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## **Shifting Gears in Iraq-Saudi Arabia Relation**

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*Intensification of diplomatic efforts between Iraq and Saudi Arabia suggest that the two countries are moving toward a policy of long-term cooperation, if not an alliance. This surprising rapprochement should be understood in the context of convergent political, security, and economic interests, with implications for regional security and stability.*

Relations between Iraq and Kingdom of Saudi Arabia (KSA) have remained largely cold or nonexistent since the 2003 Iraq War, an outcome of the war itself that saw the empowerment in Iraq of Riyadh's regional archrival, Iran. Since January 2017, however, bilateral relations improved considerably as Saudi [officials](#) flocked to Baghdad to meet Iraqi counterparts. Iraqi [officials](#) and [public figures](#) reciprocated, in speed, with their own visits to the KSA.

The surprising rapprochement agenda have thus far resulted in, among other things, restoring Saudi diplomatic representation in Iraq, opening al-Jadidah Arar border-crossing on the Saudi northern borders with Iraq, and inaugurating the Saudi Arabia-Iraq Coordination Council, opening a new era of strategic ties between the two countries.

Iraqi media now [reports](#) that the Saudi Crown Prince Muhammad Bin Salman will start an official visit to Iraq in November. In the process, he will become the highest-level Saudi official to do so since 1990.

What explains the timing of this rapprochement policy?

### **Bilateral Interests**

A confluence of shared political, economic, and security interests have come together to produce this historic change in policy, though it should not be considered in isolation of a U.S. vision seeking to build a stabilizing regional alliance in an increasingly instable neighborhood.

A key intent of Saudi Arabia's new strategy in Iraq, backed by the United States, is to isolate and contain Iran by means of bilateral cooperation and increasing trade and investments. This represents a change from an earlier Saudi approach that, since 2003, viewed Iraq as an Iranian enclave, a view that only helped to solidify Iranian influence.

This Saudi revision of policy coincided with an Iraqi vision that advocates for a centrist foreign policy agenda. Under the leadership of Prime Minister Haider al-Abadi, Iraq is actively seeking to build

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relationships with all regional countries without necessarily limiting itself to a particular axis or an alley. Al-Abadi's latest [regional tour](#) to Saudi Arabia, Egypt, Turkey, Jordan, and Iran is an example of this open and centrist foreign policy.

Another intent of this rapprochement policy is economic in nature. The Iraqi leadership's reformist program and the defeat of the Islamic State seem to have convinced the Saudi leadership that Iraq is finally transitioning toward a stable, strong, and unified country. But the Saudis also recognize that these achievements have done little to enhance the lifestyles of many Iraqis, due to limited economic opportunities. Riyadh understands the importance of improving the economic lot of Iraqis in refining its image in the country, an image that has largely been associated with [support of terrorism](#).

Moreover, as part of the [2030 Saudi Vision](#), Saudi Arabia aims at diversifying its non-oil sources of income through trade and investment. Here, Iraq's desperate needs to rebuild and restore services in liberated areas, and beyond, are convened with a Saudi desire for investment in the country. Notably, in October 2017, the 44<sup>th</sup> Baghdad International Fair saw the participation of [60 Saudi companies](#) occupying the largest section in the fair.

Much like its Saudi counterpart, Iraqi leadership understands that its long-term success necessitates the diversification of the local economy, facilitation of trade, opening the market to foreign investors, and reducing the role of public sector, which suffers from chronic corruption, inefficiency, and lack of transparency. Low and fluctuating oil prices make economic diversification all that critical and urgent.

A third intent of this rapprochement policy is security related, and is part of a broader vision for regional security and stability, backed by the United States. Saudi Arabia and Iraq share a long stretch of largely undefended borders that jihadists could use to conduct cross-border terrorism. Here, national and regional security concerns demand cooperative efforts to secure borders and share intelligence.

### The Iranian Factor and Sectarianism

In a [column](#) after [column](#), observers have been cautioning of Iranian bids to undermine Iraq-KSA relations, relying on political and popular support that Tehran has garnered over the last 14 years. While such concerns are valid, owed to Iran's history of political, military, and economic influence in the country since 2003, they ignore a simple fact that Iraq is, since 2015, recovering from its over-reliance on Iran, and is increasingly acting as a sovereign nation with its own foreign policy agenda. To calm Iranian fears, Iraqi leadership is working to assure Tehran that Iraq's "return to the Arab fold" will not necessarily come at the expense of good relations with Tehran. After decades of conflict, Iraq's new policy is to be neutral and welcoming of all.

But, if and when Iran attempts to disrupt the cooperation, they are unlikely to blow serious damage to the current trend in Iraq-KSA relations.

With the growing western and Arab backing of Baghdad, Iran's role in Iraq is likely to become weakened by divergences in interests, including the very issues that are supposed to solidify the Iranian role in Iraq, namely its support to some Shiite political parties and paramilitary groups.

On one hand, Iran is interested in perpetuating the leading role of Shiites in Iraq's political process while many Shiite groups and the international community are keen on building an Iraqi state that is pluralist and inclusive with independent decision-making power.

Moreover, the rising nationalist trend in Iraq, best exemplified by Haider al-Abadi, Shiite cleric Muqtada al-Sadr, and numerous other public figures, is worthy of note in this regard. These political and religious figures have cheered the rapprochement, recognizing that it could handsomely return

economic, political, diplomatic, and security benefits to Iraq. With their enormous power, there is good reason to believe these have the political and social capital to influence the direction of the country.

Finally, because Saudi investments would likely benefit the Shiite communities in Iraq, through investments in Basra oil fields for example, Iran's proxies are unlikely to impair the cooperation, because that would hurt their own communities.

There are also fears of potential sectarian tensions erupting between the two countries, which could shorten the lifespan of the cooperation. This is less likely to occur, for at least two reasons. First, on the leadership level, current Iraqi and Saudi leaderships appear to be decidedly moderate, prone to engagement, and are actively working to weaken sectarian identities in favor of moderate religious understandings and overarching national identities. Second, and equally importantly, it is not entirely accurate to reduce relations between the two countries to an ideological match; they are bound by a host of shared political, economic, and security interests that are important enough to pave the path for a durable cooperation or even an alliance. Shared interests would likely and ultimately supersede the ideological differences that divided Iraq and Saudi Arabia since 2003.

## Conclusion

Recently, [Foreign Affairs](#) characterized the improvement in relations between Iraq and KSA as "some of the best news to come from the Middle East in a long a time." Bound by shared political, security, and economic interests, the two countries are steadily moving to cement the beginning of a strategic partnership, with implications for regional stability and security. If Saudi Arabia succeeds in implementing the intents of its strategy, it will influence positive changes in Iraq, and beyond.

Engaging Iraq will not only balance the country's overreliance on Iran, but also affords it a much wider choice of partners and opportunities in the region and beyond. A key factor influencing the future of bilateral relations is Iraq's upcoming elections scheduled for May 2018. A win by a moderate and reformist leader will see the relations thrive even more.

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