Iran and the Arab World after the Nuclear Deal

Rivalry and Engagement in a New Era





HARVARD Kennedy School BELFER CENTER FOR SCIENCE AND INTERNATIONAL AFFAIRS

August 2015

The Iran Project

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Cover Photo: Iranian Foreign Minister Mohammad Javad Zarif attends a joint news conference with High Representative of the European Union for Foreign Affairs and Security Policy Federica Mogherini in Vienna, Austria, July 14, 2015. (AP Photo)

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Editor

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For more on the agreement, see

The Iran Nuclear Deal: A Definitive Guide

the Belfer Center's comprehensive guide to understanding the terms of the agreement.



http://belfercenter.org/lranDealGuide

Letter from the Director of the Iran Project

For over the last decade, the international standoff over the Iranian nuclear program has captured world attention and posed significant challenges to regional security in the Middle East and beyond. Given Iran's important geostrategic position and critical involvement in key Middle Eastern affairs, the July 14 declaration on a comprehensive nuclear agreement between Iran and the P5+1 not only mitigates the risk of nuclear proliferation but also presents significant implications for the future order of the Middle East. Whether moving toward greater accommodation with regional states or pushing forward with its revolutionary policies that confront regional order, Iran's role in the Middle East is now more important than ever and will be a critical subject of analysis, research, and discussion in the foreseeable future.

The Iran Project at Harvard University's Belfer Center for Science and International Affairs, with our internationally-recognized team of experts on Iranian nuclear and regional security matters, is uniquely positioned to produce innovative and rigorous research on Iranian regional policy at this critical juncture in the history of the Middle East. In line with this objective, I am delighted to announce the launch of our Iranian Regional Security Research Project (IRSRP), as one of the primary research components of the Iran Project, which focuses on the country's regional foreign policies and security strategy. The mission of IRSRP is to produce policy-relevant knowledge on Iranian foreign policy decision-making in the Middle East, to assess the ramifications of Iran's role and behavior on Middle Eastern states, and to engage in dialogue with experts from Iran and the region on these issues. From Iran's role in Syria, Lebanon, and Palestine in the Levant to Afghanistan, Iraq, the Persian Gulf, and Yemen, IRSRP seeks to provide consistent and systematic analysis of Iranian regional security policies.

This publication, *Iran and the Arab World after the Nuclear Deal: Rivalry and Engagement in a New Era*, is the first in a series of IRSRP's publications. It has gathered the opinions and analyses of over a dozen of the leading experts of the subject based in the Arab world. By surveying such a diverse and important group of voices, this publication reflects a unique snapshot of the reaction of experts across the region to the nuclear agreement between Iran and the P5+1. Our contributors' views reflect contemporaneous trends and analytic outlooks, and, as such, this publication contributes to our knowledge of the local strategic concerns and political narratives regarding Iran and its security relationship with its Arab neighbors.

Future publications will survey perspectives from analysts and scholars from additional countries, including Iran itself, Israel, and Turkey, in order to produce advanced policy analysis on salient issues which shape Iran's broader security environment. With our strong academic standing and existing programs, the Harvard Kennedy School and the Belfer Center's Iran Project look to be at the forefront of pushing forward knowledge on Iran at this key moment in Iran's evolving relations with the world. We hope this publication series advances this goal, and we invite our readers to join the conversation and send their comments and analyses to iran_matters@hks.harvard.edu. We look forward to post suitable contributions online and continue the dialogue on our website, Iran Matters.

Sincerely,

Dr. Payam Mohseni

Director, The Iran Project Belfer Center for Science and International Affairs Harvard Kennedy School of Government

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Part I: Iran, the Arab World, and Assessments of the Nuclear Deal

Introduction: Views from the Arab World and Iranian Politics Post-Nuclear Deal

Payam Mohseni

The recent nuclear agreement reached between Iran and the P5+1 in Vienna, or the "Joint Comprehensive Plan of Action" (JCPOA), is an historic agreement which is consequential not only for international security and nuclear proliferation but for Iran and the broader Middle East as a whole. In particular, one of the key arenas that the agreement will impact is Iran-Arab world security relations and, at its center, the Iran-Saudi cold war. Spawning regional conflicts and proxy wars from Yemen to Lebanon, Syria, and Iraq, the confrontation between these two regional powers serves as the geopolitical and security background upon which the nuclear deal was forged. How this cold war proceeds—whether or not it is effectively managed and resolved, or how it escalates—will largely determine the security dynamics and landscape of the Middle East for years to come.

As a potential catalyst for further diplomatic means of conflict resolution, the comprehensive agreement provides a unique opportunity to seriously engage Iran and possibly alleviate these tensions, especially if it leads to Iranian rehabilitation within the formal security architecture of the Middle East. In this light, President Obama's call for a "practical conversation" between Iran and Arab states is an important step towards resolving the conflicts enflaming the region. Addressing the sectarian dynamics of the conflict, Obama recently stated that the best opportunity for "reducing the scope of those conflicts is for the Saudis and other Sunni states or Arab states to be at least in a practical conversation with Iran that says, 'The conflict we are fanning right now could engulf us all in flames.³⁰¹ Moreover, signaling a possible shift in U.S. policy towards its Arab partners, the President emphasized that "America has to listen to our Sunni Arab allies, but also not fall into the trap of letting them blame every problem on Iran. The citizens of more than a few Arab Gulf states have been big contributors to Sunni jihadist movements that have been equally destabilizing."

Echoing these sentiments in a letter to the Lebanese daily, al-Safir, addressing the Arab world, Iranian Foreign Minister Javad Zarif warned of the shared security threats that confronted all Middle Eastern states alike: "it is incumbent upon us all to accept the reality that the age of scheming has long passed and that we are all together winners or we are all together losers. Thus lasting peace cannot be actualized with an assault on others' security, and it is not possible for any peoples to actualize their interests without taking into consideration the interests of others."² In the same letter, Zarif proposed establishing regional talks for a peaceful resolution of violent conflict in the region. The Iranian Foreign Minister's statements were all the more significant as they were orchestrated with his tour of Kuwait, Qatar, and Iraq following the conclusion of the comprehensive nuclear agreement, thus signaling Iran's renewed focus on its immediate neighbors and its commitment to diplomacy.

¹ Quoted in Thomas Friedman, "Obama Makes His Case on Iran Nuclear Deal," *The New York Times*, July 14, 2015.

² Javad Zarif, Al-Safir, Aug. 3, 2015.

Given the significant ramifications that these openings may herald for the future of Iran-Arab world ties, it is more important than ever to engage and analyze viewpoints from scholars and analysts based in the region on the future of Iran's role in the Middle East and Arab security. In this light, this publication brings together a diverse set of voices from Arab world experts to comment on the implications of the nuclear agreement between Iran and the P5+1 on Iran-Arab security relations. This chapter accordingly begins with a summary and brief analysis of Arab expert opinion in order to elucidate the broader trends and patterns of analytic thought on Iran and the Arab world. Thereafter, the chapter turns to an examination of the implications of the agreement on Iranian politics and the factors shaping the possibility of Iranian foreign policy moderation. It does so because no serious discussion on Iran-Arab security relations can ignore the Iranian decision-making process and domestic Iranian politics.

Summary of Arab Expert Opinions

We gathered the opinions of fifteen of the leading regional experts in the Arab world to share their views on the implication of the Iranian nuclear agreement on the security of the Middle East. Our experts are located across the Arab world including Egypt, Saudi Arabia, Yemen, Lebanon, Kuwait, and Qatar. Moreover, they have varied subject expertise from the international relations of the Middle East to the politics of regional security, as well as different country-level expertise, including but not limited to the politics of Iraq, Syria, Saudi Arabia, and Iran. Specifically, we asked our contributors to answer the following two questions on this critical subject:

- What will the implications of the nuclear agreement be on Iranian foreign policy in the Middle East and, specifically, the Arab world?; and
- (2) How will such a scenario impact the regional security architecture?

The answers we received from our experts are varied and reflect diverse analytic viewpoints and opinions in the Arab world. Nevertheless, there are certain similarities and differences that can be identified across several core themes within these commentaries that are of critical importance for understanding the dynamics of Iran-Arab security relations following the nuclear agreement. These themes include evaluations of the factors leading to a comprehensive nuclear agreement at this particular moment; the risk of nuclear proliferation in the region; Iranian calculations for engaging in conflict or cooperation in the Middle East; regional policy readjustments for Arab states in a post-deal environment, such as improving relations or escalating conflict with Iran and its allies; U.S. strategy on Iran in the region and U.S.-Iran relations; and, finally, on future regional scenarios. Summaries of the different viewpoints expressed on each of these themes are presented in the sections below.

I must mention, however, that not all of our contributors discussed each and every one of the themes listed above given the open-ended prompt. The analysis in the following sections thus represents a selection of topics that different authors chose to highlight in their own respective work. These themes figured prominently across the articles in this publication, and conflicting opinions within each theme reflect basic fault lines of analysis or attitudes on Iran-Arab world security relations held by our contributors.

Factors leading to a nuclear agreement:

Our contributors mentioned a variety of factors explaining why the nuclear deal was reached at this point in time. The most common answer provided was the impact of sanctions on Iran and Iranian desire to have them lifted. While not necessarily mutually exclusive, other explanations that pointed to Iran as the source of change allowing for successful negotiations included: a shift in Iranian foreign policy outlook following the election of Iranian President Hasan Rouhani, the generational gap between Iranian officials and the public, and the military stalemate facing Iran in regional conflicts.

A different factor provided to explain why Iran accepted the deal was because the country successfully attained one of its key objectives in its decade-long standoff with the P5+1: what Hilal Khashan describes as "Iran's desire for recognition and partnership with the U.S. in the Gulf." In contrast, some of our contributors identified another set of factors that pointed to the United States as the main driver pushing for a deal, including a U.S. desire for rapprochement with Iran and the Obama administration's objective to alleviate Israeli security concerns without getting dragged into another war in the region. Whether mentioned explicitly or implicitly, the deal was largely seen as either a clear win for Iran or as beneficial to the country.

Impact of the deal on nuclear proliferation in the region:

For those who discussed the nuclear agreement's impact on regional nuclear proliferation, most experts believed that the deal would diminish the risk of proliferation and praised the settlement for this reason. The deal could also potentially advance the idea for a WMD free zone in the region. As Tamim Khallaf argues: "both sides are adamant supporters of establishing a zone free from weapons of mass destruction in the Middle East and have been vocal in their criticism of Israel's nuclear program and its non-adherence to the NPT. Now that an agreement on Iran's nuclear program has been reached, Israel's nuclear program should return center stage."

Several experts, however, predicted or expressed concern for the opposite effect: an Iranian drive towards weaponization or regional proliferation. As Abdulaziz Sager explains, "there are widespread doubts that Iran will stick to the letter and spirit of the agreement." Likewise, Abdulwahhab Al-Qassab notes Iran's potential use of "nuclear blackmail" against regional states as well as the heightened risk of proliferation that will ensue as a result: "A sort of nuclear race could be expected since the Arab countries, especially Saudi Arabia and the Emirates, are already embarked on sort of peaceful nuclear programs. This will bring the region into a warm sort of cold war where wars of attrition between subordinates will prevail on bases much more harmful than what we see now in Iraq, Syria, and Yemen."

In addition, a common sentiment found in the commentaries questions the view that an Iranian nuclear program poses as a significant threat to the Arab world. Rather, it is traditional Iranian means for power projection in the region, including Iran's support for proxy groups or its ballistic missile arsenal, which are considered to be paramount. As Marwan Kabalan expresses, "Iran's ballistic missile stockpile, which can hit every spot in the Arabian Peninsula, is in fact Iran's nuclear option for the Arab Gulf states."

Impact of the deal on the Iranian position in regional conflicts:

Our contributors were largely divided on whether the nuclear agreement would extenuate or ameliorate Iran's threat to regional stability. For those who believed the deal would lead to Iranian foreign policy moderation, various factors were mentioned. Most identified the economy as the key mechanism: that Iranian concern for economic development would diminish its engagement in costly and high-risk conflicts in the region; that increased economic relations with the Arab world would bring about Iranian regional rehabilitation; or, that Iran's successful economic development would strengthen the middle class and bolster the moderates inside Iran. As a result, as Rami Khouri states, "Iran could mirror Turkey's transformation in the past quarter century, from an insular security state to a regional power."

Accordingly, domestic Iranian politics and its impact on foreign policy was an interesting subject of analysis in the submissions. For some authors, domestic political moderation and reform were linked to the possibility of Iranian foreign policy moderation, and it was believed that the agreement would likely unleash new internal challenges to the Islamic Republic, which would pressure the state to moderate. For others, in contrast, Iran will be able to cope with its domestic challenges and achieve economic growth while simultaneously expanding its revolutionary ideology and influence throughout the region. In other words, Iran's growing economy and its global economic reintegration will not divert the country from its current foreign policy path. According to Abdul-Salam Mohammed, "Iran has the ability to manage contradictions," and the nuclear agreement, a case of contradiction itself, "may result in economic stability in Iran while it will continue its extension through the tools of violence and chaos outside its borders."

Post-deal Arab policy responses to Iran:

Most of our contributors believed that there will be an escalation in Arab aggressiveness and hostility to Iran in the region to weaken Iran's hand in the Middle East, at least in the short term. This could potentially be followed by Arab-Iranian dialogue on regional affairs. Several of the authors also discussed the greater number of vulnerabilities facing the Arab world compared to Iran, including the growing instability and state weakness in the Arab world, the political divisions within the GCC that will play into the hands of the Iranians, the Gulf states' reliance on external security provisions, and the nuclear deal itself which will further tilt the regional balance of power towards Iran and away from the Arab world.

Heightened aggression by Saudi Arabia and its regional Arab allies may thus be used to overcome these weaknesses and shift balance back towards the Arab world, whether or not dialogue is successful. Increased Arab wariness and suspicion of the United States is yet another reason given for a more active and hostile foreign policy in some Arab states, such as Saudi Arabia. As Ibrahim Fraihat explains, "Arab countries still remember how President Obama behaved towards his 'red lines' with the Assad regime," and these countries are "concerned that the West would make similar arrangements by sorting out Iran's nuclear project to serve their own agendas and in return let Iran go on a rampage in the region." In contrast, however, others believe these types of claims may be overblown; Khouri, for example, speaks of "Saudi exaggerated fears of Iranian hegemonic ambitions across the region that will eventually dissipate, as Iranian-GCC economic and cultural ties expand."

Given the regional turmoil, the rise of other non-Arab powers, including Turkey, may also occur in tandem with Iran's rise. Several of the authors also discussed the possibility of greater Turkey-Saudi coordination and partnership in the region in response to the deal and expanding Iranian influence. And many emphasized the need for greater dialogue between Iran and the Arab states, particularly Saudi Arabia, in promoting peace and security in the region. Otherwise, as Mahjoob Zweiri claims, the regional picture may become dimmer as the "nuclear deal seems to widen the gap between some Arab States, like Saudi Arabia, Bahrain and Jordan on one side, and Iran on the other side."

Post-deal U.S. strategy on Iran and the Middle East:

The vast majority of our contributors saw the nuclear agreement as a clear signal of a change in America's position on Iran and interpreted the United States to be moving closer to Iran and preparing for a greater rapprochement. This idea of course has

been an important source of concern for many Arab leaders. Some authors claimed that this trend was initiated back in 2003 with the cooperation between the U.S. and Iran over post-Saddam Iraq. Other reasons given for a shift in U.S. policy on Iran included that the U.S. objective to craft a more effective containment strategy necessitated an Iran without nuclear weapons; that the U.S. wanted to increase its leverage in the Middle East by playing different countries off one another and hence the need to engage Iran; or, that the U.S. would like regional actors to shoulder more of the costs in managing their affairs and providing security. According to Imad Salamey, "a New Deal Middle East will feature international recognition and incorporation of Iran into regional power constellations, which will intensify rivalry to assert dominance." However, simultaneously and "in light of power constraints and regional deadlock, the rewards attained will perpetuate Iran's foreign and security aspirations in the Arab World within an arranged and internationally determined code of conduct," which would presumably allow the U.S. and the international community greater leverage in managing and influencing the conflicts and politics of the Middle East.

Whether or not U.S.-Iran relations will fundamentally change with a potential "grand bargain deal" and solve any outstanding contentions between the two countries on the heels of the current nuclear agreement is still open to speculation. As Waleed Hazbun argues, "In 2003 the U.S. was in a far stronger position while now Iran holds important cards in conflicts across the region." Although the nuclear agreement "suggests nothing of the sort of regional 'grand bargain' proffered by Iranian officials and dismissed by American ones in 2003," it could potentially result in a more expansive agreement. As Hazbun continues: "The key question remains if the U.S. and Iran will seek to find common ground on mutually recognized legitimate security concerns or will exacerbate regional rivalries through military escalation."

Possible future scenarios:

The two most common future scenarios discussed are: 1) increased Iranian influence in the region and an escalation of conflict, or, 2) increased cooperation and a resolution of tension in the Middle East. Nevertheless, most of our contributors believed that regional competition and regional power rivalry would increase in the foreseeable future. This trend, however, is not necessarily seen as driven by the nuclear agreement itself. Importantly, as previously discussed, structural factors such as instability in the Arab world and the resulting power vacuums left by weak states will make competition likely as regional powers like Iran, Turkey, and Saudi Arabia may attempt to exploit the circumstances. Consequently, as Hazbun claims, "the Iran nuclear deal might forestall risks of catastrophic conflict relating to any possible Iranian weapons program but could exacerbate inter-state conflicts across the Saudi-Iranian rivalry while doing little to address critical security challenges caused by state erosion across much of the region."

Moreover, as Yezid Sayigh suggests, "longer term trends" may not necessarily lead to sustained peace or even de-escalation of conflict, as the deal "may revive and deepen strategic rivalry" between Iran and Arab states. Even if Iran "normalizes" and moderates its actions and ideology, Arab states will intrinsically fear the re-emergence of Iran's role as a "regional policeman"—a role it had undertaken in the Persian Gulf in conjunction with the United States during the time of the Shah. By removing the ideological and revolutionary aspect of the Islamic Republic of Iran as an explanatory factor behind the Iran-Saudi rivalry, Sayigh thus highlights the purely geo-strategic dimension of contestation that exists between the two states.

Finally, a trend that several authors discussed was the possibility of a Turkish-Saudi partnership in the region to counter Iran. This alliance could be used to curtail gains made by Iran through the nuclear agreement and constrain Iran's ability to project power in the region. A more active and potentially militant Turkish policy in the Middle East may thus be one of the significant, and lesser expected, geo-political consequences of the deal.

The salience and variety of our analysts' predictions regarding relevant factors affecting Iran-Arab world relations necessarily depended on both future Iranian foreign policy in the region and the Iranian domestic context. In order to more fully understand the importance of this relation, this chapter turns to an in-depth discussion of the implications of the agreement on Iranian politics and how the nuclear deal can impact Iran at home as well as abroad.

Implications of Nuclear Agreement for Iranian Domestic and Foreign Politics

The nuclear agreement between Iran and the P5+1 is significant not only due to its salience for regional security and nuclear proliferation but also because of the potential ramifications it will

have on Iranian domestic and foreign politics. Indeed, beyond the complexity of the technical aspects of the nuclear agreement, its political dimension is critical for ensuring a *durable* and long-term resolution of the issue. Whether Iran complies with the agreement during the 10-15 year timeframe or restrains from weaponization afterwards depends on the political calculations of the Islamic Republic—calculations which are shaped by its domestic, regional, and international contexts. For U.S. policymakers, accordingly, one of the most important strategies is to minimize any desire among the Iranian elite to produce a nuclear weapon over the long term. This objective in part drives why the U.S. administration seeks "a new direction" with Iran through integration, which, as President Obama elaborated, consists of "more integration into the global economy, more engagement with the international community and the ability of the Iranian people to prosper and thrive."³ By viewing the nuclear issue in light of this broader vision, it is important to ask whether the nuclear agreement can result in an opening and moderation of the Islamic Republic and whether a policy of integration can produce a transformation in Iranian foreign policy toward greater cooperation and reconciliation in the Middle East.

Answering these questions is however fraught with difficulty due to the uncertainty involved in making any serious predictions over the transformation of the Iranian political system over the next decade. Nevertheless, it is possible to identify key factors that may enable or inhibit the prospect for such an evolution to occur in the first place. How can the nuclear agreement instigate a change in Iranian domestic and foreign policies? Or, what factors could mitigate the nuclear agreement from

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³ White House, "Statement by the President on Iran," July 14, 2015.

moderating Iran's domestic and foreign policies in the region and vis-à-vis the Arab world? Below, I outline the various factors that can shape these processes.

There are three underlying mechanisms that may produce Iranian moderation: 1) the nature of political competition and social dynamics in Iran; 2) the domestic implications of the de-securitization of Iran's international nuclear file; and 3) the likely implementation of a Western strategy to engage Iran and re-integrate the country within the Middle East and larger global economy.

First, reform and policy change can occur within Iran as there is meaningful albeit constrained space for political contestation and popular participation within the political system, as was demonstrated most recently with the election of moderate President Hasan Rouhani in 2013. In other words, there are significant policy differences (social, political, economic, etc.) among elite factional platforms, and elections matter in the composition of power holders in the Islamic Republic. Domestic and foreign policy decision-making can thus shift as a result of a transformation in the configuration of power among the elite. Moreover, Iran boasts an educated and youthful population, which although divided along class lines, religiosity, and education, a large section of which yearns for greater international participation and can be mobilized at the polls by the moderates.

Second, the resolution and de-securitization of the nuclear file internationally could open the door to further liberalization in the domestic political scene. Following 9/11 and the foreign policy agenda of former President George W. Bush, including the invasion of Iraq and regime change discourse regarding Iran, Iranian conservatives used the security threat as an important justification for stymieing reform and bolstering the security forces of the state and the Revolutionary Guards. One of the reasons former Iranian President Mohammad Khatami's reform policies did not succeed was that his outreach to the West was largely perceived to have been rebuffed by the United States. Today, however, with a successful deal, the military threat to Iran greatly reduced, and the Islamic Republic openly acknowledged by President Obama, the potential for domestic liberalization is stronger. Indeed, one of the main goals of the moderates following the agreement will be to extend the de-securitization of the nuclear file in the international arena to the domestic arena in order to allow for more political inclusion and participation, thus possibly shifting the balance-of-power to the moderates.

Third, and lastly, greater incorporation of Iran into the international community and the global economy—potentially accompanied by an economic boom and greater foreign investment—could bolster and cement the more moderate factions within the regime and provide the elites more incentives to act constructively in regional affairs. Greater Western linkage could thus increase the ties and leverage necessary for inducing moderation and increase the costs for making confrontational decisions such as weaponization that may jeopardize the economic and political benefits Iran may gain from integration.

A successful scenario of Iranian foreign and domestic policy moderation could thus result from a confluence of these three factors in addition to the critical fact that the deal was signed under the tenure of moderate President Rouhani. In this victorious scenario for the moderates, the hardliners would face a

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political setback if the nuclear agreement is finalized and successfully implemented. A lifting of sanctions and the re-engagement of Iran in the international community with the resolution of the nuclear file would be considered a boon for Rouhani and the moderates within the country-contingent on Rouhani translating the lifting of sanctions into tangible economic benefits for Iranians. The popularity Rouhani could gain increases the likelihood that moderates will make considerable gains in the upcoming 2016 parliamentary election and the Council of Experts election, the body of clerics authorized to choose the successor of the Supreme Leader. Such an outcome would strengthen the moderates' hand to push forward with political reform and bode positively for the gradual opening and liberalization of the political system. Hardliners would in turn be gradually sidelined from institutions of power through electoral means. According to such a scenario, the economic rents hardliners derive from Iran's economic isolation and black market trading would likewise be curtailed as Iran increases its presence in the global economy and develops a stronger private sector.

In the international and regional arena, the moderates could also attempt to change the nature of Iran's involvement in Iraq, Lebanon, and Syria. This could mean that the moderates assume authority over Iranian security policies in the Middle East from the Revolutionary Guards. It may also encompass greater coordination and cooperation with the U.S. on regional issues, a push to expand ties and begin détente with Saudi Arabia—a position repeatedly advocated by the moderate head of the Expediency Council and presidential ally, Ayatollah Akbar Hashemi Rafsanjani—and the minimization of Iran's ideological and revolutionary commitments and policies, including support of Hezbollah and Islamic Jihad. The moderates could also work to limit the main focus of Iran's foreign policy to the country's immediate neighbors and the Persian Gulf region, thus largely abandoning or minimizing its current commitments in Syria, Lebanon, and Yemen.

Such an optimistic scenario for the moderates, however, is by no means guaranteed. There is an alternative scenario too, one in which the hardliners could benefit more than the moderates. There are six underlying mechanisms that may possibly mitigate the nuclear agreement's moderating effects on Iranian domestic and foreign policies: 1) Western coercive leverage over Iran is significantly reduced due to the removal of the nuclear file, thus weakening the possibility that a broad international coalition calling for the legitimate use of military and economic coercion can be formed against Iran; 2) Western leverage over Iran may be reduced due to a strategy to rehabilitate Iran regionally and partner with the country on important points of shared interests; 3) Iranian security forces are strong and effective domestically and have backing from a critical size of the population; 4) Iranian economic ties with the non-Western world will grow more significant, especially with Russia, China, and emerging economies; 5) Iran will work on minimizing its vulnerability to future sanctions based on the lessons it has learned from its current experience; and 6) the greater turmoil and chaos in the Middle East, especially on Iran's borders, mollify calls for reform at home and enables the continuation of security-based discourses domestically. The first two points above, of course, do not refer to scenarios in which Iran violates the nuclear agreement. Rather, they address the weakness of Western leverage should hardliners decide to block threatening domestic reform or if Iran decides to be more active and aggressive in its regional policies towards U.S. allies and interests.

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Accordingly, in this scenario, the hardliners will financially benefit from the lifting of financial and trade sanctions despite experiencing losses in black market trade, and they will be able to increase their trade with Russia, China, and other non-Western countries. Moreover, potential economic opening with the West may not be fully realized due to the inopportune investment climate in Iran and Western corporate wariness to enter the country given the risks, stigma, and the non-nuclear related sanctions remaining on the country. If the lifting of sanctions does not translate into economic benefit for the ordinary Iranian, hardliners may also capitalize on this scenario and blame the Rouhani administration. They will also criticize the nuclear deal for capitulating Iran's nuclear program for minimum return.

Just as importantly, the hardliners can enact various political means to impede investment projects or inhibit what they envision as Iran's integration into the economic and political orbit of the United States or the global economy. They may be able to easily scare off private investors, impede the development of the private sector, or attract investors to companies affiliated with their own businesses and those linked with the Revolutionary Guards. Similar tactics were adopted by hardliners during Reformist President Mohammad Khatami's tenure from 1997-2005, including the dramatic seizure by the Revolutionary Guards in 2004 of Imam Khomeini airport—Iran's largest international airport—which was built by an Austrian and Turkish consortium. Similarly, political battles within the Iranian parliament can produce bills limiting the level of outside investment or mandating parliamentary approval for foreign projects, as well as imposing tariffs and other trade measures. Similar moves can also be made to impede political reforms, such as

blocking the passage of laws via the Guardian Council that bring about greater domestic liberalization or that may further open up competition during elections. Or, due to a change in U.S. administration or strategy, the U.S. may not pursue a policy of integration, thus depriving the moderates with the needed benefits to push for a shift in Iranian policies.

In terms of regional security policy, the lifting of strenuous arms sanctions and sanctions on individual Revolutionary Guard members and pro-hardliner businesses, as well as the immediate monetary windfall resulting from unfrozen assets, if redirected through the Revolutionary Guards and other hardline institutions, can reinforce hardliner ambitions in the region. This would mean that Iranian influence and soft power would drastically increase in the region, particularly in military conflict zones and would result in a strengthening of their financial and military capabilities to operate across the Middle East. Moreover, for the hardliners, Rouhani's outlook would be considered a concession to neo-liberal global policies propagated by the United States which could undermine Iran's revolutionary values.

In line with this view, in his first public speech following the nuclear agreement, Iranian Supreme Leader Ayatollah Ali Khamenei reiterated Iran's enmity with the United States and outlined the clash of strategic visions between the two countries, thus brandishing the revolution's ideology. Iranian hardliners already feel empowered both regionally and internationally and could use the current agreement to only bolster their position. Given that Iran has demonstrated its power in helping secure the Assad regime in Damascus, in continuing its close relationship with Lebanon's Hezbollah, and, with the rise of ISIL, in

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expanding its influence in Iraq, the current nuclear agreement could further bolster hardline perceptions that America needs Iran for partnering on regional objectives, especially given the decline of U.S. power in the region.

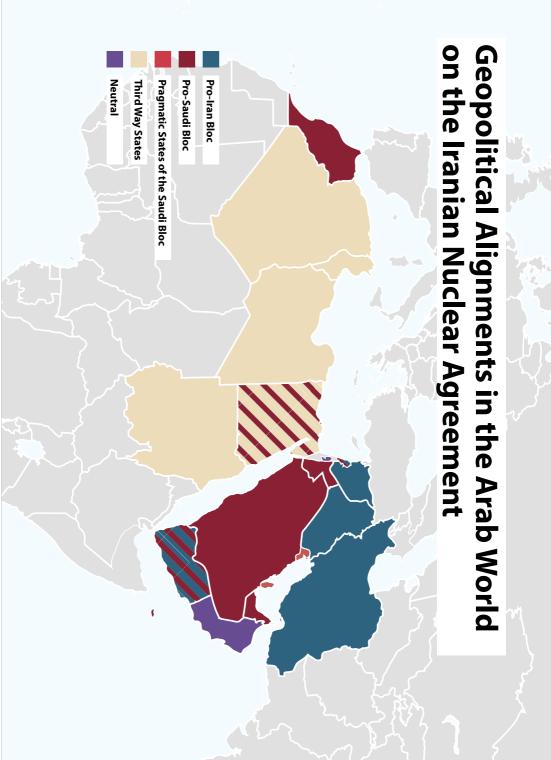
Although it is not certain which scenario may materialize in Iran, what is sure to unfold is increased factional competition and political jockeying for primacy within the Iranian political system as a result of re-adjustments to the post-agreement landscape. The result of such a process will be both uncertain and messy, with moderate gains in some arenas and hardliner gains in others. As Ayatollah Khamenei mentioned in earlier speeches, successful resolution of the nuclear file may open the door to other areas of cooperation between Iran and the United States—some of these areas, such as Persian Gulf security or the fight against ISIS, may even be advanced by hardliners, including the Revolutionary Guards. Other areas may come under the purview of the moderates and reformists. In other words, the spoils of the nuclear settlement will likely not be captured by just one faction but rather distributed across multiple factions by various means and as the result of political battles which are yet to be fought but are sure to take place. What is certain, however, is that the Supreme Leader will work to turn the nuclear agreement into a victory for the Islamic Republic system rather than as an outright win for any particular faction.

Conclusion

The comprehensive nuclear agreement is significant for regional security both directly as well as indirectly (due to its impact on domestic Iranian politics). As discussed in this chapter, our expert contributors hold different viewpoints regarding the deal's impact on Iran-Arab world security. Since regional escalation or de-escalation of conflict can result from a variety of factors, the outcome is uncertain and open to debate. The majority of our contributors believed that rivalry and competition between Iran and Saudi Arabia will increase in the region at least in the short run. Consequently, for policymakers, it is important to ask how this rivalry can be managed in order to promote greater regional peace and stability and prevent further escalation of conflict.

For the United States, such conflict management will likely pose an important challenge on its policy towards Iran. There is a possible intrinsic tension between U.S. strategies of containment and strategies of engagement with Iran. This tension has implications not only for Iran but for the Arab world as well. The greater the engagement and outreach the U.S. has with Iran, the greater the Arab fears of U.S. abandonment and rising security concerns vis-à-vis Iran will be. The United States is thus confronted with a difficult situation in order to demonstrate its commitment to its Gulf Arab allies and to increase pressure on Iran to limit its regional ambitions. On the other hand, an overly coercive and antagonistic containment strategy will undermine effective and credible engagement with Iran and block the potential efficacy of domestic liberalization and economic openings. Furthermore, an aggressive U.S. containment strategy will likely empower the hardliners rather than the moderates in Iran.

How these competing pressures are balanced by the U.S. is therefore crucial. American policymakers are looking for strategies that are nuanced, sequenced (i.e. taking into account elections in Iran and the United States), and that can neutralize the challenge of multiple centrifugal forces in the region. Whether this balancing is possible, or whether such a strategy can be formulated in the first place, is not certain. However, our discussions need to be sharpened and focused on precisely how the possibility of engagement and Iran's integration in the political order of the region can be effectively managed given the international, regional, and domestic Iranian contexts. We hope that this publication, as the first in a series of studies in the Iranian Regional Security Research Project, is a step in this direction.



The Geopolitics of the Arab World and the Comprehensive Nuclear Agreement

Hussein Kalout

The announcement on July 14th in Vienna of the historic Joint Comprehensive Plan of Action between the Islamic Republic of Iran and the P5+1 to limit and monitor the Iranian nuclear program for exclusively civilian purposes has been widely heralded as a fundamental positive shift for regional and international peace and security. This view, however, is not universally shared by leading Arab countries.

The reactions in the Arab world were divided into three distinct groups based on different political visions and geostrategic interests in the Middle East. The first group, or the "skeptics," represented by Saudi Arabia and their Arab monarchical partners—which include the Gulf states in addition to Jordan and Morocco—expressed their skepticism and uncertainty in the framework for the nuclear deal between Tehran and the P5+1. The second group of actors is the so-called "Pro-Iran Bloc" composed of Syria, Iraq, an important faction of the Lebanese political mainstream, and part of the Yemeni political opposition, who received the pact with exultation. The final group, or the "third way" countries, made up primarily by North African states, like Egypt, Algeria, Tunisia, Libya, and Sudan, welcomed the agreement with a mixture of joy and concern but were ultimately satisfied with the deal.

The Pro-Saudi Bloc: Countries skeptical of the nuclear agreement

For the first group—the alliance led by the Saudis—the agreement will reinstate and legitimize the Islamic Republic of Iran within the international system while at the same time allowing the Iranians to navigate unchecked across the region. From the stand point of the Arab monarchies, the agreement will not just recognize the legitimacy of the Iranian nuclear program but will also allow Iran to expand its primacy over other areas in the Middle East chessboard politically, economically, and militarily through their proxy groups such as Hezbollah.

From the perspective of the Arab Gulf countries, and especially Saudi Arabia, the agreement should have effectively dismantled the Iranian nuclear program and fully maintained the arms embargo against Iran. Moreover, the agreement should have also been more expansive and addressed outstanding regional political tensions, such as the Syrian conflict, Iraq, Hezbollah, and Iranian support of opposition groups in Bahrain and Yemen.

Within this pro-Saudi bloc, Qatar and Kuwait straddle a middle line on the deal. Qatar and Kuwait received the deal in a different tone than Saudi Arabia despite being in the same political camp. This was perhaps due American pressure on them to support the deal, thus giving the two countries an excuse to distance themselves from more hardline maximalist Saudi positions. They did so to increase their leverage with Saudi Arabia—to use their relationship with Iran to get more benefits from Saudi Arabia and simultaneously to gain more power to act independently and pursue their own particular interests. The Camp David meeting in May 2015 between the United States and the

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GCC countries also proved crucial in garnering the support of Kuwait and Qatar to cooperate with the U.S. on the nuclear agreement.

The Pro-Iran Bloc: Countries in favor of the nuclear deal

In contrast to the Gulf monarchies, the "pro-Iran bloc" countries believe the deal will have an important positive effect on their aspirations and political empowerment in the region. They believe that Iran's release from the international penalty box will enhance their own prestige and power both domestically as well as regionally within the larger geopolitical landscape. For this alliance, the core of the agreement was based on the Iranian right to preserve its nuclear capabilities as a member of the Non-Proliferation Treaty (NTP), thus recognizing Iran's ability to control its own indigenous nuclear program.

This perceived rise in the power of the pro-Iran bloc was precisely the cause of concern for the Saudis, Israelis, and other Gulf countries. The fundamental point from this bloc's perspective was that western powers had no choice but to engage in a peaceful dialogue with Iran instead of imposing their will by force. For the pro-Iran alliance, the Saudi-Israeli objection to the Vienna nuclear deal was thus not intrinsically tied to the technical and scientific intricacies of the agreement but in the deal's failure to maintain Iran as a "pariah" state in the international arena and to prevent the rise of Iranian regional power and recognition.

Third Way States: Countries with pragmatic positions on the nuclear negotiations

The antagonism in the Arab world, however, opens space for additional perspectives on the Iranian standoff as represented by the North African states. The Egyptians and Algerians, for example, believe that the Saudis and their allies committed tactical errors by imposing an unrealistic and infeasible scale of demands on Western powers, which negatively affected the diplomatic equilibrium the negotiations required. From this perspective, the Saudis and Israelis imposed two crucial demands in order to constrain the boundaries for Iranian political maneuvering in the Middle East: 1) the imposition of a perennial blockade of arms acquisitions upon Iran; and 2) the complete dismantlement of the Iranian nuclear program.

From the regional collective security perspective, however, the agreement is an effective breakthrough for the North African nations, including the Egyptians, Algerians, Tunisians, and Libyans. They consider the framework of the agreement to be extensive, complex, and well designed, and they believe the scientists who outlined the action plan effectively reconfigured the parameters and dimensions of the Iranian nuclear program. Importantly, among the Arab states, Egypt will likely emerge as an unexpected winner of the nuclear agreement, which could potentially reshape the balance of power in the region.

Despite its close ties with the Kingdom of Saudi Arabia, the Egyptians do not perceive Iran as a real threat in the context of regional security in comparison with the Saudis. Furthermore, to Egypt, the most important element in the scope of the agreement is Iran's acceptance of military inspections. Paradoxically, President Sisi's government considers Iran and Syria as the main actors among the regional countries who are committed to fighting ISIS—placing them closer to the policy of the Egyptian defense forces in the Sinai Peninsula. The Egyptian government's discourse regarding Syria, for example, has been changed gradually to the point that Egypt has signaled its support for a political solution to the Syrian war, including acknowledgement of the Syrian regime's rule.

Even though Cairo has forged closer ties with Riyadh since Sisi took power, Egypt is not fully beholden to the Saudi diplomatic camp. Besides bilateral as well as regional common interests in some specific areas, for example regarding the Muslim Brotherhood and antagonism toward Hamas, the Egyptians are very pragmatic. It is this pragmatism that made Cairo engage in cooperation with Riyadh in only some selective affairs without losing their autonomy in their own foreign policy decision making process.

It is important to remember that the partnership between Egypt and Saudi Arabia is new and exists basically for tactical necessities as Egypt needs economic support to improve its internal conditions—not because they share the same political strategic perspectives and goals. Egypt views itself as the natural leader of the Arab world and has historically been its political and cultural role model. Across the Morsi, Mubarak, Sadat, and Nasser eras, Egypt refused to subordinate its autonomous foreign policy decision making process to automatically align itself with any Arab state. Furthermore, from a comparative perspective, Cairo and Riyadh have different political views on Lebanon, Syria, Iraq, and what peace and stabilization can mean for the region. On the other hand, regarding Yemen, Cairo indeed supported Saudi military intervention. Nevertheless, Yemen is not a vital or sensitive player in the macro geostrategic game in the Middle East. The Egyptians were supportive of the Saudi initiative and of the Arab defense coalition, but they played a pragmatic political role by granting the diplomatic cover that the Saudis wanted for the military action in Yemen. In turn, the Egyptians wanted to employ the precedent as a legitimate and legal action for the use of force in Libya.

Egypt's position is, moreover, different than the Gulf states of Kuwait and Qatar. For Kuwait and Qatar, which are smaller countries wishing to balance between their two most powerful neighbors, Iran and Saudi Arabia, the equation is different. Kuwait and Qatar, while certainly influential in many ways, can never lead the Arab world. Given the historical, religious, and political legitimacy these monarchical Gulf Arab regimes share and the reliance of Kuwait and Qatar on the Saudi military for their security, this means that Kuwait and Qatar's attempt to balance between Iran and Saudi will not ultimately result in a separation from the Saudi orbit. Egypt, on the other hand, and in contrast to Kuwait and Qatar, has the full potential to proceed on an independent path distinct from the Saudis.

Conclusion

Beyond the war of narratives that surrounds the nuclear agreement between the P5+1 and Iran, the Arab world is immersed in deep cleavages with regard to what the lifting of sanctions and the end of international isolation will mean for Tehran's role in the Middle East and beyond. Iran's decision to sign the NPT additional protocol along with its compromise on the military inspection regime is significant for mitigating concerns from the pro-Saudi camp and potentially minimizing the risk of nuclear proliferation. This point in particular is crucial for the United States to sell the deal to its Saudi and other hardline partners. In this vein, Iran's acceptance of military inspections and sanctions on its ballistic and conventional weapons programs signaled Iran's willingness to avoid conventional armed conflicts in the Middle East, and it will be used by the Americans to allay the concerns of its international partners.

In addition to the military signals sent by Iran, the crucial role that Iranians played in helping convince Bashar al-Assad in Syria to relinquish his chemical weapons—a fact not well known outside of diplomatic circles—cannot be understated. For these reasons, the United States has a unique opportunity to foster dialogue with Tehran in the current political climate. Constructing a successful U.S. foreign policy doctrine towards Iran is undoubtedly the key to Middle East stability, a reality that has been elusive for decades.

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The statements and views presented in this report are solely those of the individual authors and do not imply endorsements of other views and assessments of this report.

Ibrahim M. Y. Alnahas

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Since the Iranian government has agreed to go to the round table to discuss its nuclear program with the P5+1, it has meant that the Iranian political system has changed some of its way of thinking in its foreign political behaviors. And after signing the deal and removing the sanctions by the United Nations Security Council, I believe Iranian foreign policy in Middle East in general, and toward Arab world in specific would be more positive.

This belief rests on some points, including:

- In order to end its long time of isolation from the international arena, Iran will use this opportunity to show the world that it is working with its regional neighbors over their mutual interests.
- 2. In order to benefit from removing the sanctions and to reform its economy and to build its infrastructure, Iranian foreign policy toward its regional neighbors will change its behaviors by dealing with governments and regional political organizations, but not with non-governmental groups. By doing these steps, governments in the Middle East will work with the Iranian government in different ways such as development programs and investments to serve their mutual interests.
- 3. In order to get back to the international energy sector, Iran would not lose this opportunity to show the world that its foreign policy would support regional peace, stability, and security. This change in Iranian foreign behaviors will create confidence in the world to go to invest in the Iranian economy, markets, and society.

In addition to these points, the Iranian political system has gotten the tough lessons of isolation and sanctions that were imposed by the world as a result of its uncalculated foreign behaviors. So, the nuclear agreement has come to save Iranian political system from its angry society that suffered socially, economically, and politically. Therefore, Iran will give up its old polices such as intervening in other countries' internal affairs and supporting non-governmental groups, which had strengthened its isolation from its regional neighbors.

And when we come to the question of: How will such a scenario impact the regional security architecture?

I can say that the nuclear agreement will lead regional powers – Saudi Arabia, Iran, Turkey, and Egypt – to work together in the security matters since the causes of instability would be reduced and Iran is looking forward to returning to the international community. Those regional powers in Middle East can work together to fight terrorist groups and organizations, helping weak governments in Iraq and Lebanon, and working to solve regional issues such as the Syrian situation.

These ways of working between these regional powers would benefit all countries in Middle East and bring stability, security, and peace. Also, these regional powers can work in their mutual interests with each other. For example, Saudi Arabia and Iran can work together in fighting terrorism, drug trafficking, sectarianism, and increase confidence. Also, Iran and Turkey can work over their borders to increase security and serve their mutual interests. In addition, all four regional powers can work in different issues that serve their mutual interests in all subjects that would lead to security, stability, peace, and bring development.

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With this in mind, I believe positive results of the agreement will take time to see on the ground because changes in politics need time and require hard working people to work for it. And now I believe the nuclear agreement has brought a good opportunity for all Middle Eastern governments to build confidence between themselves. However, continuing old policies of the Iranian government would not help the Iranian political system and its society nor regional security and stability. And I believe new generations are looking to work together as good neighbors who looking for brighter future and respectable life in all aspects.

Abdullah Baabood

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The recent nuclear agreement reached between Iran and the P5+1 in Vienna—the "Joint Comprehensive Plan of Action" (JCPOA)—is an historic long-term comprehensive nuclear deal that aims to verifiably prevent Iran from acquiring a nuclear weapon and ensure that Iran's future nuclear program will be exclusively peaceful. This landmark agreement is consequential not only for the international community, global security and nuclear proliferation but also for Iran and the broader Middle East.

This detailed agreement is very specific and it intends to ensure that Iran "under no circumstances will ever seek, develop or acquire any nuclear weapons." In exchange there will be phased-in sanctions relief for Iran, including the unfreezing of Iranian assets (over \$100bn) held in Western financial institutions and normalizing of diplomatic relations.

The agreement, however, does not address Iran's foreign policy, which has caused anxiety and mistrust with its neighbors as well as the international community at large. Iran's Middle East policy has been detrimental to regional security and stability. Iran's rhetorical threat of destroying Israel and its perceived and actual blatant intervention in Arab politics spreading from Iraq, Syria, Lebanon as well as Bahrain and Yemen have created animosity and raised unnecessary regional, ethnic and sectarian tensions and conflicts. While being isolated and under strict international sanctions, Iran has been able to meddle in Arab politics. Iran's bid for regional hegemony, coinciding with Arab political fragmentation and a weak Arab regional order in the midst of political chaos and regional turmoil, has led to a proxy war with its Arab neighbors, led by Saudi Arabia.

It should, therefore, come as no surprise that Israeli Prime Minister Benyamin Netanyahu declares the agreement an 'historic mistake' while other Arab countries have cautiously welcomed the deal but remain skeptical. The regional fear extends far beyond Iran's nuclear ambitions—despite its significance—as it stems from Iran's perceived, rhetorical and actual foreign policy orientation. Therefore, the agreement alone is not necessarily going to alleviate these fears anytime soon. In fact, the agreement has led to further heightening of regional fears as it grants Iran immediate political status, financial resources and future economic ability, while compliance with its terms will only become apparent over time, allowing it time, space and resources to continue with its existing policy.

However, the agreement can be transformational leading to a positive change in Iran's foreign policy behavior. The international recognition of Iran's status presents an opportunity to build the confidence of its regime as an accepted partner, causing it to behave reasonably and responsibly at the regional and international levels. Rather than continuing on a futile path of untenable regional hegemonic ambition and supremacy and financing costly proxy wars, the unfreezing of funds, the lifting of sanctions and the future international investments in Iran may provide its leadership a welcome opportunity to deliver economic benefit for its people and for the country to become a hub for development and prosperity. In this scenario, Iran could begin to engage peacefully with the world, avoiding antagonism, regional competition, expensive regional proxy wars and arms race. Regional wealth could be used for the urgently needed development of Iran's stagnant economy and empowering its civil society. Iran could embark on regional economic, social and political cooperation leading to mutually beneficial and desirable regional integration. Economic cooperation between the people and their leaderships will act as a robust confidence building measure to develop cooperative security. The Middle East region, plagued by ongoing conflicts and wars and faced with a plethora of challenges, is in dire need of a regional security architecture, in which Iran can play a pivotal role.

Ibrahim Fraihat

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Room for Containment? The Iran Deal and the Neighboring Arab States

A prominent theory regarding the impact of the nuclear deal between Iran and the P5+1 on the Arab region has been that it will only increase Iranian involvement in domestic Arab affairs, given that the deal would give Iran access to substantial financial resources. Already, Iran has funded at least two civil wars in Syria and Yemen while under strict international sanctions – one can only imagine what they would do with tens of billions of additional dollars.

This theory is gaining even more ground in the region now that the deal has been signed. Saudi Prince Bandar Bin Sultan, wrote that the deal will "wreak havoc" in the Middle East. While the concerns of Arab countries are valid, Iran can still take this deal as an opportunity to foster better understanding and closer collaborations with its Arab neighbors. The impact of the Iran deal ultimately depends on how Iran and various Arab countries treat it going forward: will it serve as the basis for more intense violence or provide new ground for future mutually beneficial cooperation?

To begin with, Arab countries do not oppose the nature of the deal between Iran and the West. A credible nuclear agreement will spare a region already saturated with civil wars the risk of an even more destructive war, one that would that will devastate not only to Iran but neighboring Gulf States as well. As prominent Saudi commentator Jamal Khoshaggi argues, we should generally welcome the nuclear deal but will pay extremely close attention to how Iran behaves politically after the deal is signed and the sanctions are lifted.

Arab concerns over Iran acting an increasingly destabilizing force did not emerge from a vacuum. First, Arab countries were left out of the negotiations, which created high-level suspicions about the true intentions of Washington regarding security arrangements in the Gulf. In particular, the Gulf states became highly concerned that the deal was made at the expense of their alliance with the United States.

Second, Arab countries still remember how President Obama behaved towards his "red lines" with the Assad regime regarding the issue of the use of chemical weapons. The West in general and Washington in particular sorted out a deal that served their own agenda by stripping Assad of his chemical weapons, which gave him a free hand to continue slaughtering the Syrian people through, among other ways, the use of barrel bombs. Arab countries are concerned that the West would make similar arrangements by sorting out Iran's nuclear project to serve their own agendas and in return let Iran go on a rampage in the region, starting additional civil wars and sustaining existing ones. It is very likely that the Gulf states especially will act based on their concerns as well as perceptions of the ramifications of the deal. By so doing, an aggressive arms race - in addition to additional proxy wars – could prove the natural outcome. However, Iranians and Arabs should not submit to the resulting escalation of the signing of the nuclear deal. There is ample room to change the subject in question from a threat to an opportunity.

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But first, Iran and Saudi Arabia need to engage directly. They need to have a genuine conversation not only over pressing needs for conflict de-escalation in the region, such as in Syria and Yemen, but also regarding their bilateral relations for after the nuclear agreement. President Obama already called for a "practical conversation" between Iran and the Arab States. Future security arrangements and collaborations should be at the core of this conversation. To do this, Iran will have to first undertake a sincere initiative that genuinely addresses the concerns of neighboring countries, especially in Syria, Yemen, and the Gulf. Serious engagement entailing political solutions to the region's conflicts that respects the independence, sovereignty, and integrity of conflict-affected states will be a first step towards a comprehensive understanding and conflict de-escalation. The alternative to this is unprecedented levels of violence as proxy wars absorb Iranian financial resources freed up by the signing of the nuclear deal, spilling more blood in the Arab region. Iran's economy certainly needs these resources, of course, yet enough Arab blood has been spilled. Until Iran takes such an initiative the ball will remain in its court.

Shafeeq Ghabra

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The Iranian nuclear agreement reached with six world powers, including the United States, is a significant accomplishment for a region suffering from civil wars, rebellions, and interventions. Its importance goes beyond the moment, signifying a partial U.S. and western step back from the region after bloody interventions and stirred tensions in an already conflict-ridden environment. The agreement represents a level of rational engagement and discourse between powerful enemies.

One of the first changes stemming from the agreement might be to alter the belief among some Iranians that the United States is seeking to overthrow the regime, as happened in Iraq and Afghanistan. Another change is recognition that Iran is obviously not on the verge of building a nuclear bomb, as Israeli Prime Minister Benjamin Netanyahu claimed while pressing for a U.S.-led war.

Furthermore, Iran achieved its objective of keeping its nuclear program on a peaceful track while also opening up to the world. To a large extent, the agreement is a victory for the Iranian people and the more pragmatic faction of Iran's leadership. While Iran will certainly champion its own interests, the potential softening of relations with the United States could pull Tehran further toward pragmatism and elements of liberalization. The agreement could foreshadow an Iran-China model of development and economic interdependence without regime change. The Gulf Cooperation Council (GCC) states are not all of the same mind toward Iran. Oman played a role earlier in the secret negotiations leading to the agreement, and Kuwait maintains positive ties with Tehran. Qatar and the United Arab Emirates have there own set of calculations regarding trade, business, and politics. Meanwhile, Saudi Arabia sees the agreement as a major challenge to its standing. Calls in Saudi Arabia for a nuclear race have been on the increase. Bahrain among the GCC is closer to the Saudi position as it has a highly charged Sunni Shia divide and an assertive reform movement. The agreement further exposes GCC dependency on the United States and the rest of the West. This stands in contrast to the image of independence Iran has projected.

Major impediments stand in front of making the agreement a first step in building peace in the region. The Arab world, squeezed between two strong Islamic states — a rising Iran and an increasingly engaged Turkey — is in a state of flux that will not be calmed anytime soon. Both states have a clear project, soft power advantages, and a strong domestic base of support.

The Arab world is also being squeezed between sectarian wars involving justice and marginalization and revolutionary battles to remove decades-old yokes of entrenched, corrupt regimes. The more legitimate political systems of the GCC states (relative to the Arab context) face the pressures of reform. The deep state response to the Arab Spring uprisings of 2011 in Egypt, Yemen, and Syria among others sought to stanch democratic alternatives in the region without addressing the demands that created the revolutionary moment in the first place, thus contributing to potentially failed states, violence, and terrorism. Leaders lacking accountability, institution building, popular participation, and human rights are all players in the dramas currently unfolding. In addition, the 2014 war in Gaza illustrates how the Arab-Israeli conflict and ongoing occupation continue to contribute to the region's numerous tensions.

The Iranian agreement will not of course solve the region's problems. In the short term, they will be exacerbated, as Arab forces with an active Saudi role struggle against Tehran consolidating power in Iraq, Lebanon, Syria, and Yemen. A dialogue, however, could hold the potential to bring about a more flexible Iranian position on Syria that entertains an exit for President Bashar al-Assad. The conflicts in Iraq and Yemen could also benefit from a dialogue to assuage Iranian as well as Arab concerns and perceptions of threat. Such talks would necessarily include having to address the violent and the peaceful challenges to the status quo pitting revolutionary and reform forces against desperate regimes.

Waleed Hazbun

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The Iran nuclear deal might forestall risks of catastrophic conflict relating to any possible Iranian weapons program but could exacerbate inter-state conflicts across the Saudi-Iranian rivalry while doing little to address critical security challenges caused by state erosion across much of the region.

A common refrain from U.S. officials is that Iran without nuclear weapons is easier to contain through regional power projection. Meanwhile, in the broader logic of U.S. strategy the deal seems to mark another signpost of the end of the U.S. era in the Middle East. The U.S. no longer has leverage to order the region and seems to be reducing its military footprint under the cover of assurances that hostile powers cannot threaten the use of weapons of mass destruction. Forswearing regime change, this policy suggests a variation of the 1969 Nixon Doctrine. The U.S. retreats from a direct military role while backing regional proxy-states with the capability to contain U.S. rivals.

Iran's nuclear program has helped project its self-image as a major regional power, but it has been used more to gain leverage vis-à-vis the U.S. than to expand its power regionally. Iran gains regional influence through political, financial, and military support of its allies in Iraq, Syria, Lebanon, and Palestine -- places with similar insecurity concerns due to the erosion of state authority. With the nuclear deal Iran will not give up any capacity to expand its influence and with the removal of sanctions will only have more financial resources and access to commercial and military trade. Exemplified by its efforts to promote the containment of ISIS, Iran seems determined to act as a quasi-regional hegemon providing security selectively for its state and non-state allies.

Saudi Arabia and Israel, if not also Turkey, will likely actively challenge such efforts. Their responses represent the most likely triggers for regional military conflict while exacerbating internal conflicts and state erosion in Lebanon, Yemen, Syria, and Iraq. The real test of Iranian strategy may come in response to any U.S. moves to address the heightened security fears of the US' Arab Gulf allies and Israel. U.S. efforts are likely to include expanded support for these states' capabilities to project conventional military force and develop social forces capabilities. Such a strategy threatens new dangers if not conducted within a framework that productively engages Iran and addresses the insecurities of domestic populations in these states.

By all public admissions the nuclear deal suggests nothing of the sort of regional 'grand bargain' proffered by Iranian officials and dismissed by American ones in 2003. But could it lead to one? In 2003 the U.S. was in a far stronger position while now Iran holds important cards in conflicts across the region. The key question remains if the U.S. and Iran will seek to find common ground on mutually recognized legitimate security concerns or will exacerbate regional rivalries through military escalation.

With these threats on the horizon now is the time to finally launch a regional security dialogue that includes the Gulf Arab states, Iraq, and Iran. While the parties are far from agreement on a regional security architecture and the relevance of institutions like the UN in such efforts, in the increasingly unstable multipolar region where state erosion poses the greatest threat to many populations, there are many other issues on which cooperation might be possible. If the U.S. seeks to take a lead role it might create a process for regional states to come to terms with the shifting balance of power in the region and work towards addressing the crises of governance and development that face all states.

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"The Joint Comprehensive Plan of Action", which was agreed by Iran and the P5+1 on July 14, 2015, is mainly concerned with ensuring the peaceful nature of Iran's nuclear program. But for the Arab world, especially the GCC countries, the agreement has other aspects with far-reaching consequences.

Since the disclosure of the Oman secret talks between the U.S. and Iran, which cleared the way for the November, 2013 Geneva interim agreement, Arab governments, the media and think tanks have been contemplating the impact of a final deal between Iran and the P5+1 on Arab security. The big question has always been of whether co-opting Iran, lifting the sanctions and normalizing relations with the west would make Iran less or more aggressive in its approach to the Arab affairs.

Indeed, a nuclear agreement in principle would mean two positive things: first, avoiding another military confrontation in a region that is already having too much instability and many failed states (Syria, Iraq and Yemen). Second, a nuclear deal would mean that all assurances have been attained and all measures have been taken to make sure that Iran will not develop nuclear weapons. This is also good for a region that is already having three nuclear powers (India, Pakistan and Israel) and does not need an extra one. It does not need a nuclear race either.

There is, however, the anxiety that Iran, which has agreed to put its nuclear program under international supervision, will be rewarded by condoning its policies and influence in the arch of territories that stretches from the Shat al-Arab waterway to the shores of the Mediterranean. That would mean that the Arab countries of Iraq, Syria and Lebanon would fall under Iranian dominance. Iranian support for the Houthi takeover in Yemen has already prompted a Saudi-led military intervention to prevent placing Saudi Arabia in between two Iranian spheres of influence: in the north (Syria and Iraq) and in the South (Yemen).

Iran regional ambitions will always make the Arab Gulf states feel insecure and threatened and would have either to seek more sophisticated weapons and further defense arrangements with western allies, or some, like Oman for example, may even choose to mitigate their security dilemma by bandwagoning with Iran.

In some circles in the Arab world, Iran's nuclear program was never an issue. The belief has always been that Iran's major threat stems from its traditional, not nuclear, arsenal. Iran's ballistic missile stockpile, which can hit every spot in the Arabian Peninsula, is in fact Iran's nuclear option for the Arab Gulf states. It would be enough for Iran to hit the water desalination plants and power generating stations to bring life into a halt in the Arab Gulf states -- not to mention hitting the major oil fields. In addition, Iran does not need nuclear weapons to wreak havoc across the region. It is in fact already doing that through its proxies – i.e. Hezbollah in Syria and Lebanon, Kitaeb Hezbollah in Iraq, and the Houthis in Yemen.

Iran's nuclear program upset the Israelis more than the Arabs and the belief is that by seeking to settle the nuclear program issue, the Obama administration was trying to tackle Israel's security concerns so that it would not try to attack Iran and hence drag the U.S. into yet another Middle East confrontation. The Arab concerns here have not been dealt with as most of them concern Iran regional policies. In addition, as the Obama Doctrine entails, the U.S. would want regional actors to shoulder more of the burden of managing their problems. The establishment of a stable balance of power would serve that purpose. It requires, nonetheless, bringing Iran out from the cold, solving the nuclear issue and lifting the sanctions. It does not require, as president Obama sees it, mutual defense pacts with the smaller GCC countries who feel vulnerable to an emboldened Iran.

Still, the worst case scenario would be to sign a deal with Iran that justifies lifting the sanctions and accepting its regional ambitions and leaving it to secretly develop a nuclear weapon without giving satisfactory security guarantees to the lesser Arab Gulf states.

Tamim Khallaf

Egypt

Regional Security after the Iran Nuclear Agreement

Although the Iran nuclear agreement is essentially a technical agreement aimed at limiting Iran's nuclear production capability, the detailed technicalities have been overshadowed by its far reaching geo-political and security implications. Clearly, the agreement has the potential of having a spillover effect on Iranian-Western relations. More importantly however, the deal could broadly impact the delicate security dynamic between Iran and some Arab States, particularly those within its geographic proximity. Will the agreement exacerbate regional competition between Iran and some of its imminent Arab neighbors? Or to the contrary, could it present a possible opportunity to revisit traditional security approaches to achieve meaningful Arab-Iranian engagement?

I argue that the Iran nuclear deal has inadvertently placed the security relations between Iran and certain Arab states on a crossroad with two different scenarios, both of which would have a profound impact on the future of regional security in the Middle East.

In the first scenario, the agreement has the potential to exacerbate insecurities between Iran and some Arab states, particularly its Gulf neighbors. If Iran chooses to capitalize on its sense of empowerment and profit from its growing political momentum by further extending its outreach in Arab countries via proxy entities, such behavior will convey escalation. If within this new political landscape an emboldened Iran presumes that its behavior will be immune from international criticism, relying on the conviction that its nuclear agreement with Western powers would in effect neutralize their readiness to challenge it in other contexts, such a mindset will be unhelpful to regional stability. Similarly, if certain Arab states perceive the agreement as a direct challenge to the region 's traditional security architecture and react abruptly to it with a showdown mentality, such a posture could also lead to further complexities.

In this unfavorable scenario, the Middle East could be locked in protracted regional competition that could be aggravated by an arms race. Proxy wars already underway in Iraq, Syria, Lebanon, and Yemen would likely intensify. The so-called Sunni-Shiite gap may widen and in the attempt by regional competitors to project power and stature, the region could be dragged into a circular encounter with no end in sight.

In the second scenario however, the nuclear agreement, contrary to mainstream analysis, could potentially trigger the call for a comprehensive revision of traditional security policies which have dominated security perceptions in the region. Given the reconfiguration of the political landscape in the Middle East, could Iran's recent shift of course vis a vis Western powers usher in, by extension, a new approach that helps reformulate the security architecture by replacing competition with partnership? Could the region capitalize on the current momentum in what perhaps seems to be a gradual inclination by Iran to open up to engage in a productive cooperative framework that addresses security concerns of Arabs and Iranians?

Although Iran and some Arab countries have had their share of

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competing agendas, some have argued that there remains room to consider new and creative approaches to address the security and geo-political challenges in a format that could generate winwin results, rather than plunge in a zero-sum game. The nuclear agreement between the P5+1 and Iran, with all of its benefits and shortcomings, has revealed that despite chronic differences that could exist between two contentious parties, farsighted diplomacy is capable of bridging divides. Unlike skeptics who jumped to the conclusion that the nuclear agreement will necessarily aggravate tension between regional competitors, there is merit in considering how to profit from this agreement to explore new modalities that address regional challenges based on a cooperative approach that fulfills the security interests of Arab states and Iran.

Iran and Arab states share several common security interests. Defeating ISIS is one of them. Additionally, both sides are adamant supporters of establishing a zone free from weapons of mass destruction in the Middle East and have been vocal in their criticism of Israel's nuclear program and its non-adherence to the NPT. Now that an agreement on Iran's nuclear program has been reached, Israel's nuclear program should return center stage.

The Iran agreement therefore, has the potential to impact the dynamics of regional security. However, restricting the future outcome of Middle East security to the ramifications of the Iran agreement without taking into account other challenges would be misleading and shortsighted. The region is confronted with a variety of other highly significant challenges which include inter alia military occupation, expansion of terrorist groups, and intrastate conflicts. Regional security needs to be viewed in its totality and not restricted to the Iran agreement. The Middle East has been wrecked in recent years with extraordinary security challenges, perhaps unprecedented in scope and danger. The advances of ISIS, implosion of nation-states, expansion of radical ideology, and rise of sectarianism have clouded the region's future with uncertainty. In such a context, and while daily operational measures to counter these challenges are necessary, Arabs and Iranians require, more importantly, a comprehensive security outlook inspired by innovative approaches driven by visionary diplomacy. With creative diplomacy, everyone wins.

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Except for the tumultuous years of the nineteenth century and the first half of the twentieth century, Iran has always been a central power in the broader Middle East, including its Arab core. Iran's imperial vision and dazzling culture made it a constant power player for several millennia. Regardless of their political orientation, Iranian rulers and governors have consistently sought to place Iran on the list of most advanced countries. In the twentieth century, the two Pahlavi Shahs endeavored to do just that. However, Reza Shah's inclination towards Nazi Germany invited the wrath of the British, whereas his son Mohammad never won the respect of the majority of his people because his enthronement was made possible by the 1953 Anglo-American Operation Ajax. Mohammad Reza Shah's White Revolution and ambition to make Iran the policeman of the Gulf coincided with Ayatollah Khomeini's activism that triumphed with the rise of the state of the Islamic Revolution in 1979.

One of Khomeini's gravest mistakes was to declare his intention to export the Islamic revolution to other parts of the Islamic world, and his exhortation to the Iraqi people to topple the Ba'thist regime in Iraq and install and Islamic republic on its ruins. The sectarian implications of Khomeini's pronouncements caused deep concern for Iran's next-door Arab neighbors, especially in Sunni-ruled Iraq and Wahhabi-indoctrinated Saudi Arabia. Iran's revolution, which immediately precipitated an eight-year-long war with Iraq, reopened deep historical wounds and widened the schism between Sunnis and Shiites. Arabs must concede Iran's entitlement to exercising a legitimate regional role, but it has to convince them that its revolution has come of age. One must not read too much into the impact of the nuclear agreement on Iranian political relations with its Arab neighbors. In part, the agreement formalizes the peaceful coexistence of American and Iranian interests in Iraq since 2003. Except for Saudi Arabia, the countries of the Gulf Cooperation Council already recognize the preeminent role of Iran in the Persian Gulf. Iran's desire for recognition and partnership with the U.S. in the Gulf underlay its decade-long nuclear standoff with the "five plus one" powers.

Iran needs to reach terms based on mutual confidence with Saudi Arabia. It faces the challenge of specifically addressing the Saudi charge that it is focused on ideological aggrandizement and regional domination. True or not, this is a matter of primary concern for Sunni Arabs and it has to be resolved.

Saudi Arabia has always avoided directly involving itself in foreign wars. In March 2015 it surprised the world by launching a massive air campaign in Yemen against Iran's Houthi allies. Such a fateful decision reveals the extent of its apprehension about the possible consequences of the rapprochement between Iran and the West. The nuclear agreement will, sooner than later, usher in tremendous domestic challenges for the Iranian political establishment. The jubilation with which the Iranian people responded to the nuclear deal attests to their desire for a fresh start at home, especially with regard to political reform, breathing life into the languishing economy and opening to the outside world.

Iran has successfully defied the U.S., and its ostentatious arsenal of missiles and gunboats has delivered its intended message. It is

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time for it to win over its Arab neighbors. Japan and Germany harvested disaster when they attempted to dominate and control their neighbors. Super power status did not salvage the Soviet Union that collapsed for purely economic reasons. Culturally rich Iran is known for its collective wisdom and good judgment. When revolutionary rhetoric gives way to reality, the voice of reason prevails.

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Iran deal could prod a regional political reconfiguration

How the P5+1 agreement with Iran might impact security conditions and political relations across the Middle East will probably reflect what I believe is the most fascinating aspect of the successful negotiations: the process totally sidelined Iran's two main regional antagonists and opponents of the negotiations, Israel and Saudi Arabia, whose slightly hysterical concerns failed to derail the negotiations. U.S. policy in the region that has long been channeled heavily through Israel and Saudi Arabia will now diversify to consider also the interests of Iran, Turkey, and, later, Egypt.

We should expect a short-term spike in existing ideological and military confrontations in places like Yemen and Syria, as these proxy wars play themselves out. They will be followed by an important but very gradual regional reconfiguration that builds on a seminal new factor in the Middle East in recent decades: the gradual limitation of the impact of big power interventions, and the corresponding rise in the actions of regional powers like Iran, Saudi Arabia and Turkey. Israel will join this process when its conflict with the Palestinians and other Arabs is finally resolved one day.

Two consequences of the agreement should drive regional political and security transformations in the coming years. First, the removal of sanctions and resumption of economic growth in Iran will spur the expansion of a growing middle class that will have a moderating and liberalizing influence on the Islamic state's regime, while also developing more extensive economic ties with countries across the region and the world. Both these trends should spur positive political relations with countries near and far. Iran could mirror Turkey's transformation in the past quarter century, from an insular security state to a regional power.

Second, normal relationships between a strong, liberalizing Iran and the P5+1 powers will expand the regional arenas (Iraq, Syria, Afghanistan, Lebanon, Islamic State, Al-Qaeda, non-proliferation) where they coordinate their policies, whether openly or quietly. Iran's roles in regional security, trade, and stability should expand steadily.

The Iran accord could also influence the Mideast region through its epic example of resolving deep divisions and fears through peaceful negotiations and mutual compromises, rather than by threats, sanctions and warfare. This could dampen down or resolve other regional conflicts that involve the U.S. and Iran, Saudi Arabia, Israel, Qatar, the UAE, Iraq and Turkey.

The three core conflicts in the Middle East are between Arabs-Israelis, Israelis-Iranians and Iranians-Saudi Arabians/ Gulf Cooperation Council states. They are political and territorial disputes that lend themselves to win-win diplomatic resolutions. The Iran deal's constructive use of the United Nations Security Council and the legitimacy of international law for both sides could also apply elsewhere in the region. As the U.S. reaffirms and strengthens its existing security ties with Israel and Saudi Arabia, those two states' opposition to Iran should slowly soften, especially if Iran keeps reaching out to normalize ties with the Saudi-led GCC states and develops stronger economic ties with them. The Saudi exaggerated fears of Iranian hegemonic ambitions across the region will eventually dissipate, as Iranian-GCC economic and cultural ties expand. The logical next step in the Gulf region is for a Helsinki-style comprehensive security agreement that promotes normal economic, political and cultural ties, while removing mutual threats between the Arabs and Iran.

A key change in the years ahead must see Iran's relations with Syria and Hizbollah change, so as not to be seen as threats to Israel and Saudi Arabia; this is likely to happen as a consequence of the collapse of the Assad regime in Damascus.

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Nuclear Agreement between Iran and the West: Will it stabilize the region?

Nuclear Iran

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After the Iranian-American rapprochement which led to the signing of the nuclear deal, most Arab people feel that this deal has made Iran closer to having nuclear weapons, instead of disarming them. The agreement may set a strict monitoring system on Iran's nuclear facilities and other measures of inspecting its nuclear reactors, centrifuges and uranium enrichment. However, other powerful states such as Saudi Arabia think that the deal does not deter Iran from elusion and developing its military nuclear program which may not be exposed in the short-term.

Consequently, regional states do not fear a nuclear Iran. They think that the deal came as a result of a long-term Iranian struggle, and that they should track such an approach which motivated them to gain nuclear energy for peaceful purposes. The Arab Gulf States view that the nuclear deal between the West and Iran is a natural consequence of the rapprochement between Iran and the United States since Washington allowed Tehran to play roles in Afghanistan and Iraq early in the current century.

We find out from the above introduction that the Arabs' important question has changed. The question raised is no longer whether Iran will obtain nuclear weapons or not. For Arabs, the question which should be answered is: when will Iran be a factor of stability in the region?

Description of the nuclear agreement

The nuclear deal between the West and Iran may be described as a deal based on the exchange of interests more than being a punishment which bans proliferation of nuclear weapons. However, it is not important to verify the credibility of Iran's commitment to the agreement; the most important thing is the credibility of the West's commitment to the deal and not allowing the Middle East to plunge into new conflicts in the future.

Many people think that the American vision for balance manipulates the region's demography, and focuses on bringing about changes through sectarianism and ethnic factors. The adoption of minorities which aspire to reach power instead of democracy will not result in a stable situation, it will lead to the continuation of turmoil which the Arab Spring was one of its consequences.

Though the situation is still uncertain in the Middle East, the conflict equation has changed and was affected by new different alliances. The balances of power have changed too. Accordingly, to identify the extent of the effect which the nuclear deal may bring in the Middle East, we should take three points into consideration: the Iranian role, its influence along with its allies in the region, and Iran's means used to gain influence.

Disruption of conflict credibility

Though the Islamic Republic of Iran has experience in controlling a lot of contradictions, it fell into a trap which made it unable to deal with them. This failure forced it to reach a reconciliation with the West with the aim of tackling its almost deteriorated economy.

The deal may bring major benefits for Iran, but it undermines its tactical approach which has depended on tough diplomacy and seeking, in the meantime to expand and have influence through using force, armed groups and parties such as Hezbollah, the Houthi Movement and Iraqi militias.

This policy which Iran has used to gain influence in the region will make Arabs skeptical of Iranian credibility towards achieving stability in the region.

The involvement of Iran in the Arab region's problems such as supporting the coup in Yemen, supporting the Syrian regime against its people and beefing up Maliki's sectarian policies in Iraq led the Arabs to believe that Iran is a factor of turmoil, not of stability in the region. Iran does not have stances of supporting rights of people to liberate of authoritarianism or democracy in general. Instead, it had contradicting attitudes; it called for ballot boxes in some countries and sustained tyrannical regimes, violence and sectarianism in others on the basis of its own interests.

Because Iran has the ability to manage contradictions, there are some countries in the region who fear every step taken by Iran, so they view the nuclear deal as a contradiction case which may result in an economic stability in Iran while it will continue its extension through the tools of violence and chaos outside its borders.

Looking for stability through the deal

There are two future scenarios: First, the nuclear deal signed between Iran and the West may lead to the emergence of new alliances in the region between countries which are considered among the most stable states in the region such Turkey and Saudi Arabia. These alliances may be preceded by using hard power of the two countries instead of diplomacy to regain their influence in the region. Saudi Arabia has conducted the Operation Decisive Storm against the Houthis who controlled the port in Yemen through a military coup in September 2014. Turkey also infiltrated the Syrian and Iraqi borders to pursue ISIS and other armed Kurdish groups. This scenario may take into consideration the new position of Iran and open economic and political relations with it without violence, chaos or confrontation.

Second (scenario of chaos and conflict), this deal may motivate some countries to use tools of violence and chaos to show that it has a lot of influence in the region in order to get interests from great powers. There may be a nuclear arms race. This scenario sees that no power will be able to control the region's future, and internal wars will inflame the region. These wars may extend to regional or international wars, particularly if Iran chooses to settle its differences with Israel through force. The behavior of Iran after signing the deal is very important. If it continues in supporting armed militias against its enemies, and if it uses its economy to fight its foes instead of stabilizing the region, the second scenario will occur.

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On the 14th of July 2015 a historic deal was concluded between the 5+1 group and the Islamic Republic of Iran concerning the Iranian nuclear alternative. The deal was historic because it brought an end to a tiring 12 years of negotiations between parties that each have its own aims, each used much of its diplomatic and active reserve, and a sort of polarization prevailed, which characterized the mutual relations not only between the U.S and Iran, but also between Iran and the neighboring Arab countries. Moreover the deal was perceived by many circles in the region especially in the Arab World as a shift in the traditional balance of power between Iran and the Arab world.

Precisely this perception characterizes the effects, future actions, and relations between the two parties. There is a lack of trust between Iran and its Arab neighbors, and this mistrust has prevailed over the 36 years since the Islamic revolution of Ayatollah Khomeini, it led to the bloody eight year war (1980-1988) with Iraq (and indirectly the Gulf states), and Iran subsequently started its nuclear project. This mistrust will continue to brand those relations for a long time to come.

The strategic imbalance that affects the character of the geo-strategic configuration in the region was drastically distorted. Before the invasion of Iraq the geo-strategic equation in the Gulf was based on a triad of strategic powers that maintained stability in the region: Iran, Iraq, and the GCC countries. Each two of the parties can affect the third drastically. We have two examples during the last four decades to prove this hypothesis.

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The first was the Iraq-Iran war, when Iraq and the GCC stepped together to meet the Iranian challenge of exportation of the Islamic Revolution, and subsequently the Iraq-Iran war was terminated on the 8th of August 1988 when Iran was forced to accept USSC resolution No. 598/ 1987, was the best outcome both for Iraq which ended the war with a marked edge over Iran, and the GCC states.

As a result of the military loss in that war, Iran chose to activate its nuclear alternative, therefore an added negative factor was noted to brand the mutual relations. This factor, the sectarian ideology of Iran, and the Arab counter action were the core of the current differences in the relations.

The second was the occupation of Iraq (2003), which paved the way to a braking through of Iran and its sectarian ideology within Iraq to play its role. A marked period of deteriorated relations and mistrust between Iran and its Gulf neighbors portrayed the scene. Hence the Triad equation played against the Gulf States, for Iran acted as Iran and Iraq together.

Iran and the Arab World (Apprehension and Mistrust)

The intervention in the internal affairs of many of the Arab countries, mobilizing the Shiite communities in those countries, arming them as was the case in Iraq, Lebanon, and Yemen alerted the rest of Arab countries, and there were signs and proofs of Iranian intervention in the Arab countries, not only in Iraq, Syria, Lebanon, Yemen and Bahrain, but in Saudi Arabia, Egypt, Algeria, Jordan, and Morocco. The nuclear alternative added one more reason to the apprehension. Arabs think that the nuclear alternative of Iran is a tool of preponderance and predomination not only of the nearest region of the Arab World, but is for nuclear blackmailing, or through using propaganda and money to convert the public from Sunnism to Shi'ism. Here the difference is much more than ideological, it's rather strategic, political, and economic-social.

Irrespective of all the precautions, verifications and inspections in the process of the agreement, the Arab world will continue to look in fear toward an emerging Iran untied by sanctions, recognized as a nuclear entity, though nominally not a bomb possessor, and free of any dictation against its regional goal. An untied Iran will be more problematic, and a serious threat to stability and peace throughout the Arab World.

A sort of nuclear race could be expected since the Arab countries, especially Saudi Arabia and the Emirates, are already embarked on a sort of peaceful nuclear programs. This will bring the region into a warm sort of cold war where wars of attrition between subordinates will prevail on bases much more harmful than what we see now in Iraq, Syria, and Yemen.

Arabs want to look to Iran as a neighbor seeking good neighborhood and good friendly relations based on a much more in common between the two parties than what differs them. Until now apprehension, and fear is what to be expected after the conclusion of the deal.

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The nuclear agreement reached between the P5+1 countries and Iran has received a cautious welcome from the Arab Gulf countries. GCC Secretary-General Abdullatif bin Rashid Al-Zayani voiced the hope that the deal will remove concerns about Iran's nuclear program and enable the preservation of security and stability in the region. His statement exemplified the sincere desire of all Arab Gulf leaders for a better regional environment.

Whether the nuclear agreement will lead to a more cooperative relationship between Iran and the Arab world, however, remains to be seen. There are several aspects to be considered here. The first is the response from Iran: if regional relations are to improve, the ball is squarely in Tehran's court. As a signatory to the agreement, Tehran will have to show that it is ready to take constructive steps to pave the way for better ties and put aside its continuing interventionist policies in the Arab world.

The Arab world is concerned that instead of using sanctions relief to improve its economic situation, Iran will channel the released funds to support Shia militias in the region including through an increased supply of weapons. Iran's track record suggests just such a policy orientation. As it stands, Iran continues to sponsor the main conflict partners in the region including Bashar al-Assad and Hizbollah in Syria, numerous Shia militias in Iraq that prevent a unified stable Iraqi government from emerging, as well as other Shia groups in places such as Bahrain and Yemen whose only purpose it is to undermine stable governments and create ungovernable spaces. If this continues, there is a clear danger that the nuclear accord will lead to more proxy wars and increased sectarianism given the Arab Gulf states' determination to thwart Iranian designs. Countering Iranian expansion is a clear objective of the current policy pursued by Saudi Arabia, for example.

The second layer of concern relates to the key provisions of the accord itself. There are widespread doubts that Iran will stick to the letter and spirit of the agreement when it comes to implementation especially as far as nuclear inspections are concerned. Iran could simply use the 10-year period to continue with research and clandestine activities that will ultimately lead to a nuclear weapons program once the agreement runs out. This would heighten the prospects for greater conflict and increased region-wide nuclear proliferation. Therefore, much attention will be given to how the agreement is implemented on the ground in the coming period.

The third aspect is with regard to the policies of the P5+1 as the other signatories to the agreement. While there have been many statements to assure Arab Gulf allies that Iran will not be allowed to expand its meddling activities, it is unclear how the international community will react if Iran pursues its regional agenda. For the moment, the nuclear deal is seen by Arab allies as an example of the U.S. pivoting away from the GCC and towards Iran. To counter this notion, positive steps are needed towards resolving some of the other outstanding regional issues. For example, a political solution is needed for the Syrian crisis which includes pressure on Iran to become part of the solution and not part of the problem. If Iran takes a constructive approach, regional relations will improve. However, Iranian intransigence will only compel the Arabs to expand their involvement in Syria and push for a resolution on the ground.

The nuclear agreement with Iran represents an opportunity but it is also contains several risks that could lead to a more volatile Middle East. Only with concerted pressure on Iran to follow on the agreement can the potential opportunity be turned into a reality.

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The nuclear agreement and its accompanying political and security ramifications have been described as a looming catastrophe by skeptics, and a piece of masterful diplomacy by enthusiasts. Opponents fear that the deal will feed the Iranian appetite for expansionism and encourage its pursuit of regional dominance. Proponents are pleased to avert military confrontation, and see this as an opportunity for regional cooptation. Both sides agree, however, that a 'New Deal Middle East' is replacing the defunct Sykes-Pico order. This rapprochement is sure to both refrain Iranian foreign policy while simultaneously complicate the struggle for regional control. A contentious politics that will considerably increase the superpowers' leverage over regional players. At least three critical factors are framing the current discourse and shaping future Iranian security relations with the Arab World.

The first of these factors is the fact that the current regional stalemate has exposed the limitations of Iran's offensive power. Ultimately, Iran's submitting to a nuclear deal, with the same conditions that were offered to the reluctant regime more over a decade ago, is clear recognition of its own confinements. Years of suffocating economic sanctions and multiple-front wars have depleted Iran's resources and brought its economy to its knees. Iran's proxy wars have strengthened its strategic destabilization capabilities and, consequently, contributed to its political bargaining power. These tactics, however, have failed win over or stabilize a state. Worse, the investment cost has far exceeded any gains. Bashar Al Assad, Hassan Nassrallah, and Ali Abdallah Salleh will never repay their dues. Victory for these proxies

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would have come at a much higher price: Iran would have had to offer a Marshall Plan to rebuild, rehabilitate, and maintain what they have helped destroy.

Clearly, the limits of Iranian's regionalism have been well established. It is further constrained by the stakes of other regional contenders such as the KSA, Turkey and Israel, who have been proven to be capable and ready to sabotage Iran's regional ambitions.

The second of these factors is that the agreement releases Iran from some political pressure. Not only does it lessen the uncertainty caused by the snowballing collapse of totalitarian Arab regimes, but it also reduces the potential of a direct military attack against its nuclear facilities. A safer Iran boosts the opportunities for local moderates to engage in negotiated settlements and normalize relations with its neighbors. Ahmadinejad-Khamenei's messianic crusade to prepare the world for redemption can now be domesticated by the realism of the Rafsanjani-Khatami foreign policy doctrine and Rouhani's negotiated nuclear agreement.

Domestic digestion of the immense financial rewards and international cooperation opportunities will intensify internal disputes over the course of Iranian foreign policy. The centrality of the Supreme Leader, his critical call to 'export the revolution' and his reliance on informal state networks to consolidate his theocratic rule will continue to challenge state institutionalism. Guaranteeing Iran's regional leverage with Shia communities, however, would certainly help to curb the Wilayat al-Faqih's adventurism. Finally, the agreement will infuriate Arab-Iranian power struggle. Post-colonialism has left many Arab states structurally deficient, deeply divided and chronically unstable. Lebanon, Syria, Iraq and Yemen are among those states, leaving them exposed to extensive foreign meddling. The struggle to control the oil market and strategic routes will only fuel sectarian enmity and exacerbate regional volatility. Iranian influence in contested states with substantial Shia presence will continue to grow at the expense of traditional Sunni Arab influence.

Thus, a New Deal Middle East will feature international recognition and incorporation of Iran into regional power constellations, which will intensify rivalry to assert dominance. At the same time, and in light of power constraints and regional deadlock, the rewards attained will perpetuate Iran's foreign and security aspirations in the Arab World within an arranged and internationally determined code of conduct.

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Adapting to a "Normal" Iran: An Unfamiliar Challenge for the Arab States

There is a broad consensus among Arab leaders and commentators that the Iran nuclear agreement will have far-reaching geo-strategic effects on their countries. Some anticipate an easing of regional tensions that may allow resolution of armed conflicts or political disputes, especially in Iraq, Syria, Lebanon, and Yemen. Those already hostile to Iranian foreign policy believe that an emboldened Iran will simply invest even greater material resources made available by the lifting of international sanctions to increase its intervention in other countries and gain additional influence. But beyond these hopes and forebodings, there is little clarity about the most likely immediate consequences of the nuclear deal or subsequent impacts on the trajectory of Iran's relations with Arab states.

In the short term - the rest of 2015 - Iran and its main Arab rivals will continue to confront each other in their established proxy arenas - and may even escalate their confrontation - if only to improve their respective positions ahead of any political bargaining. Whether or not this will ultimately lead to long term de-escalation, conflict resolution, and regional stability depends heavily on launching—and sustaining—a strategic dialogue, something the relevant governments have signally failed to do in the past. The need for political initiatives to establish new patterns in managing security relations is underlined by the divergence of medium and long term trends, which provide opportunities for understanding but also present real risks of escalating strategic rivalry.

On one hand, although Iran is set to gain very substantially from the lifting of sanctions and opening up if its market to greatly increased trade and investment, its economy, and especially its oil and gas sector, are in severe need of upgrading. The Iranian military also badly needs modernizing (despite boasts about indigenous defense production and R&D). With these demands on its income, it is doubtful that Iran can really step up its political and security involvement in Arab countries.

Indeed, it is already obvious that Iran's approach is to limits the direct costs of acquiring and maintaining strategic influence. In Iraq and Syria, especially, it prefers to subcontract security functions to local allies and proxies, and has not been happy at being compelled to invest its own resources more heavily there. The lifting of sanctions affords it scope for resilience, but Iran will still be motivated to seek political understandings with its Arab rivals in the hope of underpinning stable, low-cost local security arrangements.

The outcome will depend heavily on how Arab states respond. Saudi Arabia, in particular, has not proved successful in leading the counter-charge, with next to no role in Iraq, insufficient leverage in Syria and Lebanon, and a looming failed intervention in Yemen, where the Iranian stake was in reality minimal despite much propaganda to the contrary. This should encourage a search for a more structured modus vivendi in the Gulf,

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and political compromises allowing a new balance in the Levant.

Longer term trends, on the other hand, may revive and deepen strategic rivalry. Iranian efforts to modernize its economy, energy sector, and conventional armed forces and restore its international relations - in short, to normalize itself - are likely to stoke renewed concerns among southern Gulf neighbours that already expect Iran to resume the role of "regional policeman" originally claimed by the Shah in the early 1970s. Although Saudi Arabia's Yemeni campaign already reveals overreach and may be scaled back in coming months, the new and largely untried and inexperienced Saudi leadership still seems set on a course of political and strategic assertion. This could lead it to tilt repeatedly at perceived Iranian windmills in future, and to invest ever more resources into conventional military development and, possibly, a civilian nuclear program. None of this presumes or necessitates an Iranian response or counter-investment, but it undermines prospects for a new stable security architecture in the Gulf and long term understandings in the Levant.

Alarmist perceptions among Gulf Cooperation Council (GCC) member-states of abandonment by the U.S. in favor of a new alliance with Iran are far-fetched indeed. But Iran's inevitable normalization will nonetheless pose a challenge for Arab rivals that are already failing to pursue effective regional strategies or to form cohesive counter-alignments. Egypt is threatened at home, Jordan faces the looming threat of the Islamic States on its northern and eastern borders, and the activist core of the GCC - Saudi Arabia, the U.A.E., and Qatar - barely agree on the most pressing foreign policy issues. Furthermore, despite talk of a Sunni alliance comprising these Arab countries and Turkey, the latter is in fact at least as likely to seize the opportunity of Iran's opening up to expand and deepen economic ties, especially in light of the weakening of Turkish economic fundamentals.

The biggest challenge for the Arab states most affected is to adapt, not to a belligerent, expansionist Iran, but rather to a country that, while admittedly still led by a theocrat and in which the hardline Islamic Revolutionary Guards Corps will continue to play an inordinate role in policy-making and the national economy, will use its considerable financial, technical, and industrial potential to come "back to size." This will be wholly unfamiliar, hence unsettling, but does not preclude a measured approached to building stable regional security relationships.

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With the endorsement of the security council of Iran's nuclear deal on the 20th of July 2015, a new chapter of Middle East security developments seems to be opened. The deal between Iran and the 5 permanent Security Council members -- the United States, United Kingdom, France, Russia and China and Germany - has been reached without the involvement of any major Middle East players. The determination of having the deal far from players like Turkey, Israel, Saudi Arabia and other Arab states has caused increasing concerns from those governments.

This short essay focuses on the implications of the agreement on the Arab world. To identify these implications, it is important to remember that after the start of the political turmoil in the Arab world in 2010, more divisions in the Middle East and in the Arab world in particular appeared. Those divisions, driven by the views towards Arab Spring and its ramifications, seem to double the insecurity concerns in the Middle East.

As the nuclear deal is motivated by: 1) the impact of economic sanctions imposed on Iran, 2) the generation gap between the regime and the young people, and 3) the political turmoil in the Arab world, it is expected to have little impact on the security relations with the Arab world. This argument relies on the fact that Syria has become a failed state and Hizbullah has lost the elite of their forces. More important, Iran has lost its soft power in the Arab world. The image of Iran has been changed; it is no longer an example of defending the rights of oppressed people.

Arab security concerns towards Iran's foreign policy is not new, it started with the emergence of the Islamic Republic of Iran in 1979 and even before. However, the invasion of Iraq in 2003, and the active role of Iran in post-Saddam-Hussein Iraq has doubled the Arab states' concerns in the Levant. Egypt under Mubarak, Saudi Arabia and Jordan, which have the main Arab players, had highlighted those concerns. Saudi Arabia is perceived as a reflection of the Gulf Cooperation Council but the reality is that there is no one position within the GCC towards Iran. Oman has played an important diplomatic role in effort to reach the deal concerning Iran's nuclear program, while Qatar seems to have normal relations with Tehran. Bahrain's major concern is the Iranian intervention in its domestic politics. The absence of a unified Arab position or even GCC position towards Iran's foreign policy is significant, and this has contributed to the differences within the Arab states. Iran has benefited politically from those differences, and it's also likely to benefit from such an environment in its response to the ongoing criticism of the nuclear deal.

The nuclear deal seems to widen the gap between some Arab states, like Saudi Arabia, Bahrain and Jordan on one side, and Iran on the other side. The deal also may accelerate the Saudi foreign policy Actions in Yemen and Syria. Riyadh has already started the Decisive Storm, which is the first indirect military confrontation between Riyadh and Tehran. It also seems that there is a serious discussion between Ankara and Riyadh over Syria. This discussion may become more serious after the nuclear deal. Ankara has shared with Saudi Arabia the same concerns towards Iran's foreign policy in Syria and Iraq. The President of Turkey Recep Tayyip Erdogan has directly accused Iran of promoting sectarianism in the Middle East. After the nuclear deal, Iran is likely to continue its policy of promoting the division between Arab states. This policy will be achieved by engaging with some Arab governments and ignoring others. Iran will also maintain the destructive chaos in Iraq and Syria. Such policy will have direct impact on the relations between some Arab governments and Saudi Arabia in particular. Such policies – as a whole – seem to increase the level of tension in the region.

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