the resulting ethnic fragmentation to its advantage (Sellom 2024).

Against Iran's increasingly strong position in Iraq, Saudi Arabia, alongside the U.S. and other actors, has attempted to increase its engagement in the country (Sellom 2024). However, Saudi influence in Iraq is relatively limited, as relations have been weak over the past quarter-century. Unlike Iran, Saudi Arabia has no influence over the Iraqi government (Gul et al. 2021). This aspect has fostered much closer relations between Iran and Iraq, whose dynamics significantly

impact the entire region (Sellom, 2024), a key factor for Saudi Arabia as Iran's main regional rival.

Conflicts

Proxy-conflicts

Iran's perception of the war in Yemen

Yemen stands as a pivotal battleground in the proxy conflict between Iran and Saudi Arabia. This struggle occurs within the context of a civil war, where Saudi Arabia has led a coalition to support the official Yemeni government, while Iran has backed the Houthi rebel movement. Iran's motivation to support the Houthis is rooted in its strategy to promote Shiite Islam and disrupt regional stability, aiming to weaken Sunni Saudi Arabia. Iranian assistance to the Houthis began in 2009, marked by the supply of missiles and drones. However, the nature of their relationship remains contentious—whether it is characterized as a partnership or entails the Houthis' submission to Iranian influence (Al-Goidi 2024).

In 2015, Saudi Arabia launched Operation Decisive Storm to dislodge the Houthis from Yemeni cities. Following this, Iran was the only country to formally recognize the Houthis, establishing diplomatic relations and providing them with weapons (Al-Goidi 2024). By supporting the Houthis, Iran has effectively secured two key advantages: an active partner in the region and an increase in its influence, all without incurring the substantial financial losses that Saudi Arabia has faced (Al-Goidi 2024). Nonetheless, uncertainty lingers regarding how the situation in Yemen will progress, particularly in light of the partial normalization of relations between Iran and Saudi Arabia.

Saudi Arabia's perception of the war in Yemen

The situation in Yemen began to unravel in 2014 with the resignation and flight of its President Abed Rabbo Mansur Hadi and then escalated into a military confrontation in early 2015. Shia rebels managed to gain power throughout the country, including northern and central Yemen and the capital Sana'a. Saudi Arabia's reaction soon followed with the focus to reinstate President Hadi's power; the country launched a military intervention. (Popp 2015)

Saudi Arabian-supported, internationally recognised government is also aligned with the UAE, and the US have offered certain levels of assistance as well. Iran's backing of the Houthi rebels makes this prolonged conflict a possible proxy-struggle between the two regional rivals. (Hamasaheed 2017) However, the Iran-Saudi rivalry is not the only reason behind the Saudi-led intervention in Yemen and some scholars refuse this explanation altogether as distorted. (Darwich 2018) The conflict could ultimately be described as an effort of Saudi Arabia to gain status of a regional power, regardless of the consequences and costs of such attempts. (Darwich 2018)

Potential of Iraq in Region

Iraq's economic recovery has accelerated since 2023, but many risks remain, requiring substantial institutional reforms to address them (Kazemi Najaf Abadi et al. 2023). Iraq, however, holds significant potential. From an environmental perspective, it is a country that, with the right approach, could theoretically mitigate the severe climate impacts in the Middle East due to its advantageous geographic position (Alwash 2023). Politically, Iraq has considerable potential to act as a mediator between Iran and Saudi Arabia. In 2021, its government facilitated diplomatic talks between the two hostile countries, which took place in Baghdad. Although Iraq mediated these negotiations, its efforts were limited, and China ultimately played a crucial role in achieving the agreement to restore diplomatic relations between the two adversarial states (International Crisis Group 2024).

Iraq's priority should be to promote its internal unity and development. From a regional perspective, overcoming ethnic divisions and historical rivalries is essential (Sellom 2024). Thus, Iraq's neutral stance as an impartial mediator in the conflict between Iran and Saudi Arabia is of great importance and the state has some potential in this area.

Possible Future Development

Future Dynamics of the Persian Gulf Region

The future of the Persian Gulf is intrinsically tied to the evolution of its deeply rooted sectarian and ideological tensions, its geopolitical rivalries, and the role of external powers. Drawing on the works of Gause (2010), Nasr (2006), Matthiesen (2013), and Huntington (1996), this section explores possible trajectories for the region while connecting them to its current conflicts.

Escalation of Tensions

The persistence of sectarian competition and unresolved ideological divisions suggests that the region may continue to witness an intensification of proxy conflicts. As Gause (2010) and Nasr (2006) argue, Iran's reliance on proxies and militias, combined with Saudi Arabia's use of direct military interventions and Sunni coalition-building, creates a dynamic likely to exacerbate existing conflicts. Iraq, which remains fractured and under external influence, is particularly vulnerable. Gause's (2010) observation that "Iraq since the invasion has been a playing field, not a player, in regional politics" (p. 6) encapsulates its precarious position.

Huntington's (1996) analysis of cultural fault lines reinforces the notion that Iraq will remain a battleground, as it embodies the intersection of Sunni and Shia civilizations. His statement, "The most dangerous cultural conflicts are those along the fault lines between civilizations" (p. 29), aptly describes the ongoing struggles within Iraq, Syria, and Yemen.

Prospects for Regional Detente

While the potential for de-escalation exists, it depends heavily on the involvement of third-party mediators. Matthiesen (2013) emphasizes the declining influence of the United States and the rise of China and Russia as potential brokers in Gulf diplomacy. China's strategic interest in energy security and Russia's energy cooperation and military presence give them a foundation to mediate disputes. Nasr (2006) echoes this view, highlighting the importance of energy-driven alliances.

Huntington provides a broader perspective, stating, "Non-Western civilizations increasingly assert their own cultural values and reject those imposed on them by the West" (p. 28). This shift could create opportunities for China and Russia to mediate between Saudi Arabia and Iran, leveraging their neutrality and economic ties. However, as Gause (2010) warns, "Any peace framework will have to address the underlying power asymmetries and ideological divides that perpetuate regional instability" (p. 7). Without resolving these core issues, even successful mediation may only result in temporary stabilization.

The Status Quo Stalemate

A third, and perhaps the most likely, scenario is the continuation of a controlled stalemate. All three authors—Gause, Nasr, and Matthiesen—highlight the Gulf's historical pattern of balancing between overt conflict and uneasy coexistence. Nasr (2006) notes that "Sectarian identity will continue to serve as a convenient rallying cry for both Saudi Arabia and Iran,

sustaining a status quo of low-level conflict” (p. 173). Similarly, Gause (2010) describes this dynamic as a long-term balancing act that reflects the deep-seated mistrust between regional powers.

This scenario aligns with Huntington’s assertion that “States and groups from different civilizations are more likely to clash because of their fundamentally incompatible cultural values” (p. 207). Such incompatibility suggests that the Gulf’s conflicts may persist at a simmering level, avoiding outright war but also preventing meaningful resolution.

External Influences

The U.S. pivot toward Asia and reduced energy dependence on Gulf oil mark a significant shift in its regional role. As Gause (2010) observes, “The American withdrawal from direct involvement in the Gulf has opened avenues for China and Russia to assert their influence, reshaping regional dynamics” (p. 9). This transition may create a vacuum that intensifies competition between local and external actors.

China’s Belt and Road Initiative (BRI) and its growing energy needs position it as a significant actor in Gulf diplomacy. Matthiesen (2013) notes, “China’s neutral stance on sectarian issues positions it as a credible mediator, particularly in economic and trade agreements that transcend ideological divides” (p. 76). Russia, meanwhile, leverages its military presence and energy partnerships to strengthen its influence. Nasr (2006) highlights this pragmatism, stating, “Russia’s approach to Gulf politics, rooted in energy cooperation and military support, allows it to influence key players without deep ideological commitments” (p. 202).

Regional Consequences

Oil remains a strategic asset that shapes the Gulf’s geopolitics. Saudi Arabia, as a dominant OPEC member, uses its control over oil production to stabilize global markets and counter Iran’s influence. Gause (2010) emphasizes, “Saudi Arabia’s strategy of controlling oil production within OPEC serves as a geopolitical tool to counterbalance Iran’s economic leverage” (p. 11). Conversely, Iran relies on oil revenues to sustain its proxy networks and regional policies, despite the constraints of U.S. sanctions (Nasr, 2006).

Iraq's economic recovery is hindered by sectarian divides and external pressures. Matthiesen (2013) underscores the systemic challenges: “Iraq’s economic recovery is stymied by

entrenched sectarianism and the dual pressures of Iranian influence and Saudi competition” (p. 89). Similarly, Nasr (2006) links Iraq’s internal struggles to broader regional dynamics, noting, “Shia political empowerment in Iraq has emboldened Shia communities in the Gulf, exacerbating Sunni fears of an ‘axis of Shia influence’” (p. 173). These dynamics underscore the long-term consequences of Gulf conflicts on Iraq’s stability.

Recommendations and summary

Saudi Arabia ought to prioritize executing the Vision 2030 reforms, concentrating on broadening its economy beyond oil and strengthening collaborations in renewable energy. Regionally, the kingdom can leverage its recent diplomatic improvement with Iran to mitigate proxy conflicts, especially in Yemen, while utilizing cultural diplomacy to bolster its influence.

Iran, confronted with economic sanctions and regional difficulties, should focus its efforts away from proxy conflicts and towards stabilizing its domestic situation. By capitalizing on enhanced relations with Saudi Arabia, Iran can aim to diminish sectarian strife and allocate resources to rebuild its infrastructure and tackle urgent economic challenges. Fortifying connections with Iraq and global partners like China, as part of its "Look East" strategy, can further elevate Iran's position in the region.

For Iraq, addressing sectarian divides is essential. Implementing inclusive governance and anti-corruption initiatives is vital for regaining public trust and fostering stability. Acting as a neutral mediator, Iraq should seize its opportunity to facilitate discussions between Saudi Arabia and Iran to promote regional collaboration. By leveraging its resources and strategic location, Iraq can also attract investments and stimulate its economic recovery.

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