



How a Saudi-Iranian Reconciliation Aids Israel

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BESA Center Perspectives Paper No. 2,192, April 23, 2023

EXECUTIVE SUMMARY: The recent reconciliation agreement between the Islamic Republic of Iran and the Kingdom of Saudi Arabia dismayed many Israeli policymakers, analysts, and journalists. The agreement suggests that Saudi Arabia is steering away from its course of rapprochement with Israel and cuddling up to the ayatollahs, thereby eroding Israel's geostrategic position in the Middle East. But the widespread assessment of this development as entirely bad for Israel is short-sighted.

The recent agreement between the Islamic Republic of Iran and the Kingdom of Saudi Arabia caused great alarm within Israel. In backing away from its movement toward rapprochement with Israel and instead warming relations with Tehran, Riyadh is thought to have eroded Israel's geostrategic position in the Middle East.

This assessment is short-sighted. In fact, even when Israel appeared on the brink of an entente with Riyadh, the most concrete advantage for Jerusalem with regard to its containment of Iran would have been the possible opening of Saudi airspace to the Israeli air force to facilitate a possible attack on Iranian nuclear facilities – a highly unlikely scenario.

Even if a peace agreement had been signed between Saudi Arabia and Israel, Riyadh would almost certainly have demanded that the Israeli air force fly over Syrian or Iraqi rather than Saudi airspace. To offer its own airspace for an Israeli attack would have risked Iranian attacks on Saudi oil fields, oil refineries, and oil transportation in the Persian Gulf.

Eleven years ago, I wrote [the following](#) about the possible consequences of a poorly planned attack on Iranian nuclear facilities:

...[W]ars do not happen in a vacuum. It is thus worth considering the potential economic and diplomatic fallout of a conflict engulfing the Middle East.

The first effect of a conflict would be rocketing oil prices. Barrel price estimates in a war scenario range from US\$150 to around double this amount. What will this mean to a Europe tethering *[sic]* on the brink of bankruptcy? Can the USA assist Israel militarily without being embroiled in a war that aggravates its deficit and debt problems?

The effects of an oil price surge in addition to market volatility make economic forecasting models predict war will generate a global recession. This situation will generate the kind of mass unemployment which is fertile ground for political extremism.

In such a gloomy climate, the unemployed masses would probably pick a more conventional scapegoat than Iranian Shiites for their problems. During the 1930s millions of Europeans and Americans believed that Jewish financiers had a hand in causing the Great Depression. It would be wise for Israel's leaders to consider how a global economic slump triggered by an Israeli attack would benefit anti-Semites.

The Saudi-Iranian peace agreement makes this pessimistic scenario less likely. In fact, in the wake of this agreement, Iran no longer has any legitimate political or diplomatic grounds to retaliate against its ally Saudi Arabia for an Israeli aerial assault.

And if Iran nevertheless chose to attack Saudi Arabia, not only would it demonstrate to the international community that it is a treacherous enemy, but that it is a treacherous ally – indeed, that no nation, friend or foe, is shielded from its wanton aggression.

In this new geopolitical context, it would be much harder for Iran to blame the Jewish State for the global economic fallout triggered by an Iranian attack on a fellow Muslim neighbor and peace partner.

The second warning I made in 2012 was:

Modern history teaches that wars in the Middle East involving America have led the latter to exact heavy concessions from Israel. The aftermath of the Gulf War was the Madrid Conference which in turn led to the Oslo Accords. And after the second Gulf War even the staunchly pro-Israel President Bush pressured Israel to withdraw from Gaza. We do not need

too much fantasy to fathom the price that the world powers would exact from Israel following a third conflict in the region.

The blowback from a rushed Israeli attack on Iran will probably be another “peace conference” where an irate Europe, an enraged Russia, and an exhausted America impose on Israel what the international community still regards as the panacea to the Israeli-Muslim conflict: a full withdrawal from the West Bank along the borders of 1967.

Thanks to the Saudi-Iranian peace agreement this scenario is less likely. To embroil America in another war in the Middle East only made sense as part of a comprehensive campaign to inflict maximum damage on the world economy. Now that attacking Saudi Arabian oil in the Gulf region is no longer diplomatically justifiable, Iran has no reason to attack the US Navy in the Persian Gulf and suffer the blowback of a massive American retaliation.

In other words, it is precisely because the Saudi-Iranian peace agreement has caused the US and Israel to lose leverage in the Gulf region that they are now less vulnerable to Iranian military and economic blackmail.

Undoubtedly, Iranian ballistic capabilities have improved in the last decade. It is therefore almost certain that following a preemptive Israeli strike, Tel Aviv and Haifa would be aggressively targeted by missiles from both Iran and Hezbollah. But thanks to the Saudi-Iranian rapprochement, the military, economic, and diplomatic toll of these attacks is likely to be regional rather than global, as would almost certainly have been the case a decade ago.

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