



The Limits of Middle Eastern Reconciliation: De-escalation Without Alignment

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Abstract. Recent diplomatic rapprochement between Iran and several Middle Eastern neighbours—most notably the 2023 China-brokered Iran–Saudi normalization agreement—has been widely interpreted as evidence of regional de-escalation. Yet renewed tensions involving Iran, the United States, and Israel show that diplomatic normalization does not necessarily produce strategic alignment. This article examines why Gulf states have maintained neutrality despite restored diplomatic relations with Tehran. It argues that rapprochement reflects pragmatic risk mitigation rather than shared strategic trust. Three factors explain this limited engagement: Gulf anxieties over U.S. retrenchment and uncertain security assurances; economic imperatives, including diversification and infrastructure investment, that encourage functional engagement with Iran; and Iran’s use of diplomacy to ease sanction-induced isolation. Drawing on alliance theory and regional security scholarship, the article shows that proxy conflicts in Yemen and Syria, together with mutually reinforcing threat perceptions, continue to obstruct trust-building and durable cooperation. The outcome is a “cold peace”: normalized diplomatic channels and reduced hostility coexist with divergent strategic objectives, contested sovereignty norms, and the absence of collective security architecture, leaving the regional order fragile and vulnerable to external shocks.

Keywords: Iran, Gulf Cooperation Council, Rapprochement, Alliance Politics, Regional Security

1 Introduction: Rapprochement Without Alignment

Iran has recently intensified its diplomatic re-engagement with Middle Eastern countries, resulting in lower hostility on the diplomatic front. When pressured by the US and Israel, however, the nations in the region have mostly avoided offering political or strategic support, which points to a limit in Iran’s approach towards reconciliation.

In 2023, China brokered an unanticipated rapprochement between Iran and Saudi Arabia. Some observers believed that the latter development portended a relaxation of tensions in the Middle East. Iran has cautiously begun to improve relations with some GCC countries, and the two sides have expressed hope that long-standing rivalries could be replaced by regional cooperation.

Yet, the recent picture underscores something far more limited. As the tensions between Iran and the U.S., as well as Israel, have escalated, Tehran has been gradually cornered in the region. While major Gulf countries renewed their diplomatic ties with Iran, they have not extended any political backing or strategic coordination and have thus kept a strategic distance.

This divergence suggests that despite Iran easing back its hostility and reducing the risk of a confrontation through diplomacy, they have different interests, threats, and ways of cooperation.

This article argues that Iran's recent regional rapprochement has produced diplomatic de-escalation but not strategic alignment, resulting in conditional coexistence rather than durable cooperation.

2 Driving Forces of Regional Rapprochement

2.1 U.S. Strategic Retrenchment

The recent wave of rapprochement between Iran and its Gulf neighbours can best be viewed as an interest-driven strategic adjustment, and not an open strategic partnership, due to the shifts in the region and the world. As a result of the perceived U.S. retrenchment from the Middle East, shown by fewer military deployments and "strategic patience" in terms of diplomacy, attention has also been drawn to the Indo-Pacific; therefore, gulf states have been actively seeking de-escalation as a way to achieve strategic autonomy. This trend reflects broader concerns regarding the long-term credibility of U.S. security commitments in the Gulf [1].

2.2 Economic and Security Incentives of the Gulf States

Gulf states, notably Saudi Arabia and the UAE, have several interrelated concerns to address by reducing their confrontations with Iran: reducing immediate security vulnerabilities, preserving long-term macroeconomic stability, and attracting broader-based foreign investment, including in other areas beyond oil that are central to their diversification plans.

2.3 Economic Pressures and Regime Resilience in Iran

Sanctioned and held back in exporting energy and doing financial transactions because of the long-term and broad-based multilateral sanctions, Tehran, nevertheless, seeks de-escalation now in the region more for its regime survival than any ideological transformation.

So it is not based on trust or a longer-term strategy, but is instead born out of very short-term and narrow interests. Most importantly, both sides seek to avoid a major conflict that would further reduce their already constrained strategic space. Nevertheless, because this rapprochement is grounded less in institutionalized risk management than in shared short-term risk reduction, it remains institutionally thin and vulnerable to external shocks.

3 Stress Test: Escalation Since 2026

3.1 Application of Gulf Neutrality

Recent escalations since February 2026 have served as a critical stress test of Iran's regional diplomacy. As Iran's tensions with the United States—and, more significantly, with Israel—have intensified, the limits of diplomatic rapprochement have become increasingly apparent. While Iran has succeeded in establishing formal diplomatic relations with some critical Gulf countries, none of them were willing to extend political support to Tehran, coordinate responses to crises, or provide strategic assurances to Iran. And that none of them, in general, had wanted to be drawn into conflicts they didn't want to be in, especially in light of the danger of escalation by extra-regional actors. This hesitation also reflects a broader concern about being drawn into conflicts not of their own choosing, especially considering the danger of escalation involving external powers [2].

3.2 Structure Sources of the Distrust.

Gulf capitals have thus far declined to support and side with Tehran in the face-off, instead adopting a cautious neutrality and supporting the avenue of diplomacy. They have not made any public pronouncements of solidarity, taken a collective stance, or offered mediation or de-escalation to Iran, a policy they also owe to a long-standing practice of not doing so. Gulf concerns also stem from the perception that Iran has provided military, financial, and logistical support to Hezbollah in Lebanon and Iraqi paramilitary factions, a perception that continues to shape Gulf threat assessments.

3.3 Balance-of-Threat Logic

Stephen Walt's balance-of-threat theory suggests that alignment decisions are shaped less by diplomatic gestures than by persistent perceptions of capability, intent, and geographic proximity [3]. To date, Iran's recent regional behavior has not significantly altered Gulf perceptions of Tehran's regional ambitions or Iran's asymmetric toolkit as an enduring threat.

4 Conditional Coexistence and Strategic Hedging.

4.1 From Alignment to Hedging

The persistence of these patterns of conditionality suggests that improved diplomatic relations alone will not alter underlying security logics or threat perceptions. Taken together, these dynamics suggest a new regional order is taking shape, one lacking the formalization of an alliance but based on conditional coexistence, mutual restraint, signaling, and plural rather than exclusive security relationships. The GCC states are not aligning with Iran nor are they opposed to it; instead, they are keeping their options open, allowing them to keep channels open to Tehran and avoid the political and military costs associated with being seen to back the regime during conflict. Such

behavior closely resembles what international relations scholars describe as strategic hedging [4].

4.2 The Emergence of "Cold Peace"

Rather than creating enduring partnerships, many Middle Eastern countries are hedging and sustaining diplomatic engagement with Iran while increasingly deepening military relations with the US, intelligence cooperation, and maritime security coordination with Israel on issues such as counterterrorism, energy infrastructure protection, and Red Sea security. It shows that there has been a general restructuring to a "cold peace", which is a stable but constrained equilibrium without open military conflict, but underlying distrust has not been addressed. This resembles what some scholars describe as a "cold peace" arrangement [5].

4.3 Structural Fragility of the Regional Order

The fragility of this order is systemic rather than merely temporary. There is no official-confidence building and joint crisis management mechanisms, but there are no shared norms governing escalation thresholds. Any further renewed escalation between Iran and its adversaries, including direct attacks, proxy wars, cyberattacks, or attacks on energy infrastructure, will soon be considered a diplomatic breakdown. Thus, the dominant regional system is not one of reconciliation but managed instability; although it can reduce the risk of immediate conflict, it can hardly give rise to effective cooperation in moments of crisis.

5 Proxy Conflicts and the Yemen Constraint

5.1 Yemen as a Structural Constraint

Proxy dynamics remain most salient in Yemen, and Tehran's relationships with Gulf states continue to constrain Iran's relations with Gulf states. For more than a decade, Saudi Arabia has alleged that Iran is supporting the Houthis, and the latter's missiles and drones have threatened Saudi territory, its energy facilities, and its maritime security [6]. The warfare may have ebbed, but the memory has not.

5.2 Iran's Asymmetric Strategy

More broadly, Iran has deployed non-state actors as part of its regional strategy to increase its leverage, develop hybrid warfare capabilities, and establish layered deterrence, all of which have contributed to deep-seated distrust among Gulf states. For Gulf governments, Iran's backing of armed non-state actors in Yemen, Lebanon, Iraq, and elsewhere means its regional intentions cannot be viewed as purely defensive. Thus, for reconciliation to take place, not only do diplomats need to talk, but both sides must also have confidence that the other's conduct is predictable and circumscribed. These concerns are reinforced by long-standing security narratives that frame Iran as a source of regional instability, making shifts in perception far slower than changes in diplomatic posture [7]. Iran's regional approach reflects a broader strategy of asymmetric deterrence through non-state actors [8].

5.3 Compartmentalized Normalisation

Nevertheless, normalisation was pursued not so much to reconcile as to separate the functions of integration. While diplomatic talks, economic interchange, and technical cooperation can proceed, serious security collaboration remains out of bounds. That compartmentalisation is the main reason why, in moments of acute crisis, rapprochement was unable to yield significant political, let alone material or strategic support. Gulf Arab states can talk to Iran, but they do not want to run the risk of doing so more openly.

6 China's Mediation and Its Limitations

6.1 China as a Diplomatic Broker

China's role in facilitating recent regional rapprochement was symptomatic of deeper global diplomacy shifts. By facilitating the 2023 Iran–Saudi normalization, China signalled its capacity to convene rival regional powers without requiring ideological convergence [9]. This was useful because Beijing was able to present itself as a pragmatic mediator, less burdened by the historical baggage associated with Western security policy, and was more concerned about stability, trade, energy flows, and dialogue on politics.

6.2 Western Strategic Recalibration

China's entry in the mediating space was enabled not by a simple power vacuum; rather, it was a noticeable adjustment made by the West. The United States has gradually emphasised Indo-Pacific deterrence. After the invasion of Ukraine by Russia, Europe has been more concerned about the security of the continent. It is not to be assumed that Western influence in the Gulf has ceased, and the United States remains central to regional security architecture. But it does mean that the Gulf States have more motivation to diversify their diplomatic choices and welcome alternative mediators in order to avoid some immediate regional instability.

6.3 Limits of Non-Security Mediation

China's strictly facilitative mediation model does not offer security guarantees and therefore cannot resolve the core security dilemmas shaping Gulf perceptions of Iran. Beijing can help create diplomatic space, encourage communication, and reduce the reputational costs of engagement, but it cannot guarantee compliance, restrain proxy networks, or provide the security architecture required for durable alignment. As a result, Beijing can manage immediate tensions, but it cannot transform the underlying threat structure or generate genuine strategic cooperation [10].

7 Conclusion

This article has argued that Iran's recent rapprochement with its neighbours represents diplomatic de-escalation without strategic alignment. Restored diplomatic ties have reduced open hostility, but they have not produced shared threat perceptions, institutionalized cooperation, or a collective security framework. Gulf states therefore continue to hedge between limited engagement with Tehran and caution toward Iran's confrontation with the United States and Israel.

The article's academic contribution is to conceptualize this regional order as one of "cold peace" and conditional coexistence. This framework explains why normalization can coexist with mistrust, proxy competition, and strategic distance.

This study is limited by its focus on Iran, Gulf states, and external powers. Future research could examine how domestic politics, elite threat perceptions, and economic diversification strategies affect the durability of regional rapprochement.

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