A Rivalry of Necessity: An Analysis of Mechanisms of Contention Between The Islamic Republic of Iran and The Kingdom of Saudi Arabia

Aras Syahmanssuri

Old Dominion University, asyah001@odu.edu

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A RIVALRY OF NECESSITY: AN ANALYSIS OF MECHANISMS OF CONTENTION
BETWEEN THE ISLAMIC REPUBLIC OF IRAN AND THE KINGDOM OF SAUDI ARABIA

by

Aras Syahmanssuri
B.A. June 2003, Salahaddin University - Erbil
M.A. February 2012, University of Sulaimani

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Old Dominion University in Partial Fulfillment of the
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Approved by:

Peter Schulman (Director)
Aaron Karp (Member)
Nicholas Abbott (Member)
Mitsue Shiokawa (Member)
ABSTRACT

A RIVALRY OF NECESSITY: AN ANALYSIS OF MECHANISMS OF CONTENTION BETWEEN THE ISLAMIC REPUBLIC OF IRAN AND THE KINGDOM OF SAUDI ARABIA

Aras Syahmanssuri
Old Dominion University, 2020
Director: Dr. Peter Schuman

The 1979 Iranian Islamic revolution that extremely concerned the Saudis leaders culminated after the overthrow of a monarchical regime of the Iranian Shah and the power rise of a theocratic Shia government led by Ayatollah Khomeini. From the early days of this revolution, Khomeini raised a unique slogan, which was “exporting the revolution” to neighboring countries. Through targeting the Shia minority in neighboring countries, this slogan highly concerned the Gulf countries including the Kingdom of Saudi Arabia. Examining four decades of hostility, which starts from the 1979 Islamic Revolution of Iran, this study indicates that the rivalry between the Islamic Republic of Iran and the Kingdom of Saudi Arabia has become a necessary platform that has mobilized a confrontation that has challenged each state. In other words, it seems this rivalry has become a demanding strategy caused by claims of supremacy and leadership that would guarantee and assure each state their national security interests.

This dissertation focuses on two distinguishing aspects of this rivalry between the IRI and the KSA. Firstly, it studies the nature and the structure of the rivalry between the IRI and the KSA; secondly, it investigates three essential factors that have been invested in or exploited by both parties as mechanisms of their ongoing rivalry. Despite the reductive analysis of the Saudi-Iranian rivalry as emanating from a primordial schism between Shia and Sunni Muslims, this study argues that several factors or mechanisms play significant roles in maintaining the continuity of the rivalry between both parties. To determine the framework of this dissertation, three essential mechanisms are examined. First, the Saudis and Iranian respective roles within the oil market and command of the Organization of the Petroleum Exporting Countries (OPEC). Second, both Iranian and Saudis attempts to recruit and exploit
agents or proxy groups that include state, sub-states, and militias. Third, the role of leadership and decision-makers in both countries constructing foreign policy interests since 1979.
This Dissertation is Dedicated to My Wife (Katan).
It Would not Be Done Without Her Support.
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CHAPTER 1
INTRODUCTION

Assassinated Saudi Arabian journalist, Jamal Khashoggi, declared that “Iranians and we are like fire and dynamite in one room, and it does not matter who is the dynamite and who is the fire.”¹ The rivalry between the Islamic Republic of Iran (IRI) and the Kingdom of Saudi Arabia (KSA)² is a unique dispute in the Middle East for two reasons. On the one hand, there has not been any direct military conflict between the two countries; on the other hand, their hostility is distinctively dangerous because of conflicting strategic goals aimed at maintaining power control in the region. Over time, this rivalry has become a demanding strategy because each country claims the legitimacy of its supremacy and leadership to guarantee and assure its national security interests throughout the region. In another word, over time, this rivalry has become acute because claims to expand their influences in the region have become part of the foundation of each country’s existence, leadership, and national security.

Several factors or mechanisms play a significant role to maintain the continuation of the rivalry between the IRI and the KSA. This dissertation will examine, analyze, and investigate three essential mechanisms: each country’s respective role within the oil market and command of the Organization of the Petroleum Exporting Countries (OPEC)³, recruiting proxy groups, and finally the role of leadership and

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² Unless it is not necessary, otherwise throughout this dissertation the IRI abbreviation will be used to represent the formal name of the Islamic Republic of Iran, and KSA abbreviation will be used to represent the Kingdom of Saudi Arabia.
³ “The Organization of the Petroleum Exporting Countries (OPEC) is a permanent, intergovernmental Organization, created at the Baghdad Conference on September 10–14, 1960, by Iran, Iraq, Kuwait, Saudi Arabia and Venezuela. The five Founding Members were later joined by ten other Members: Qatar (1961) – terminated its membership in January 2019; Indonesia (1962) – suspended its membership in January 2009, reactivated it in January 2016, but decided to suspend it again in November 2016; Libya (1962); United Arab Emirates (1967); Algeria (1969); Nigeria (1971); Ecuador (1973) – suspended its membership in December 1992, but reactivated it in October 2007; Angola (2007); Gabon (1975) - terminated its membership in January 1995 but rejoined it in July 2016; Equatorial Guinea (2017); and Congo (2018). OPEC had its headquarters in Geneva, Switzerland, in the first five years of its existence. This was moved to Vienna, Austria, on September 1, 1965. OPEC's objective is to co-ordinate and unify petroleum policies among Member Countries, in order to secure fair and stable prices for petroleum producers; an efficient, economic and regular supply of petroleum to consuming nations; and a fair return on capital to those investing in the industry.” Brief History. The Organization of the Petroleum Exporting Countries. February 2, 2019. https://www.opec.org/opec_web/en/about_us/24.htm Accessed on February 25, 2020.
decision-makers in constructing foreign policy. These mechanisms and others have persisted within KSA and IRI’s rivalry since 1979.

In February 1979, the Islamic Revolution brought a new hegemonic rival to the region with an imposed message of exporting the revolution to neighboring countries. This was the key turning point that highly concerned the Gulf monaracies, especially the Kingdom of Saudi Arabia. Four decades of the relationship between IRI and KSA, beginning at the aforementioned turning point from 1979 to 2019 will be examined. Concurrently, a short overview of the history of the Islamic division of Sunnis and Shias will be discussed. Despite the reductive analysis of existing literature that correlates the current Iranian-Saudi rivalry to the ancient religious division and war between Shai and Sunnis, this study attempts to avoid that argument. The region has not been divided into two Shai- Sunni blocks as there are still countries have joined neither Iranian nor the Saudi block (e.g. Sultanate Oman). Nonetheless, neither country has celebrated its centenary, while the Sunni-Shia division occurred after the death of Prophet Mohammed in AD 632.

This dissertation argues that IRI and KSA have customized three essential mechanisms to feed power or increase the influences of their rivalry. Although the nature and level of this rivalry may change based on the effect of the aforementioned factors, this rivalry is likely to remain conflictual for the foreseeable future because it has become a rivalry of necessity as will be discussed. Some analysts argue the possibility of eliminating or reducing the rivalry between IRI and KSA through rapprochement politics and policies. However, this study claims any such outcome would be relatively difficult and it may take many years to resolve. Besides, this rivalry has expanded to involve other actors in the region at the pan-state level, state level, and sub-state level including groups, militias, individuals, and Islamic clerics. In other words, there are other actors already engaged in this dilemma who are benefiting from this rivalry financially, politically, militarily, and strategically. These actors have a keen desire for the rivalry to continue since it has long been part of each nation’s regional strategic policy and possesses important implications for their national security interests.
Accordingly, the only way to eliminate this rivalry is regime change, or one side decides to capitulate with a policy of tolerance and forgiveness. Either of those might be difficult or unlikely within the foreseeable future due to the necessity of this regional rivalry to feed their power struggle that maintains influential leadership in the region. Besides, maintaining the competition for regional leadership after the 1979 Islamic revolution has led IRI and KSA “to take advantage of the ongoing regional fragmentation to raise their political profile by pursuing a larger agenda”\(^4\) within the region and beyond. The implication of this dissertation will provide insights into how rivals sometimes settle their outstanding differences over important issues and cease to threaten each other economically, strategically, and militarily.

In his 1979 book *The Theory of International Politics*, Kenneth Waltz assumes that world politics has an anarchic nature that makes states socialize to perform similar functions.\(^5\) They similarly socialize, for example, to build militaries, and forge alliances because they all dwell under anarchy. He indicates that the only difference between states is the balance of capabilities to maintain their survival and rivalry; therefore, they are fundamentally concerned with protecting their security and their national interests.\(^6\) Similarly, IRI and KSA are socialized with anarchy which forces them to display a hegemonic nature in order to maintain zeal towards the necessity of the rivalry between them. Hence, this rivalry between IRI and KSA is a reciprocal, almost symbolic, conflict in which there is no triumphant side; rather, both sides tend to maintain the current situation that manages never to escalate into direct military conflict.

**Theoretical Approach**

It is important to determine the nature and the definition of rivalry between IRI and KSA, whether it is enduring rivalry or strategic rivalry.\(^7\) Since this rivalry has become an element of survival or


\(^6\) Ibid.

maintaining power for both Iran and Saudi Arabia, this study includes another important concept: the *rivalry of necessity*. This is related to Richard N. Haass’s approach in his book *War of Necessity, War of Choice* that provides a fundamental explanation of how wars derived or developed from the different policymaking processes.⁸

Regarding the organization of this dissertation, three different approaches will be taken to analyze the theoretical perspective of the mechanisms of the rivalry between IRI and KSA. Petroleum politics or Petro-aggression is one of the approaches that provide a theoretical framework of how countries, (IRI and KSA in this research), exploit oil, oil market, and oil organizations to challenge each other.⁹ To understand the importance of the proxy groups factor, extensive theoretical analyses of the use of proxy groups (state or non-state actors) by IRI and KSA to achieve their strategic objectives will be undertaken.¹⁰ Finally, to discover the role of leadership and decision-makers within the Iran-Saudi rivalry of how foreign policy decisions are made, this research submits the theory of decision making. Specifically, it analyzes Richard Snyder’s assumption regarding the decision-making theory.¹¹ In other words, to explore the correlation between theory and the reality of world politics, this study examines three different sets of variables that may have fed the rivalry between IRI and KSA. The first set is the petroleum politics or Petro-aggression approach; the second is the theory of proxy war or proxy groups, and the third is decision-making theory.

Finally, some researchers correlate today’s rivalry between Iran and Saudi Arabia to the old Sunni-Shia division within Islam and they argue that history, especially in the Middle East, has a cyclical nature. Therefore, there will be discussions regarding the *Time’s Arrow and Time’s Cyclical* approach to

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understanding whether the nature of the politics of the Middle East resembles the past, and to understand whether the old religious clash is a factor of the rivalry between IRI and KSA.

**The Definition of Rivalry**

The phenomenon of rivalry has become an essential feature of the international system, characterized by the complexity of its multiple dimensions and the overlapping of its causes and sources. Due to the absence of a global authority that governs all competing international powers, states constantly challenge each other to preserve security, national existence, and strategic goals. This does not mean that all actors within the international system are always in frequent clash and conflict, rather the rivalry approach assumes that “rivalry dyads are usually identified by satisfying thresholds in the frequency of militarized disputes occurring within some prespecified interval of time.” It is usually between a “small number of feuding dyads that cause much of the trouble in the international system.” Meanwhile, this definition generates a technical debate on the nature of the rivalry between one dyad and another. Therefore, it is important to define rivalry and determine its structure. At the same time, it is necessary to distinguish between different types of rivalry within the literature to ascertain the nature of the rivalry between IRI and KSA. That does not mean this dissertation only investigates the definition, theories, structure, and operation system of rivalries, rather the reason for submitting this short overview of rivalry studies is to understand the nature of the rivalry between IRI and KSA. In addition, the goal of this introductory theoretical framework is to demonstrate how the clash of IRI and KSA’s strategic goals make this rivalry a necessary and ongoing action between both parties.

Although rivalry studies are still relatively few, suggesting more studies need to be done, in general rivalries are a competitive dyadic relationship between two competing sides to remain in power and claim leadership. Thompson defines rivalry as “a perceptual categorizing process in which actors

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13 Ibid.
14 Ibid.
identify which states are sufficiently threatening competitors.”  

The literature of rivalry describes three types of rivalry: strategic rivalry, enduring rivalry, and interstate rivalry that distinguished by specific features. Thompson, for example, identifies three criteria that appear to be very important and accurate in shaping strategic rivalry: each side of the rivalry sees the other as a competitor, chances for militarized conflicts are relatively low, and each sees the continuity of enmity from the other side. Thompson argues that usually within strategic rivalry, the rivals maintain their hostility at a level that prompts neither side to make a turn which leads to direct militarized conflict. This is similar to the nature of the rivalry between IRI and KSA that neither is willing to escalate the tension to a direct military conflict since the 1979 Islamic revolution.

While in their article, Goertz and Diehl argue that enduring rivalry is much about the militarized conflict between a relatively similar set of dyads that remain within a specific time frame. In their work, Wayman and Jones determine three criteria for enduring rivalries: severity of the militarized conflict, durability to withstand pressure or damage against each other, and continuity of at least three to five rivalries or disputes for a limit of time no less than 30 days, or sometimes lasting for five years or longer. Another definition from Colaresi, Karen, and Thompson states that enduring rivalry is between dyadic rivals that have “an empirical emphasis on satisfying a minimal number of militarized disputes within some time limit.”

In their book, Strategic Rivalries in World Politics Position, Space and Conflict Escalation, Colaresi, Karen, and Thompson examined more than 170 rivalries. Based on a group of variables, they identified three types of rivalries among competitors during the nineteenth and twentieth centuries. They

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15 Ibid.
16 Thompson, William R. Identifying Rivals and Rivalries in World Politics.
17 Ibid.
21 Ibid. Pp 38-50.
identify the Arab-Israeli rivalry, for example, as an enduring rivalry due to the repeated number of military conflicts and wars that have taken place for almost six decades.23 While they consider IRI and KSA as an ongoing strategic rivalry from 1979 to the present.24 The assessment of strategic rivalry’s criteria and assumptions, (the comparative equal power capability, the longevity of this rivalry that extends back to the 1979 Islamic Revolution of Iran, and the nature of hostility between the IRI and the KSA) strongly support identifying this dispute as a strategic rivalry.

It is also possible to conceptualize the rivalry between IRI and KSA, as a Rivalry of Necessity because sometimes states in their disputes or rivalries reach a stage where it is hard for them to capitulate. It is “necessary both symbolic and strategic” because each side believes that the withdrawal from this rivalry would set a militarized conflict and likely destabilize and endanger the region.25 At the same time, “rivals have more reason, whether accurately or not, to mistrust the intentions of their adversaries. They have had time to develop images of their adversaries as threatening opponents with persistent aims to thwart their objectives.”26 Although Haass’s book, War of Necessity, War of Choice: A Memoir of Two Iraq Wars was written for a specific case study, it provides insights into how countries or decision-makers originate decisions of war. Haass’s book highlights both President George H. W. Bush and President George W. Bush’s decision-making approaches and policy-making processes regarding the first Gulf War in 1990 and the second Gulf War in 2003.27 War of necessity “was focused on the limited strategic objective of destroying Saddam’s military capability and evicting Iraq from Kuwait.”28 Based on Haass’s argument this approach is not original and it could be applied to any other wars and conflicts because as Haass argues:

As it turns out, the concept of wars of necessity and wars of choice was less original than I thought. (Note to self: Just because something appears new does

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24 Ibid. P 46.
not make it so.) Maimonides, one of the great scholars in the annals of Judaism, wrote more than eight centuries ago of wars he judged to be obligatory and those he termed optional. The former were those waged by the king for narrowly defined religious causes and in self-defense, i.e., “to deliver Israel from the enemy attacking him.” He distinguished such necessary wars from those discretionary conflicts undertaken by a king against neighboring nations “to extend the borders of Israel and to enhance his greatness and prestige.”

This dissertation applies Haass’s *War of Necessity* approach into the IRI and KSA’s case because opposing threats and uncertainty from either side is relatively difficult for both countries to remove themselves from this rivalry because if one actor surrenders power, the other actor will take advantage of the situation and easily challenge the withdrawer. At the same time “the ultimate goal outcome is that [rivals] are less likely to settle their disputes.” It is possible with some policies or agreements that the levels of rivalry could be reduced, yet it continues. Thus, either term, strategic rivalry, or rivalry of necessity can be used because the rivalry between the IRI and the KSA is about maintaining power and leadership throughout the Middle East.

**Petro-aggression Approach**

There are many scholarly books and academic journal articles addressing theories and approaches regarding the substantial role of oil or petroleum within world politics. Especially in the Middle East, oil is one of the main sources of power that most of the time is responsible for rivalry, conflict, instability, civil war, “and presents formidable challenges for the region’s democratic reforms.” This is a significant case for oil-states, where oil compromises a substantial part of their GDP and their economy, especially within the countries that possess authoritarian or monarchic regimes. The oil industry also plays a significant role in the developed countries, such as Canada, Norway, and the US, to generate wealth, stability, proven a strong economy, and a strong democratic institution. At the same time, it is most

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30 Ibid. p 101.
32 Ibid. p 2.
probably true that democratic countries do not tend to go to war against each other. A famous approach conceptualized by Russett and Oneal in their critical book *Triangulating Peace*, argues that with representative democracy, economic interdependence, trade integration, and adherence to international institution mediation increases the chances of peace and cooperation and reduces the possibility of wars.\(^{33}\) Russett and Oneal attempted to test Immanuel Kant’s old theory of Perpetual Peace\(^{34}\) that goes back to 1795. As a forerunner of liberalism, Kant created a triangle puzzle that is also known as the Kantian triangle. As Kant predicted, Russett and Oneal also suggested that with comprehensive statistical analysis there are three variables: democratic political system, interdependent economic and trade, and joining international organizations significantly increase the chances for peace, cooperation, and stability.\(^{35}\) With the absence of the aforementioned variables, the chances of conflicts and wars increase. Russett and Oneal also argue that in the absence of democratic systems, the sources of power would be a source of rivalry and conflict because of their authoritarian regimes that feed petroleum into their aggression.\(^{36}\)

Although new sources of energy appear to challenge or compete with oil as a source of power in the foreseeable future, for now, oil is still one of the crucial commodities within world politics; more specifically in the case of IRI and KSA, oil still holds its economic value and political impact as one of the main elements of foreign policy impelling both parties to maintain the rivalry and play their significant role in the region. In his book *Petro-Aggression: When Oil Causes War*, Colgan developed a theory of *Petro-aggression*, that argues “under certain circumstances, oil-exporting states are


\(^{34}\) Perpetual Peace: Philosophical Sketch of Kant that was published in 1795. Kant elaborated a new concept of its kind on the nature of relations between states that based on peace and respect. In addition to the six preliminary articles as immediate steps towards peace, Kant also provided three definitive articles to shape the world politics. First, an international law should be established that gather all countries under a globalized institution. Second, the internal system and constitution in all states should be republican that consist civil rights. Finally, respecting the human dignity and the right of citizens of the world this should be restricted to conditions of universal Hospitality. Kant, Immanuel. *Perpetual Peace: A Philosophical Essay*. (London: George Allen & Unwin Ltd, 1913).


\(^{36}\) Ibid.
systematically more likely to act aggressively and instigate international conflicts.”  

It is not always the case that petrostates or oil reserve countries tend to be aggressive, but usually, in petrostates that consist of theocratic and totalitarian regimes, oil is an extensive source of income that shapes their domestic and foreign policy in a way to be capable of challenging their competitors. For now, in the case of IRI and KSA oil is one of the main tools that tend to heavily engage their rivalry.

In his study, Michael Ross also argues that oil is one of the main tools responsible for domestic changes and foreign policy determination in the world and especially among countries in the Middle East. In fact, Ross claims oil as one of the “political and economic ailments [that] constitute what so-called the resource curse.” This is because oil is one of the most valuable minerals within the global trade platform, and oil has dominated 90 percent of world trade. He makes a case of how oil has driven the Arab Spring in some countries, while it drowned the Arab spring in others. In other words, Arab Spring was stronger in countries that have less oil, while less strong in others that have high oil reserves and production. Ross’s argument suggests a strong correlation between oil and power domination. For example, Arab Spring in Gulf monarchies or Gulf Cooperation Council (GCC), especially Saudi Arabia, had little impact because within the oil-rich regimes the authority has power over all the economic elements including oil, that makes it easy to defend against any opposition. Libya is an exemption where

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39 Ibid. p 1.
40 Arab Spring or the Arab Spring revolutions are peaceful protest movements that started in some Arab countries during late 2010 and early 2011. These movements were affected by the Tunisian revolution that erupted as a result of the spread of corruption, economic stagnation, poor living conditions, political and security restrictions, and corrupted elections in most Arab countries. The revolts succeeded in overthrowing five regimes so far. After the Tunisian revolution, the Egyptians January 25, 2011, succeeded to topple former President Muhammad Hosni Mubarak, then the Libyans revolution on February 17, 2011 ended by killing Muammar Gaddafi and toppling his regime, the Yemeni revolution that forced Ali Abdullah Saleh to step down, then the Sudanese revolution in 2019 managed to overthrow the former president, Omar al-Bashir. These protest movements have reached all parts of the Arab world, the longest of which is the Syrian revolution. These revolutions were marked by the emergence of an Arab chant that first appeared in Tunisia and became popular in all Arab countries: “The people want to overthrow the regime.” Achcar, Gilbert. People Want: A Radical Exploration of the Arab Uprising. (Berkely: University of California Press, 2013). Pp 1-5.
41 Ross, Michael L. The Oil Curse: How Petroleum Wealth Shapes the Development of Nations.
the Arab Spring partially succeeded, even though it is a Petro-Aggression state because it is an authoritarian regime removed from power because of NATO’s intervention. The Syrian Arab Spring turned into a unique civil war for many reasons, but one of the main factors is the engagement of regional Petro-aggression states that changed the direction of Arab Spring in Syria into an ongoing quagmire. IRI’s military and economic supports to Assad’s regime since the beginning of the Arab Spring have played a significant role in maintaining the regime. Meanwhile, Saudi Arabia provides military and economic support to the Syrian opposition groups.

Therefore, this dissertation includes Petro-aggression theory into IRI and KSA rivalry to conclude their respective role of how both parties have exploited oil, whether as a source to reveal their hegemony and aggression challenging each other or dominating the oil market and commandeering of OPEC. Because of huge oil-reserve and spare capacity, Saudi Arabia is one of the main flexible countries in the region that easily fluctuates and perhaps swing oil market prices for its favor. Thus, as argued by Colgan, oil income and revolutionary governments are the hearts of rivalry between IRI and KSA.

In its Arabic version of the Independent journal, Anas Haji makes an argument that is similar to Ross’s Petro-aggression approach. Haji argues that after the semi-successful Arab Oil Embargo⁴³ by the Kingdom of Saudi Arabia in 1973, Petro-weapon, as Haji names, has become one of the powerful mechanisms of rivalry among state actors and sub-state actors. Especially after the Arab Spring some militias and radical groups have access to oil sources; some of these groups are already dominating regions with oil fields that make them powerful actors to insert their aggression and hegemony throughout the region.⁴⁴ For example, “Petro-weapons” have come into the hands of Shia militia in Iraq, IRGC, Syrian rebel, and opposition groups that have brought security concerns for the stability of the region.

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⁴³ Arab Oil Embargo 1973 or the first oil shock started on October 15, 1973, when members of the Organization of Arab Petroleum Exporting Countries (OPEC) in addition to Egypt and Syria announced oil embargo to push Western countries to compel Israel to withdraw from the occupied Palestinian territories in the 1967 war. OPEC suspended oil supplies that led to rise of oil prices for almost 400% that highly impacted the global market. Then, the embargo was ended on March 1974.

**Proxy War Theory**

To support the second hypothesis number, this section examines the proxy environment or proxy platform of rivalry between IRI and KSA. A proxy environment is a platform or mechanism that international or regional superpowers, rivals, or adversaries use to challenge each other in a determined location. There are different types of proxy environments within world politics that have been comprehensively used, especially the proxy war or proxy warfare that took place between the US and Soviet Union during the Cold War. The Korean War 1950-1953, for example, was the first proxy war during the Cold War whose supervision remained under the control of the US and the Soviet Union. The Vietnam war was a sponsored conflict between South Vietnam which was a close ally to the US, and the communist government of North Vietnam was another proxy war between the US and the Soviet Union.

For purpose of this dissertation, the term proxy groups or proxy war will be used because the shape or the nature of IRI and KSA’s proxies are in the model of groups and militias (nonstate actors) or governments (state actors) in some cases that tend to fight each other. There does not appear to have been any direct engagement, whether from the Saudi government or Iranian government, in any warfare or conflict in the ground, rather both countries most of the time provide, military equipment, training, and economic support to their proxies. Therefore, the fourth chapter of this dissertation will examine the nature of proxy groups that have been in relationships whether with Iran or Saudi Arabia from 1979 to 2019.

To support the theoretical framework of proxy war, it is important to define it and to describe the basis for it and the implications of it. A proxy war is defined as an armed conflict that arises when the warring powers or rivals use other parties, whether states or non-state actors, to fight directly instead of them. In his book, *My Enemy’s Enemy*, Hughes defines a proxy as a “non-state paramilitary group receiving direct assistance from external power.” 45 Although warring powers or rivals have used other governments as agents of war, currently other parties are being used more frequently in the shape of

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proxy groups. There are a few conditions that must be met for a conflict to count as a proxy war. First, both rivals must have been in direct and long-term relations with their proxies. Second, there must be military training assistance, grant military equipment, and economic funding from the principal rival to its proxies. Finally, principle parties use proxy forces with the expectation that the proxy war remains away from the principle’s border and remains as an ongoing conflict without being drawn into all-out war. Therefore, proxy war indicates the presence of international or regional superpowers competing in a region called the conflict zone. Superpowers do not want to enter into a direct war or armed conflicts where there are small countries, paramilitary groups, or militias that will fight instead.

The nature of proxy wars has changed over the course of history especially from the Cold War to the period after the Cold War (the 1990s to 2000s). In his book, *Theories of Violent Conflict: An Introduction*, Jolle Demmers argues that the nature of proxy wars during the Cold War was based on communism and capitalism and ideological divides of superpowers’ strategy, while after the Cold War, proxy wars have been coded as terror, ethnic, ethnic-nationalist, ancient hatreds and primordial identities that seem to be ongoing conflicts for the foreseeable future. This new version of proxy wars have been popular in the Middle East directed by two main superpowers, Saudi Arabia and Iran after the US invasion of Iraq in 2003, especially widely distributed after the Arab Spring in 2011 that include but not limited to Iraq, Syria, Lebanon, Bahrain, Central Africa, and Afghanistan. Although the number of casualties from the Middle East proxy wars may be smaller than those of the Cold War, they have a violent nature that poses security threats at the regional and global levels. In his book, *My Enemy's Enemy: Proxy Warfare in International Politics*, Hughes describes three strategic justification for proxy wars:

The first involves a strategy of *coercion*, of ‘persuading an opponent to stop an ongoing action or to start a new course of action by changing its calculations of costs and benefits’, obliging an adversary to ‘choose between making concessions or suffering the consequences of continuing its present course of action’. The second category involves *disruption*. A country may be at war or in a heightened state of confrontation with

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48 Ibid. P 5.
another power and can choose to weaken its adversary by supporting internal conflicts, thereby diverting its military capabilities towards the suppression of domestic insurrection and sapping its capability to wage an external war. The third category involves the achievement of transformative objectives, which can include encouraging separatist movements to encourage the breakup of a target state.\[49\]

This dissertation will not look at all the regions and locations of IRI and KSA’s proxy interests; rather it will only investigate five neighboring countries Iraq, Syria, Lebanon, Yemen, and Bahrain. To draw the geopolitics of IRI and KSA’s proxy groups, this dissertation will draw a similar table to Amos C. Fox’s article on United States proxy wars from 2001 to 2019.\[50\]

Table 1: Geopolitics of Iran and Saudi Arabia’s Proxy Groups from 1979 to 2019

<table>
<thead>
<tr>
<th>Geopolitics/locations</th>
<th>Principal Rival Islamic Republic of Iran</th>
<th>Principal Rival Kingdom of Saudi Arabia</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Proxy Group</td>
<td>Date</td>
</tr>
<tr>
<td></td>
<td>Iraqi Shia Militias</td>
<td>2003-present</td>
</tr>
<tr>
<td>Syria</td>
<td>Syrian Baath Regime</td>
<td>1979-present</td>
</tr>
<tr>
<td>Lebanon</td>
<td>Hizballah</td>
<td>1980s-present</td>
</tr>
<tr>
<td>Bahrain</td>
<td>Shia movements</td>
<td>2011-present</td>
</tr>
<tr>
<td>Yemen</td>
<td>Houthi movement</td>
<td>2011-present</td>
</tr>
</tbody>
</table>

Theory of Decision-Making

According to decision-making theory, there are different parties including but not limited to individuals and groups, and their principles that determine how the state (or decision-makers) work and

why decision-makers act as it does regarding their domestic and foreign policy.\textsuperscript{51} The theory also focuses on how states interact and reflect on the effects of various outcomes from the international system. The decision-making theory also indicates that states adapt to specific foreign decisions to highlight their trends and advance their interests vis-à-vis external parties with whom they interact.\textsuperscript{52} In other words, this theory indicates that states prepare to change their goals before the unpredictable event and develop appropriate ways to respond to a changeable environment. Although decision-making theory considers the state as the main actor within international relations (which is alike the realist theory), it argues that the state is an important actor through the representation of the leaders.

Decision-making theory was an attempt to develop a theory in international relations during the 1950s by Richard Snyder and his colleague Allison. This theory emerged for a specific circumstance which was in accordance with prevailing conditions of the Cold War. This theory deals with the phenomena of international relations and foreign policy issues, from the psychological and environmental effect on the perspective of the decision-makers. In other words, the theory argues that the perception of international relations is a product of the decision-makers based on a set of objective and subjective factors that determine foreign policy.\textsuperscript{53} A high degree of tension between the Soviet Union and the United States led to the emergence of stifling crises among countries. The states that were the bases of creating crises were not the principal states (the United States and the Soviet Union), rather the two powerful rivals were creating hotbeds of tension in other areas for their military or economic interests. This led the theorists of international relations at that time to propose “decision-making theory” that provides an extensive explanation regarding the Cold War circumstances. In their seminal work, Mark Schafer and Scott Crichlow argue that the decision theory “includes many different factors, both internal and external,

which they suggest are likely to have an impact on the decision-making process.”

At the same time, individuals are a fundamental factor to establish the boundary of authority. Also, “to understand how states arrive a decision, we must carefully examine the human processes behind the decision.”

Therefore, Snyder and others basically “define states as its official decision-makers, those whose authoritative acts are, to all intents and purposes, the acts of all states.” In other words, “state action is the action taken by those acting in the name of the state.”

Although some analyses argue that decision-making theory is established for a particular circumstance, it is one of the important approaches that have some insights of IRI and KSA rivalry. Usually, leaders make their decision based on a cognitive approach through distinguishing rational or analogical determination from irrational or illogical ones to respond to any circumstances. For a long time, some scholars and academics undermined and discounted the role of leadership to determine the shape and the future of world politics; they would rather believe world politics are driven by a system that emphasizes “imperatives by anarchy and interdependence”. As Hermann and Hagan argue in their article, this type of world was most compatible with the era of the Cold War where the leaders had limited choices to structure proper policies to deal with domestic and foreign issues. Regarding the era after the Cold War, it seems there were more rooms for leaders to influence domestic and foreign politics, and they practice their influences on how governments should communicate. Finally, this theory will be considered to define the structure of the decision-making process in both IRI and KSA after the 1979 Islamic revolution. It is especially useful to understand the correlations between the role of individual leaders as one of the most important variables in determining both country’s foreign policy.

54 Schafer, Mark., & Scott, Crichlow. *Groupthink versus High-quality Decision Making in International Relations.* P 37.
55 Ibid. P 8.
56 Snyder, Bruck., et al. *Foreign Policy Decision-making an Approach to the Study of International Politics.* P 65.
57 Ibid.
59 Ibid.
60 Ibid, p 125.
The Significance of the Research

This research is critical because it studies the rivalry between IRI and KSA from different viewpoints including economic platforms, national security interests, and geopolitics. First, the rivalry between the IRI and the KSA is a critical case study because of their leadership respective influence not only within their boundaries but also on the geopolitics of the Persian Gulf and beyond. Second, the two powerful and oil-rich actors challenge each other to the dominated oil market and claim the leadership of the OPEC. Third, IRI and KSA’s engagement into proxy wars through supporting their proxies over the decades; this include their interferences via political, military, financial supports for the regional neighboring governments or sub-state groups and militias.

Part of this dissertation will focus on these proxy wars in detail. For example, most Arab countries including KSA claim IRI’s support to Hizballah as the most potent proxy in Lebanon, while the Saudis are allied with Lebanon’s prime minister Saad Hariri. There have been official claims that Hariri’s resignation was forced by the Saudis to undermine Iranian influences in Lebanon and opening a new way to launch aggressive actions against Hizballah in Lebanon.

The KSA and other Sunni countries in the region were highly concerned that the Houthi movement in Yemen took advantage of the weakness of president, Abdrabbuh Hadi. Since August 2015, the Saudi led coalition has supported Hadi to restore his power. This warfare in Yemen has exacerbated the humanitarian crises. The Gulf Arab states including Saudi Arabia accused the Iranian government of financial and military support to Houthis. The war in Yemen is also part of the regional conflict between the IRI and the KSA because Yemen is a significant strategic site, linking the Red Sea and the Gulf of Aden.

The Syrian crisis started with an internal uprising against the Assad authoritarian regime during the Arab Spring in 2011. That focused on the external regional power's interests along with the engaging international actors. Since then Syria has become a proxy battlefield between IRI and KSA, despite the changes in the direction of the conflict in Syria in terms of alignment and national security interests. For a long time, the KSA backed the Syrian opposition fighters, while the IRI has supported and backed
Assad’s government. Thus, the proxy war is one of the critical dimensions of conflict to be investigated since there is no direct conflict between Iran and Saudi Arabia. This proxy war is highly invested in by the IRI and the KSA, and it thrives because of the continuity of their rivalry. This study will investigate this in-depth to include proxies at all levels including but not limited to the state level, sub-state level, and individuals since the success of the Islamic Revolution of Iran in 1979.

This dissertation also examines the vitality of the 1979 Iranian Islamic Revolution. The revolution was a tectonic shift, especially when Ayatollah Khomeini sent a clear message to the regional monarchs. This change in Iran was crucial for the Wahhabism movement and the House of Saud. The Wahhabism consider themselves as the representative of the real Islam and do not treat Shia as real Islam. Also, the Wahhabism movement and Al Saud were highly concerned when Ayatollah Khomeini publicly declared that “these vile and ungodly Wahhabis are like daggers which have always pierced the heart of the Muslims from the back” and announced that Mecca was in the hands of “a band of heretics.” Since then the Wahhabism movement has been pushing the Kingdom to allow more funding towards Islamic studies based on the Wahhabism ideology. They encourage the Kingdom to fund Islamic studies and support mosques in other countries in the region. This situation also affected the Shia minority in the KSA and Arab Sunnis in the south of Iran, who are treated poorly.

This dissertation examines how the 2003 invasion of Iraq and the 2011 Arab Spring have created an opportunity for Shia (at least in Iraq) to dominate authority of the central government in Baghdad for the first time since the formation of Iraq in 1924. This encouraged the Shia minority in other countries

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61 Wahhabism is an Islamic movement established in the Arabian Peninsula at the end of the twelfth century by Muhammad bin Abdul Wahhab (1703 - 1792) in order to purify the beliefs of Muslims and replace the customs and practices of worship that was spread in the Islamic world. The Wahhabi movement originated from the Sunnis and its followers. The movement refers to pure Islam, which is the method of the righteous predecessors in following the Qur’an and Sunnah. Wahhabism became widespread after Ibn Saud adopted it as an official doctrine for his movement, which quickly took control of most of the Arabian Peninsula and formed what was then called the Kingdom of Saudi Arabia. Corancez, Louis Alexandre Olivier De. *The History of the Wahabis from Their Origin until the End of 1809*. (UK: Garnet, 1995).

such as Saudi Arabia, Kuwait, Bahrain, and Yemen, to demand their rights, gain more power, and have greater political influences.63

Another factor that indicates the importance of this study is the economic platform for both countries. Oil wealth comprises a large amount of both countries’ governmental budget, economy, and GDP. Thus, oil plays a significant role in facilitating and financing their foreign policy goals in the region. Since oil production and marketing are dominated and facilitated by government agencies, it makes access to money easy for some government agencies and officials. At the same time, the oil sector is one of the most corrupt sectors in both countries. It would be impossible for the public and for international organizations to find transparency within the oil industry in both countries. Therefore, providing subsidies and jobs sometimes is awarded in exchange for their system’s mysterious oil industry.

In IRI’s oil sector, for example, as Kashfi indicates in his article:

The corruption has dominated the Iranian oil industry, simply because it is a major source of income and these cases not only involve foreign oil companies paying initial bribes and being awarded contracts but over the length of the contracts the foreign oil companies would continue to kick back some of the earnings to top IR Oil Ministry officials in the form of cash deposits in their foreign bank accounts. Amazingly, the international sanctions on IR further helped to stimulate the Islamic officials’ habit of corruption. As is the Islamic regime’s culture, besides the bribery and corruption in the RGC and the Ministry of Oil, their affiliates also have profited from bribery and corruption enormously.64

Similar situation in KSA where:

Corruption and a lack of transparency are problems in the Saudi Arabian natural resource sector, making it a high-risk sector for businesses. Even though Saudi Arabia is dependent on its resources, reporting requirements in the oil, gas, and mining industries are inadequate. Foreign companies’ participation in oil extraction is restricted to the Neutral Zone gas reserves. Unclear rules are governing the licensing process and the sovereign wealth fund is badly governed. State-owned oil company Saudi Aramco has exclusive control of Saudi Arabia’s oil and is the world’s largest and most coveted and secretive oil company. The massive revenues from the sale of oil are redistributed

through welfare programs and patronage, but it is unclear how this source of public wealth becomes a source of privilege for the royal family and its clients.65

In foreign policy, this research will show how oil wealth was invested in deterring each other’s hegemony and containing either side's influence in the Middle East. This study will investigate how IRI and KSA have been relatively successful in establishing a platform of alliances, and therefore either side has their partners within their alliance solidarity. The alliances include different actors: states, groups, militias, and individual Islamic sectarian clerics. Both states have successfully been able to exploit different identities and ideas at different levels such as nationalism, religious sect identity, and delusion of the reality of history and its presence in their current identity (the belief in the occultation of the hidden Imam, Mahdi, and his return e.g.). This does not mean that the region is entirely divided into two camps, but there are states and sub-state groups that are under whether the influences of IRI or KSA. Some states or groups have chosen to ally with one side. As it can be seen within the following maps, both IRI and KSA’s proxy groups and alliances throughout the region:

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https://www.ecfr.eu/mena/battle_lines/
This study attempts to determine that no rivalry or conflict occurs without any reasons or prior factors; rather, there are significant factors that prepare rivals to become hostile. This hostility is unlikely to vanish overnight, as their rivalry is based on underlying factors that have existed indefinitely and serve as a driving force for the conflict. Thus, Iran-Saudi irreconcilable geopolitical aspirations may continue to exist for the foreseeable future.

Finally, another important factor of this dissertation is a combination of sources that include but are not limited to public, western, exile, and state news agencies. This dissertation looks at books,
scholarly academic journals, policy briefs, and documentaries. In addition to English sources, which comprise the foundation of this dissertation, Arabic, Farsi, and Kurdish sources will be used.

**Research Questions**

This dissertation focuses on two distinctive aspects of rivalry between IRI and KSA. Firstly, it studies the nature or structure of the rivalry between IRI and KSA; secondly, it investigates three essential factors that have been invested in or exploited by both parties as mechanisms of their ongoing rivalry. As indicated earlier in this chapter, these factors consist of first, Saudis, and Iranian respective roles within the oil market and their position of commanding the OPEC. Second, both Iranian and Saudis attempt to recruit and exploit agents or proxy groups that include state, sub-states, and militias. Third, the role of leadership and decision-makers in both countries constructing foreign policy interests since 1979. Therefore, this research examines the following questions: What is the nature of the rivalry between IRI and KSA? What are the mechanisms of rivalry? How do these mechanisms correlate to IRI and KSA’s rivalry? How have the aforementioned factors been exploited and invested in this ongoing rivalry between the IRI and the KSA? In other words, what are the impacts of the three factors on varying the level of rivalry between the IRI and the KSA?

**Hypotheses**

*Oil Wealth and Command of OPEC*

Despite their antagonism at the regional and global levels, OPEC is one of the main regional economic platforms where KSA and IRI are required to work together. At the same time, IRI and KSA disagree over oil production, compete over market share to maximize their revenues, and challenge each other for the best possible prices for their oil supplies. KSA is the largest producer within OPEC and it has been boosting oil production to offset supply disruptions elsewhere, including the anticipated loss of
Iranian oil supply. The Saudis are also cutting their prices to the prized Asian market to lure more customers as they increase supply. In contrast, IRI is the third-largest oil producer within OPEC, and it attempts to convince its oil customers to continue buying Iranian oil. Usually, less production and higher prices of oil are the economic trends that compromise the Iranian’s strategic point of view, where the Saudis tend to not agree.

Based on the July 2018 figure from OPEC, for example, the KSA is the largest oil producer producing around 10.5 million barrels per day (BPD), while IRI supplied about 3.8 million BPD being the third-largest producer after Iraq. In addition to oil production, the KSA exceeds the IRI in terms of crude oil. The proven reverses of petroleum in KSA are about 266,455 billion barrels, while IRI’s crude oil is estimated to be around 158,400 billion barrels in 2017.

The Saudis massive oil production, its spare capacity, and developed oil industry infrastructure eases the pathway to challenge IRI’s threats both within and outside the OPEC in terms of marketing its oil. In fact, KSA oil industry capability impacts not only the regional but also the international oil market in terms of production and prices. With the US supports especially, KSA has been exercising its power over the oil market. Recent American sanctions against IRI, for example, made Iran highly concerned that KSA could easily replace them in terms of supply and production within the oil market. For the United States and other Western powers, freedom of navigation in the Gulf is critical, and any conflict that attempts to block the Persian Gulf waterways is a threat to international shipping and oil transportation and may attract the US Navy and Air Force to intervene.

In addition to its economic value as a financial source, oil has become a powerful political apparatus that increases the state’s aggressive propensity, especially in the Middle East. After the

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67 Ibid.
69 Ibid.
Islamic revolution in 1979, oil has heavily fueled KSA and IRI’s rivalry and has taken many shapes and forms. Internally, oil revenue creates influences and funds to establish a robust internal politics or censorship system to crackdown and antagonize opposition groups and dissenting voices. In KSA, for example, oil is responsible for an “implicit social contract between the Saudi royal family, [Wahhabis Imams] 71, and the Saudi Arabian citizens.” 72 IRI oil is the main source to finance its intelligence agencies, IRGC for example, that maintain the state’s strong censorship and regime survival against any opponents and opposition groups or stress minorities (e.g. Kurds in the west and Sunni Arabs in the south). In addition, oil revenues have been exploited to finance its military spending. The Iranian nuclear program is one example; it has cost roughly 100 billion dollars and led to a loss of almost 500 billion dollars of foreign investment due to international sanctions that create uncertainty for foreign investors. 73 Meanwhile, millions of Iranians were depending on a government subsidy that was around 20 dollars per person a month, the program suspended during Ahmadinejad presidency. 74

Furthermore, in terms of shaping their foreign policy, oil wealth finances both IRI’s and KSA’s strategic goals to deter, contain, and challenge each other influences in the region. Another way of antagonizing a rival state is by providing financial aid provided to proxies at the state, pan-state, and sub-state level. Oil also is responsible for threatening national interests in the region. Furthermore, ‘energy security’ has become an area of concern when it comes to national security. 75 For example, although IRI cannot unilaterally close the Strait of Hormuz as it is an international waterway and supposed to be open

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71 The definition of Imam is person who leads prayers and preachers, but within Shias ideology refers to those who believed to replace Imam Ali. Also, Shiias believe “are considered infallible, impeccable, and immaculate and are believed to have ruled in the name of God. Bill, James A. Power and Religion in Revolutionary Iran. Middle East Journal, vol.36, no.1, 1982, pp. 22-47. www.jstor.org/stable/4326354 Accessed January 20, 2020.


74 Ahmed Irina., et al. The Political Economy of Oil in The Middle East.

for global trade, recent threats have been made by IRGC to KSA’s interests through disrupting Saudi oil traveling to the market. The Iranian Revolutionary Guard’s Navy assumes responsibility for the strait and can effortlessly seize.\textsuperscript{76}

Therefore, maintaining oil and energy security is the main high-profile responsibility for both parties that raises the dilemma of Petro-aggression. To this end, the first proposed hypothesis is: Although KSA plays a significant role in countering and challenging IRI within the oil market, it requires Riyadh extra efforts to meet its internal expenditure and foreign expenses in order to challenge and deter Tehran’s hegemony in the region.

As has been discussed, oil is an important source of revenue for both countries. it comprises 80-90\% of both IRI and KSA’s public revenue,\textsuperscript{77} and 40-50\% of their gross domestic product (GDP).\textsuperscript{78} Saudi’s massive oil production capability, in addition to their spare capacity, accumulates twelve million BPD, which highly concerns Tehran for the possibility of replacing their position within the global oil market. Moreover, the kingdom’s de facto leadership at OPEC creates some threatening messages and concerns for Tehran especially with heavy imposed economic sanctions from the US on IRI oil marketing.

Nonetheless, rapid technological advancement increases the importance of renewable energy that perhaps reduces the economic and political value of oil as one of the main resources of power in the foreseeable future.\textsuperscript{79} This is probably a serious issue for the future of oil marketing for many oil producers, including KSA and IRI, due to the possibility of revenue loss, especially in the wake of global demand for reduced use of fossil fuel because of environmental concerns. In addition to the rapid


improvement of drone technology and its impact in imposing threats on the trajectory of oil and energy security, economic value, and political/military outcomes.\textsuperscript{80} Recent drone attacks against the Saudi Aramco oil industry in September 2019 concerned the world due to its possible long-term impacts on the largest oil supplier; this attack reduced oil production by 5.7 million BPD.\textsuperscript{81} Finally, the impact of renewable energy and drone attacks on IRI and KSA’s oil industry should be further researched. Studies need to be done on this topic to discover whether the demand for renewable energy and drone attacks eliminates the value of oil in the future.

\textit{Support of Proxies}

Even though there have not been any direct militarized conflicts between the KSA and the IRI, supporting their proxies is another way for both parties to continue their rivalry in the region. The indirect conflict between the KSA and the IRI continues through their proxies. Their proxies include other governments, individuals, sub-state groups, and has now expanded to include militias. The geography of their proxies is distributed among more than one country, including but not limited to Iraq, Syria, Lebanon, Palestine, Yemen, Bahrain, and Egypt.

After the Islamic revolution in 1979 Iran has created alliances within the Arab region that can easily move and mobilize various proxies based on Iran’s national and strategic interests. For example, Iran participated in establishing Hizballah in Lebanon in 1980 that acts as a proxy for Iran in ongoing Iran–Israel conflicts. Iran provides military supplies to the Hamas movement in Palestine and Iran supported the establishment of the Islamic Jihad Movement in Palestine (PIJ) in 1981. After the Arab spring in 2011, Iran provides relatively sophisticated weapons to Houthis in Yemen.\textsuperscript{82} And Iran’s relationship with the Syrian government since the beginning of the Arab Spring to keep Bashar Assad’s

\textsuperscript{82} Zanganeh, Peyman., & Hamidi, Somaye. The Nature of Logics Ruling Interactions of Iran and Saudi Arabia in the Yemen Crisis. \textit{Fa\textashort{\=a}l\textashort{n}amah-i Pizuhish/ha-yi Rahburdi-i Siyasat}, vol. 5, no. 18, 2016, pp 143-69.
government in power. In addition to Iran’s extensive military support to Shia militias in Iraq including but not limited to Popular Mobilization Forces or known, as Al-Hashd Al-Sha’abi.\(^3\)

The map of Iranian influence in the African continent can be divided geographically into three sections.\(^4\) First, West Africa, which is known as the “West African Islamic Belt,” is the geographical region that stretches from Mauritania in the west to Niger in the east, and from Mauritania in the north to Liberia to the south including Nigeria as well. Second, is the "Nile Basin and East Africa" region that includes the Horn of Africa, the Gulf of Aden, and Bab El Mandeb between Eritrea and Yemen. The third geographical region is the South and North Africa regions\(^5\). This global presence in the African continent encompasses Iran’s relationships with states, sub-state groups, individual leaders, and Shia clerics.

IRI has benefited from the characteristics of this region to strengthen its relations with its proxies at a different level. Iran represents the Shia doctrine in the African continent. Since the Islamic religion is the official religion of the majority of the population, this demographic structure has created a fertile environment for the spread of Shiism. Finally, IRI has understood that engaging in Southwestern Asia is not enough to distribute its ideology. It is a risky venture for Iran to focus only on Southwestern Asia since the United States maintains presence militarily equipped in the region to protect its strategic interests.

Also, the USA maintains a close relationship with the Gulf Cooperation Council (GCC) and Israel, and it is willing to defend them. Iran is not satisfied with only keeping its power and leadership within the Shia Crescent, rather Iran is eager to change or increase that crescent to a full moon or complete circle. And it has already surpassed the crescent. Today Iran influences not only Iraq, Syria, Lebanon, Bahrain, and Yemen, but it interferes with supporting Shia minorities in GCC countries

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\(^5\) Manjang, Aluie. Beyond the Middle East: Saudi-Iranian Rivalry in the Horn of Africa. *International Relations and Diplomacy*, vol.5, no.1, 2017, PP 46-60.
including Saudi Arabia. Iran’s role in supporting its allies and its proxies in the Africa continent count as another example of Iran’s exporting Islamic Shia revolution. Also, Iran has built two arrows or lines of support regards to its adherents and proxies. The first line starts from Iran crossing Afghanistan to Pakistan, while the other one goes from Iran crossing Azerbaijan to Turkey. These relationships are new, but Iran is willing to support Shia minorities in those countries as well.

In contrast, the Kingdom of Saudi Arabia practices the same strategy of supporting its allies at a different level with different elements. First, the KSA considers itself as a de facto leader of the Islamic Sunni world based on control of the holy cities of Mecca and Medina. Second, the kingdom sponsored the International Islamic Conference in Mecca in 1962. Third, the KSA established the Muslim World League, which is an organization dedicated to spreading conservative Wahhabism Islam particularly advocated by the Saudi government and promoting Islamic solidarity within Saudi Arabia. Finally, Saudi Arabia led to the establishment of the Organization of Islamic Cooperation (OIC) in 1969. The KSA is strategically benefiting from the mentioned Islamic platforms via spreading its ideology throughout the Islamic world. I will get into the role of Saudi Arabia within these organizations in the body chapters.

Outside the kingdom, the KSA along with other GCC members financially and militarily supported Iraq during the Iran-Iraq war in part to besiege Iranian power and curtail or diminish the spread of the Iranian Islamic Shia revolution in the Persian Gulf. Regards to the Syrian crisis, the kingdom of

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86 Organization of Islamic Cooperation (OIC) “is the second largest organization after the United Nations with a membership of 57 states spread over four continents. It was established upon a decision of the historical summit which took place in Rabat, Kingdom of Morocco on September 25, 1969. Organization of Islamic of Cooperation. History. https://www.oic-oci.org/page/?p_id=52&p_ref=26&lan=en Accessed on September 20, 2018. This organization, in fact, “endeavors to safeguard and protect the interests of the Muslim world in the spirit of promoting international peace and harmony among various people of the world, but in reality it has not been able to reach its agenda since it has been exploited for political interests by some powerful members. IRI occasionally criticize KSA for its political and financial influences to use the organization for its interests. At the same time, the total land of its member states is 32 million square kilometers, which is bigger 3.5 times that the US mainland, the total GDP is 6.7 trillion dollar, it consists one fifth of the world’s agricultural land, they dominate 70% and 57% world’s oil and natural gas. Despite its political and financial capability, its members suffer from massive political, financial problems. For example, the total number of displaced people is more that 40 million and more 80 million people impacted by civil wars, in addition to issues regarding to terror, poverty, corruption, and high unemployment rates that most of the organization’s member states have not being able to deal with these issues yet. Al Arabiya. An interview with the Secretary of Organization of Islamic Cooperation Dr. Yousef Al-Othaimen. [muqabalat mae 'amin munazamat altaeawun al'iislamii alduktur yusif aleathimayn ealaa qanat alerby]. August 2, 2020. https://www.youtube.com/watch?v=K4gcZvvzSsY&feature=youtu.be Accessed on September 1, 2020.
Saudi Arabia offered military and financial support to the opposition parties and rebel fighters against the Bashar Al-Assad government since the beginning of the Arab Spring in 2011. Also, the KSA has militarily intervened in Yemen’s war (Operation Decisive Storm) since 2015. This operation is a coalition of nine African and Middle Eastern countries led by Saudis to support the president of Yemen, Abdrabbuh Mansur Hadi, against Houthi militias backed by Iranians. Also, the KSA supports a Sunni-Salafist movement against the members of the hardline Iranian backed Shia Islamic Movement of Nigeria, led by Ibrahim Al-Zaqzaki.

And finally, the Lebanese dispute is part of the Iranian-Saudi conflict via their proxies. This dispute has been going decades. The Saudis consider the government of Lebanon as a declaration of war because of Hizballah Shia militias. The Lebanese dispute gained its peak after the temporary resignation of Lebanese Prime Minister Saad al-Hariri in a televised speech during his visit to the Saudi capital Riyadh on November 4, 2017. He resigned abruptly as an objection against Iran's intervention in Lebanon and the Arab world.

Overall, supporting their proxies has created more than one type of dispute between the KSA and the IRI, and they both use different platforms to support their proxies. These platforms include states, individuals, groups, and organizations. Also, the KSA and the IRI support includes various areas such as military, financial, and logistic supplies.

The Islamic Republic of Iran’s long history of battling foreign influences placed it at odds with external powers in the region. For example, Ayatollah Khomeini's ideas were anti-monarchy, anti-colonialism, anti-imperialism, anti-Western anti-Zionism, and anti-secular. Also, the Islamic Republic of Iran is a revolutionary country that believes in the idea of spreading the Islamic Shia identity

throughout the Islamic world and the IRI consider itself as a custodian of Shi’ism in the world. In contrast, KSA only came into existence in 1932 as an arrangement between the Wahhabi movement and the Al Saud family, and the royal family consider itself the guardian of Holy Mosques and the guardian of the Sunni identity of Islam. Accordingly, due to IRI’s revolutionary zeal to expand its leadership, the second hypothesis indicated that KSA cannot underestimate IRI’s support toward proxy groups since the success of the 1979 Islamic revolution that is arguably marked by a degree of hubris in some of these countries. In response to that, since 1979 the KSA, plays a significant role in supporting its proxies including but not limited to regional governments, groups, militias, and individuals that side the kingdom’s interests in the region.

With a long history of battling regional powers, their revolutionary identity in the region, and Shia beliefs regarding the idea of “revenge for the blood of Hussain,” Iranians play a significant role in threatening and challenge Sunni groups and Sunni countries. While the KSA is not a revolutionary power, it wants to spread Sunni ideology in the Islamic world. It is important to note that Islam had its origin and roots from Saudi Arabia. For example, Mecca and Medina are the holiest cities in the Islamic World, which they located in Saudi Arabia. And, the king of Saudi Arabia and Al Saud consider themselves as a protector of these cities “Khadim al Haramain al Sharifain.” The KSA is dedicated to spreading the Sunni sect of Islam and fostering Islamic solidarity under the Saudi purview and has been successful in promoting Islam, particularly the conservative Sunni Wahhabi doctrine advocated by the Saudi government.

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The Role of Leadership

The role of decision-maker is one of the main aspects of world politics. Political and religious leaders matter since they have been key factors to fluctuate the rivalry between peace and conflict. Thus, radical, and conservative leadership or reformist and secular leaders, greatly shape the direction of conflicts as their ideology tends to pull both sides farther apart. In this regard, within the Saudi-Iranian situation leaders have had a massive effect in terms of increasing or decreasing the level of conflict.

There is a cognitive approach within international relation theory that demonstrates the importance of the role of individuals on decision-making and their effect on outcomes. The actors may or may not make rational decisions. Their ability to consider their options or weight costs/benefits analysis may be affected by the outcomes they need. Leaders may rely on rivalries and clashes as a way to divert their people's attention from domestic political chaos to the outside threat. Not all leaders are equally likely to clash, and they may do so independently of previous clashes.

With a proportional stable relationship between Shah Regime and the KSA, the 1979 Islamic revolution of Iran is the main key-turning point of a new ongoing course of rivalry between the IRI and the KSA. The new leadership of the Islamic revolution of Iran imposed aggressive attention to the region. The Kingdom of Saudi Arabia was/is among the Gulf countries that are highly concerned about the idea of “exporting the revolution”. This indication reveals that leadership or decision-maker, and its ideology does matter. Therefore, the tensions between Saudi Arabia and Iran have always escalated and de-escalated based on leadership performance and decision-maker perspectives. In other words, this conflict derives from the perspective of radical, reformist, moderate, and religious decision-makers that shape and evolve politics in both countries. Based on the argument above, the third hypothesis indicates that decision-makers one of the most important variables that play a significant role to escalate and de-escalate the rivalry between IRI and KSA.

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94 Ibid.
95 Ibid.
Despite some periods of heightened tension, especially following the Khobar Towers bombing in Dhahran, Saudi Arabia that killed 19 U.S. soldiers in June 1996⁹⁶, the relationship between IRI and KSA was relatively harmonious from 1989 to 2005. Iranian presidents Hashemi Rafsanjani and Muhammad Khatami adopted a more moderate tone than their predecessors and sought to improve relations with the Gulf states. These initiatives have resulted in the restoration of diplomatic relations between the two countries, as well as mutual visits between their leaders. Relations remained relatively good during the early days of Iranian President Mahmoud Ahmadinejad’s authority with King Abdullah, then later developed to enmity and rivalry that can be traced back to changes in the IRI’s dominant state identity during each of those periods.⁹⁷

Three theories or approaches where discussed under the theoretical approach’s section of this chapter. The following table illustrates the correlations between three presented theories/approaches and the proposed hypotheses of the rivalry between IRI and KSA.

<table>
<thead>
<tr>
<th>Mechanisms of Rivalry</th>
<th>Theories or Approaches</th>
<th>Hypotheses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil wealth and command of OPEC</td>
<td>Petro-aggression Approach</td>
<td>Although KSA plays a significant role in countering and challenging IRI within the oil market, it requires Riyadh extra efforts to meet its internal expenditure and foreign expenses in order to challenge and deter Tehran’s hegemony in the region.</td>
</tr>
<tr>
<td>Supporting their proxies</td>
<td>Proxy War Theory</td>
<td>Due to IRI’s revolutionary zeal to expand its leadership, the second hypothesis is: KSA cannot underestimate Iran’s support toward proxy groups since the success of the 1979 Islamic revolution that is arguably marked by a degree of hubris in some of these countries.</td>
</tr>
<tr>
<td>Role of leadership (decision-makers).</td>
<td>Decision-making Theory</td>
<td>Decision-makers and leadership one of the most important variables that play a significant role to escalate and de-escalate the rivalry between IRI and KSA.</td>
</tr>
</tbody>
</table>


Finally, as analyzed earlier that the main goal of this dissertation is to investigate the nature of the rivalry between IRI and KSA. To claim leadership throughout the region and maintain power over their national security interests, this rivalry has become a necessary strategic tool to not escalate the situation into direct militarized conflict.\(^9\) Hence, there are several exploited or invested mechanisms that are subjected to this dissertation to be the main factors of rivalry between both actors. In other words, to maintain this ongoing rivalry and to challenge each other, both countries maintain their capability through some factors that inject or fuel the rivalry.

There are unlimited factors that play a significant role in Saudi Arabia and Iran rivalry - two powerful neighbors- as a fierce struggle for regional dominance. To determine the framework of this dissertation, there will analysis of three essential factors: oil wealth and command of OPEC, supporting their proxies, and the role of leadership (decision-makers). Also, these factors are the mechanisms of rivalry between the KSA and the IRI. The following table provides an inclusive analysis of the goals of these factors for each of the actors.

<table>
<thead>
<tr>
<th>N.</th>
<th>Factors</th>
<th>Goals</th>
<th>Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Oil wealth and command of OPEC</td>
<td>Since oil is the main source of the kingdom economy, oil wealth is used to maintain a social contract between the Kingdom family and the citizens of the KSA. The KSA has used oil to finance its foreign policy goals to contain Iranian influence in the Muslim World and the Middle East as well. The Kingdom easily challenges Iran regarding oil production via OPEC.</td>
<td>The government in Iran relies heavily on oil prices, which remain volatile to this day to finance their expenditures. Because of economic sanctions and nuclear program expenses, the IRI sometimes loses leverage to invest oil over its foreign policy. Within the OPEC, Iran is the third-largest oil producer, but it cannot challenge the KSA in terms of oil prices and oil production.</td>
</tr>
<tr>
<td>2.</td>
<td>Support of proxies</td>
<td>After the Soviet Union invaded Afghanistan in 1979, the KSA sponsored military support</td>
<td>After the success of the Islamic revolution in Iran in 1979, Iran decided to open and expand the Shia camp</td>
</tr>
</tbody>
</table>

to Pakistan and Afghanistan (who were primarily fighting against the Soviet Union). Saudi Arabia backed Iraq during 1980–1988 Iran and Iraq war. The KSA also supports many governments and groups in the region at various levels. This situation has led to a revival of transnational jihadi networks that pose a threat within the region and beyond it, such as al Qaeda and the Islamic State of Iraq and Sham.

**Organization of the Study**

This study is comprised of six chapters. The first chapter is the introduction chapter that consists of a theoretical approach, the significance of the research, research questions, hypotheses, and organization of the study. The second chapter, the literature review, is divided into four parts. The first part is a short introduction that shows the scope of the chapter. The second part comprises a historical background on the Sunni-Shia division within Islam. The third part of the literature outlines the major debates on the rivalry between Iran and Saudi Arabia. The main reason for having a variety of combinations of the literature review is to see and weight the nature of language that uses to analyze and structure debates on the rivalry between the IRI and the KSA.

The third chapter provides exploitation of oil wealth regarding the KSA and the IRI rivalry and their respective role within OPEC as one of the main economic platforms that both IRI and KSA hold their respective position into. Because oil is the main source of GDP for both countries, the chapter examines the correlation of whether the oil has become a source of aggression and threats to both rivals and their interests within the region. This chapter investigates how oil revenue uses to inject their rivalry.
in terms of challenge each other in the Persian Gulf from 1979 to 2019. Also, it analyzes why Saudi Arabia is the de facto leader within OPEC.

The fourth chapter examines the support of proxy groups from IRI and KSA. This chapter is an examination of the engagement of Iran and Saudi Arabia on the regional crisis. Both counties provide financial and military support to their allies at the state and sub-state levels. The chapter looks at the respectful role of Iran and Saudi Arabia in Lebanon, Bahrain, Yemen, Syria, and Iraq over the different course of time. At the same time, this chapter will focus on how conflicting ideologies and different ethnicities have contributed to the Iran-Saudi conflict since each country considers itself as a representative of one doctrine of Islam. On one hand, the Kingdom of Saudi Arabia represents itself as a bulwark of the Sunni, a branch of Islam that followed nearly 75- 90% of the world Muslims. On the other hand, the Islamic Republic of Iran is a representative of the Shia branch of Islam, and the majority of its people are Shi’ite Muslims that making up nearly 90% of the population.

The fifth chapter is about the role of leadership and decision-making in both countries on fluctuating the level of rivalry. Regarding Iran, the chapter investigates all terms of the presidency from Ayatollah Khomeini, Rafsanjani and Muhammad Khatami, Mahmoud Ahmadinejad, and Rouhani. Regarding Saudi Arabia, the chapter analyzes the role of the Al Saud family after the Islamic Revolution from 1979 to 2019. This time consists of four kings that start from King Fahd, King Khalid, King Abdullah, and ends to the present times with Kind Salman.

The sixth chapter, the conclusion, will be devoted to the strategic nature of the rivalry that necessarily has maintained between IRI and KSA as a source of competition for survival, hegemony, and supremacy over the Persian Gulf, the sectarian dimension to this rivalry has shaped the relationship between the IRI and KSA. Despite the pan-Islamic nature of Ayatollah Khomeini’s vision of the “export of the revolution,” this revolution has had a strategy of expansion of the Iranian influences throughout the

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region. And the message was clear for the Kingdom of Saudi Arabia and other GCC countries, and it included not only Iran-a predominantly Shia country-, but also the predominantly Sunni Islamic-majority countries in the region. While the KSA sees IRI as a threat to their identity and their regional interests, the Islamic Republic of Iran also considers the KSA as a superficial entity created by colonial powers as part of their imperialist regional policies. Perhaps a future dialogue between the Islamic Republic of Iran and the Kingdom of Saudi Arabia is possible, but it would necessitate trust between both actors currently seems difficult. Thus, conflict resolution between these parties through compromise will continue to be difficult at least in the foreseeable future.
CHAPTER 2
LITERATURE REVIEW

Introduction

The rivalry between the Islamic Republic of Iran and the Kingdom of Saudi Arabia is a unique dispute in the Middle East. First, because there has not been any direct militarized conflict between both rivals. Additionally, this hostility is both idiosyncratic and demanding due to the fact that they each have conflicting strategic goals. Both parties claim the legitimacy of supremacy and leadership to guarantee and assure their national security interests throughout the region.

The literature review will also suggest that this rivalry potentially remains an on-going dispute for the foreseeable future, but the nature and level of aggression may change based on a policy of tolerance or either side decided to withdraw from this rivalry. To reiterate the research question, this literature will further review how mechanisms, such as oil wealth and command OPEC supporting proxies, and the role of leadership (decision-makers), have exploited and invested into an ongoing rivalry between the IRI and the KSA.

In addition to an introduction and conclusion, the chapter consists of two sections. The first section is a short historical background on the origins of Islam in the Arabian Peninsula and the division of Islam into two sects, Sunni and Shia, in the seventh century. The second section will explore a comprehensive range of scholarly literature including books and academic journals regarding nature the rivalry between IRL and KSA. The goal here is to critically examine how the debates and dialogues are made among scholarly literature regarding this rivalry between both regimes.

Historical Background

It is important to see whether the nature of the Middle East’s politics resemble the past or not. Some relevant studies correlate the current IRI and KSA rivalry to the old Sunni-Shia division and clash
within the early date of Islam that goes back to the seventh century.\textsuperscript{101} In his article, \textit{Time's Arrow, Time's Cycle: Metaphors for a Period of Transition}, David Jablonsky argues that “fundamental states remain immanent in time, forever present, never changing. And what appears to be motions are part of repeating cycles. Time, in short, has no direction. The differences of the past are destined to be realities of the future.”\textsuperscript{102} David believes that history is similar to an arrow that moves forward, but it is combined with “a cycle of repetition.”\textsuperscript{103} In other words, within the world politics states are attempting to invest past events or occasions into their present and future politics.

To understand the nature of the rivalry or conflict between Saudi Arabia and Iran, there is an important question that should be addressed in the study which is: to what extent the history is a matter regarding the sequence of the events in the world? In other words, whether the historical events have a cyclical nature that repeats itself or not? Or is there any connection between historical events? Most of the events in world politics are related to each other in one way or another. In the Middle East, ideology, identity, and ideas play a significant role to change the direction of the events. Most of the time, some of the ideological disputes remain for decades or centuries. For example, the ideological and historical Sunni-Shia split within Islam that goes back for almost 1400 years, still exist and has engaged within the politics and policies of some states within modern history. Israel-Arab conflict is attributed to the rise of Zionism and Arab nationalism towards the end of the 19th century. Regarding whether the history is a cycle repeating itself or it is like an arrow start from a point goes forward and never repeating itself, Robert Jervis established or invested a theory or an approach that gives a clear answer.

Robert Jervis argues that the Time’s Arrow and Time’s Cycle approach, which is a theory or an approach adopted by Stephen Jay Gould, provides some explanations and analysis regarding the role of

\textsuperscript{103} Ibid.
history within international relations.\textsuperscript{104} In his book, Gould brings two schools of thought in regards to the history of earth from a geological perspective, which they are \textit{Time’s Arrow} and \textit{Time’s Cycle}. He determines whether the history of the earth is a “cycles in which there is a change from one phase to another, but the phases themselves persist through regular cycles,”\textsuperscript{105} or it is “revealing the constant unidirectional change.”\textsuperscript{106} Gould designs a dichotomy in which the time component is the central subject of life on the earth. His dichotomy is based on two sides or visions: linear vision and circular vision, which he named \textit{Time’s Arrow} and \textit{Time’s Cycle}. Regarding \textit{Time’s Arrow}, Gould says “time’s arrow is the intelligibility of distinct and irreversible events.”\textsuperscript{107} In other words, one side or end of his dichotomy is \textit{Time’s Arrow}, in which the: “history is an irreversible sequence of unrepeatable events. Each moment occupies its distinct position in a temporal series, and all moments, considered in proper sequence, tell a story of linked events moving in a direction.”\textsuperscript{108}

The other side of his dichotomy is \textit{Time’s Cycle}, which is “is the intelligibility of timeless order and lawlike structure.”\textsuperscript{109} Gould added more, saying that in this end, \textit{Time’s Cycle}, of the dichotomy “events have no meaning as distinct episodes with casual impact upon a contingent history. In other words, he indicates that within this cycle “time has no direction.”\textsuperscript{110}

Overall, the \textit{Time’s Arrow} or \textit{Time’s Cycle} theory indicates that there are two explanations for the earth’s history. First, history is based on “cycles in which there is a change from one phase to another, but the phases themselves recur through a regular cycle.”\textsuperscript{111} Or the time cycle is a primitive notion with no

\textsuperscript{108} Ibid. P 10.
\textsuperscript{109} Ibid, P 16.
\textsuperscript{110} Ibid, P 11.
fixed direction.\textsuperscript{112} Second, history is based on an arrow that has no direction, and it occurs once and there are no chances for repetition or recurrence.\textsuperscript{113} In other words, history moves or develops as linear time in a positive direction.\textsuperscript{114}

In his article, Jervis argues that in terms of international relations, the region is an important complex that whether *Time's Arrow* theory or *Time's Cycle* theory can be submitted. Either theory can be submitted because each of them provides some truth and some useful narratives regarding events and locations within the history of international relations. He added that there are three different locations or regions and each of them correlates with one of the dichotomies, but the nature of the region and the historical event in that region determines the type of dichotomy.\textsuperscript{115} The regions indicated by Jervis are the developed world, Eastern Europe, and the Third world or the Middle East.

*Time’s Arrow* likely correlated with the developed world because in general, it is hard to predict any aggressive acts such as wars between Western Europe and the US since there are many reasons that democratic states are the less likely to go to war with each other.\textsuperscript{116} During WWII the U.S., for example, “fought to prevent Germany from dominating Europe, but sponsored European integration during the Cold War and still looks on it with favor, even though Germany is its leader.”\textsuperscript{117}

The situation is different within the Third World or the Middle East since radical and violent events such as nationalism, ethnic disputes, and regional rivalries still occur prominently throughout the region. The *Time’s Cycle* theory, as Jervis argues, gives a better understanding and an inclusive prediction regarding the nature of the events.\textsuperscript{118} Therefore, the history of the events in the Middle East seems to reiterate, but with different outcomes and different elements. Some analysts argue that the historical

\begin{itemize}
\item \textsuperscript{112} Hurmerinta-Peltomaki, Leila. Time and Internationalization Theoretical Challenges Set by Rapid Internationalization. *Journal of International Entrepreneurship*, vol. 1, no. 2, 2003, pp 217-36.
\item \textsuperscript{113} Jervis, Robert. The Future of World-Politics - Will It Resemble the Past. Pp 39-73.
\item \textsuperscript{114} Lynn-Jones, Sean M. & Miller, Steven E. *America’s Strategy in a Changing World: An International Security Reader*.
\item \textsuperscript{115} Jervis, Robert. The Future of World-Politics - Will It Resemble the Past. Pp 39-73.
\item \textsuperscript{116} Russett, Bruce M., & John R. Oneal. *Triangulating Peace Democracy, Interdependence, and International Organizations*.
\item \textsuperscript{117} Jervis, Robert. The Future of World-Politics - Will It Resemble the Past. Pp 39-73.
\item \textsuperscript{118} Ibid.
\end{itemize}
religious sect clash between Sunnis and Shias appears again with the rise of modern states in the Middle East. This argument indicates that the historical cycle or the circulation of history explains this rivalry, with some new specifics on basic contours that are familiar to the regional politics. While this dissertation argues that the old Sunni-Shia sectarian clashes appear to be one of the factors of the rivalry between IRI and KSA that has raised after the 1979 Islamic Revolution, but it is mostly injected into other factors or mechanisms, proxy groups factor for example.

For the limitation of this study, this dissertation does not examine the long history of clashes beyond the Sunni-Shia split and the role of this old clash into the Saudi- Iranian rivalry within the modern history because it is one of Islam’s long historical event that consists of fourteen centuries. Although Islam consists of Shia-Sunni sects, this division has not been a factor of the squadron the region into two blocks based on Islamic schism. There are countries in which even most of their populations are Sunni, such as the Sultanate Oman, but have close ties with Iran. Therefore, the Sunni-Shia clash could be one of the factors of rivalry between IRI and KSA, but it does not provide the whole explanation of the tensions between both countries.

The Early Appearance of Islam

Islam appeared in the Arabian Peninsula according to what was mentioned in the Islamic heritage and what was reported by most contemporary historians. Therefore, Muslims believe that Islam did not begin with Muhammad, but with Prophet Abraham who was built with his son Ismail, the grandfather of the Arabs - the Kaaba in Mecca, where millions of Muslims flock to perform The pilgrimage until today. Contemporary historians ignore that historical connection and start with Muhammad's biography in Mecca.119

Early of the seventh century on 610 CE at age fortieth Muhammad ibn Abdullah, or known as Prophet Muhammad, announced that he became the prophet of Islam through a message that was delivered to him from God via Angel Gabriel in the Cave Harra that is located in the city of Macca in the Kingdom of Saudi Arabia today. The appearance of Islamic religion has become the main structure of an Islamic state that soon sought to expand its border to dominate areas in Asia, Africa, and the Southwest of Europe. For this purpose, the Islamic conquests took place and began during the time of Muhammad's prophecy and beyond.

The Arabian Peninsula is a vast place characterized by ethnic, topographical, cultural, and even religious diversity before Islam’s appearance. Therefore, the message that Muhammad presented to the people of Mecca was the message of monotheism, which contradicts the culture of multiple deities prevailing in Mecca. As a result, Muhammad was forced to flee from Mecca to Medina with his supporters in 622; this migration is the starting point for Muhammad's biography as a statesman and the Islamic calendar.

Muhammad set out to establish a new society (ummah) composed of his fellow immigrants with him from Mecca and his supporters in Medina, reflecting its growing influence and confidence. This created challenges and deteriorating relations for Muhammad with non-followers or pagans of Mecca that led to three major wars that took place during his prophesy. Muhammad's death in 632 led to the commencement of two series of events that produced important results. One of them resulted in the

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123 Ummah. In addition to its sociopolitical use, ummah is widely use term within Islamic scripture to represent the collective Islamic community as a distinguish compose from other communities and societies. Denny, Frederick Mathewson. The Meaning of “Ummah” in the Quran. History of Religions, vol. 15, no. 1, August 1975, pp 34-70. https://doi.org/10.1086/462733 Accessed on February 23, 2020.
emergence of Islamic sects (Sunni and Shia) that has persisted to the current date; while the other resulted in the emergence of an Islamic empire, which started with the Rashidun Caliphate directly after the death of the prophet and ended with the Ottoman Caliphate.\footnote{Peterson, Daniel C. Muhammad, Prophet of God. Pp 158-161.} In the first series of events, certain groups considered the death of the Prophet the beginning of a new era, while other groups in the second series of events viewed his death as the end of an existing era.\footnote{Hazleton, Lesley. After the Prophet: The Epic Story of the Shia-Sunni Split in Islam. (New York: Anchor House, 2009), Pp 50-54.} It was the beginning of an era for those Muslims who came under the rule of the caliph who assumed the leadership of the Islamic ummah shortly after the death of Muhammad. At the same time, caliphs’ or successors’ responsibility were much higher due to the fact of maintaining the Islamic ummah in power and solidarity and expand the territorial border of the Islamic state.

\textit{The First Clash: Sunni-Shia Division}

The division of Islam into Sunna and Shia sects is one of the key-turning moments for the entire Islamic history from its start to the present. The split started from a disagreement over whether, before his death, Muhammad appointed successor or not. The people who are known as Shia believe that Prophet Muhammad designated Ali Ibn Abi Talib – Muhammad’s cousin and his son-in-law— as his successor, while Sunnis adherents believe that Muhammad did not appoint a successor.\footnote{Nasr, Vali. The Shia revival: how conflicts within Islam will shape the future. (New York: W.W. Norton & Company Inc., 2006). Pp. 40-45.} Instead, they consider Abu Bakr (who was appointed Caliph through a Shura, i.e. consensus) to be the correct Caliph. Shias or the followers of Ali believe that the successor should be from Muhammad’s bloodline or remains among the Quraish tribe. While Sunnis, the opposing camp, debating this idea that may lead to the rise of the heredity method in the leadership of the Islamic nation. Therefore, Ali became the fourth caliph after Adu Bake, Omar Bin Khattab, and Othman Ibn Affan.
After the murder of Othman – the third Imam or Caliph after the death of Muhammad— the division of Islam into Sunnis and Shias became a reality. Contentious debates ensued concerning the motives that led to the murder of Othman and who should be the throne as a new Caliph.\(^\text{127}\) In 656 CE, Ali became the fourth and last Caliph of Rashidun Caliphs; he came to power in a simmering circumstance where he moved the capital of Islam from Medina in Saudi Arabia to Kufa in Iraq.\(^\text{128}\) This is because Medina was not safe for Ali and his followers, and the political situation was unstable in Medina. He was also facing resistance from local kinsmen. Especially, when he started some reforms and replacements of some of the kinsmen who appointed by the previous Caliph (Othman).\(^\text{129}\) Muawiyah Ibn Sufyan, for example, the kinsman who was the governor of the Levant (Bilaad al-Sham), refused to submit to Ali’s orders.\(^\text{130}\) Ali’s move beside his followers, who are known as Shias of Ali, to Iraq, and his desire to reform furthered to division Islam into two camps: Shia and Sunni. After five years of being caliph, Ali was assassinated

Then later Muawiya achieved the Umayyad Caliphate which is the second stage of the deviation of Islam. The Umayyad Caliphate was the second phase of the Islamic caliphate that was established after the death of Muhammad and it lasted for almost a century from 662 to 750.\(^\text{131}\) During this time there were several civil wars between Shia and Sunni led by different groups and leaders, but the Umayyad family was successful against Shia. And they also moved the capital from Kufa to Damascus (the capital of Syria today) because the Levant was the main capital for Umayyad Caliphate.

Following the downfall of the Umayyad Caliphate, Abbasid Caliphate emerged as a third phase of the Islamic caliphate after the death of Prophet Muhammad. “The Abbasid family descended from Muhammad's youngest uncle, Abbas Ibn Abd al-Muttalib from whom the dynasty took its name.\(^\text{132}\) The

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\(^\text{128}\) Ibid. pp 380-390.


\(^\text{130}\) Ibid. pp 41-45.


Abbasids assumed authority over the Muslim empire from the Umayyad in 750 CE, and they maintain the power of authority to 1258 CE.\textsuperscript{133} They moved the capital from Damascus to Kufa then to Baghdad. For most of the empire’s existence, Abbasid Caliphate ruled from Baghdad as their capital, which is also the capital of modern-day Iraq. To secure and govern their authority, Abbasid Caliphate relied on the Shias in Iraq, Persian bureaucrats, as well as an increasing inclusion of non-Arab Muslims.\textsuperscript{134} Therefore, it is not a surprise that the Abbasid Caliphate has been glorified as a Shia Caliphate because at the level of the Shiite community, the Abbasid era is crucial milestones in the formation of this community as it looks today. And also they destroyed the Umayyad Caliphate and they moved the empire's capital from Damascus, in Syria, to Baghdad in Iraq.\textsuperscript{135} Besides, the first Abbasid Caliphate root goes back to Prophet Muhammad, which means the bloodline of people that are known \textit{Shias of Ali}.

Abbasid rule ended in Baghdad in 1258 when Mongols under Hulagu Khan invaded Baghdad and killed most of its inhabitants, including the caliph and his sons.\textsuperscript{136} Following the destruction of Baghdad, the remnants of Abbasid families moved to Cairo they set up the Abbasid Caliphate again in 1261 continued in existence until 1519.\textsuperscript{137} That is the time when armies of the Ottoman Empire swept across the Levant and Egypt. The dynasty's authority ended, and the Ottoman Muslim caliphs transferred the capital from Cairo to Constantinople. This stage is considered the end of the Shias destiny and revival of the Sunni influence again because the Abbasid Caliphate represented Shias while the Ottoman caliphs represented Sunnis.

This situation created the momentum and the need to wade through the conquests beyond the Arabian Peninsula. Many of the inhabitants of the Arabian Peninsula were pastoralists (Bedouins) and thus relied to a large extent on raiding others to provide the livelihood. The unification of many Arab

\textsuperscript{136} Ibid.
\textsuperscript{137} Hoiberg, Dale H., ed. "Abbasid Dynasty". \textit{Encyclopedia Britannica}. 
tribes under a new religious banner instilled a new sense of social cohesion; this combined with jihad that created a spiritual goal to curb the Bedouins' desire to conquer their neighboring empires, Byzantine rulers in the west and Sassanian rulers in the east.

**The Ottoman and Safavid Empires or Caliphates Coexistence**

This stage considers the second wave of the rebirth of the historical split of Islam. Historical pieces of literature consider the existence of the Ottoman and Safavid Empires or Caliphates as key phases within Islamic history that reinforced the division of Islam into two doctrines: Sunnis and Shias. As it has been stated the Ottoman Empire represented the Sunnis side, while the Safavid Empire represented the Shias side. Usually, after political and economic unrest the leaders and political figures play a significant role to revive or exploit religion as a factor to gravitate people's attention around the leaders’ interests. Therefore, religion played a significant role in both Ottoman and Safavid empire during the process of building and ruling their empires from their establishment to collapse.

Many reasons explain why the Ottoman Empire chose the Sunni sect, while the Safavid Empire linked with the Shia sect. From its foundation, the Ottoman Caliphate accompanied by the period of the existence of the Abbasid Caliphate – the representative of Shias—. At that time, the Ottoman Caliphate wanted to implement to the Muslims in the Islamic world a different form from what already had been represented by the Abbasid Caliphate to earn Muslim loyalty. Because of injustice and repression

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138 Ottoman Caliphate or Empire established by Osman I, the son of Artgrel, in Turkey mainland and ruled for almost seven centuries, from 1299 to 1923. Is was an Islamic empire and considered itself the revival and protector of Islam based on Sunni sect or as it is known Sharia Law. The empire expanded its control to areas in Southeast Europe, Western Asia, and North Africa. Inalcik, Halil. *Tarikh Aldawlat Aleithmaniat Min Alnushu Ilaa Alainhidar.* [The History of Ottoman Empire from Rise to Decline]. (Lebanon: Islamic Dar Almad, 1973). Pp 9-10.

139 Safavid Caliphate or Empire was one of the Iranian empires ruled from 1501 to 1736. Shah Ismail bin Haider al-Safavi is the founder of the Safavid state who also imposed Shia doctrine in it. The poor and unrest conditions in Iran have helped easily to implement Shiite sect and turn the murids around and increase them. Sadr al-Din is considered the first to embrace the Shia school of the Safavid family and called for it, and this is considered a turning point for the path of this family that was claiming its lineage or bloodline to Al-Hussein bin Ali bin Abi Talib. Takhosh, Muhammad Suhail. *Tarikh Aldawlat Alsafaviat fi Iran.* [History of the Safavid Empire in Iran]. (Lebanon: Dar An-Nafaes for Printing Publishing, 2009). Pp 34-38.

140 Ibid. P 38.

Sunnis experienced under the authority of the Abbasid Caliphate at that time, the Ottoman Caliphate viewed this as an opportunity to win and retain the Sunni Muslims’ loyalty, and thus it allied with Sunni doctrine. On the other hand, the Safavid Caliphate came to power three centuries after the Ottoman Caliphate. As mentioned earlier due to political and economic unrest, religious factors always had to be implemented into caliphates’ politics. Therefore, Safavid caliphs knew that the establishment of a great empire that could resist in front of the Ottoman enemy was to create a sectarian identity of their own that would allow them to legitimize their rule and expand the lands adjacent to their lands, and from here they announced the transformation of Iran into the Twelver Shia Doctrine, and they forced many Persians to change their Sunni doctrine to Shiite.

Finally, they made Iran the spiritual bastion of Shia Islam dominance of the Twelver Shia Doctrine against the onslaughts of Sunni Islam. Through their actions, the Safavids reunified Iran as an independent state in 1501 and established Twelve Shia Doctrine as the official religion of their empire, marking one of the most important turning points in the history of Islam. As a result, the conflicts between Safavid and Ottoman caliphates draw a line that resulted in the current borders among the countries in the region. For example, Sunnis compromise the majority population of almost forty countries that starts from Indonesia in the east of Asia to Morocco in the West of Africa, while Shia makes the majority population of Iran, Iraq, Syria, Bahrain, and Yemen.

It is important to mention that there was a historical estrangement to discharge religious matters after the collapse of the Safavid empire. In other words, tensions related to Sunni and Shia sects

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143 Twelver Shia Doctrine is the largest Shia group, and “the Twelvers believe that the spiritual-political leadership (the Imamate) of the community passed down [from Prophet Muhammad] through Ali’s male descendants, via Al Husain until the twelfth Imam. The Twelve Imam, [who is also known as Mahdi] is understood to have been born in 874 but have gone into occultation for his safety’s sake.” It is believed among Shias and Sunnis that “ Mahdi is still alive and will return [to rule on the entire planet to submit justice and spread peace] when Allah [God] determine it to be appropriate and safe.” Newman, Andrew J. *Twelver Shiism: Unity and Diversity in the Life of Islam 632-1722*. (Edinburgh: Edinburgh University Press, 2013).
145 Ibid.
disappeared after the collapse of the Safavid Empire because the mainland of Iran ruled by a few dynasties that religious factor was not important for them due to the increasing numbers of conquests, civil wars, famine, and the acceleration of the events. Besides, the conflict field or battlefield was changed towards new enemies, not Ottomans anymore, at least for some time. For example, three dynasties Afsharid dynasty, the Zand dynasty, and the Qajar dynasty ruled Iran from 1736 to the end of the nineteenth century.

The aforementioned dynasties ruled their government as well as their fights against Russians secularly and apart from religious factors. In fact, the Iranian Constitutional Revolution in 1905, which was happened during the Qajar dynasty authority, officially recognized religious minorities such as Christians, Jews, and Zoroastrians.146 Furthermore, even though the Constitutional Revolution in 1905 was a huge move in Iran, but there was little to nothing regarding the role of Shia Islamic clerics “Ulama” during that event.147 In addition, the entire process and the participants were highly impacted by “western political ideas.”148 Finally, the Pahlavi dynasty was the last secular stage, which remains in power from 1925 until its collapse in 1979. Raza Shah and his son Muhammad Raza Shah consequently played a significant role in maintaining Iran as a secular country, in modernizing it, and making it pro-west. At the same time, they both confronted all the opposition movements including the once by Islamic clerics (Ayatollah Khomeini e.g.).

While Ottomans remained tight to religious factors because they desperately depend on it to legitimize their territory expansion and to support their conquests, especially when they ended their conflict with Safavids to subsequently confront other caliphates and emirates. Ottomans are concerned with the first Saudi State149 that was founded in 1744 after a marriage between Emir and Imam in Diriyah,

148 Ibid.
149 Emirate of Diriyah or known as the first Saudi state that founded in the middle of Arabian Peninsula from 1744 to 1818. After a political and religious alliance between Muhammad Bin Saud (prince of Diriyah) and Muhammad bin Abdul Wahab (founder of Wahlabism movement), both leaders agreed to establish a caliphate that serves the interest of stateman (Emir) and cleric (Imam).
which is Saudi Arabia’s today's mainland. Even though the first Saudi State was a small emirate, but its emergence highly concerned the Ottoman Empire because a Saudi State in the land of Najd and Hijaz that claims the rightful state to defend Islam and Muslims, and also expanded its authority to governing Macca and Medina questioned the legitimacy of Ottoman Empire. Besides, the Saudi first state was also claiming the Sunni sect for its ruling system, which was based in Sharia Law\textsuperscript{150}, likewise the Ottoman caliphate.

Therefore, a newborn Sunni neighboring Emirate, or perhaps a caliphate in the future, proposes threats to Ottoman Caliphate interests in the Arabian Peninsula and the Maghreb. This happened in a time when especially the Ottoman caliphs engaged in corruption, poor leadership, and injustice. That is why in 1818 the Ottoman caliph Muhammad Ali Pasha and his son Ibrahim Pasha led a military campaign to the Arabian Peninsula, and they were able to reach and control the city of Diriyih after numerous battles. Thus, they ended the first Saudi state, captured Imam Abdullah bin Saud, and sent him with those found from the House of Saud to Istanbul where they were executed.\textsuperscript{151}

After the collapse of the first Saudi state, eventually, the second Saudi state (Emirate of Nejd) emerged in 1824 to 1891 that had the blessing of the Ottoman caliphate. This state was weaker than the first Saudi state because if two reasons. First, Ottomans interfered with the internal affairs of the state. Second, there were civil wars and unrest among different tribes in the Arabian Peninsula and between princes within the Al Saud family, in which the state collapsed in 1891.\textsuperscript{152} With no doubt, similar to the first Saudi state religion played a significant role in the second Saudi state governing system based on Wahhabis ideology, and adopting the Quran and Sunnah as a constitution of life.

The third Saudi state, which is founded by King Abdelaziz Al Saud in 1902, is the inheritor of the first and the second Saudi states. The third Saudi state knew the beginning of its reign as the “Emirate of

\textsuperscript{150} "Sharia law is the body of Islamic rules and teachings that governs Muslims’ relationships with their families, society, and nation. Sharia law derives from eleven Islamic references, primarily the Holy Quran, the holy Muslim scripture revealed to the Prophet Muhammad [Hadith and Sunna], and the prophetic tradition, i.e., the recorded words and actions of Prophet Muhammad that mainly illustrate and explain the Quran.” Auf, Yussef. Islam and Sharia Law: Historical, Constitutional, and Political Context in Egypt. Atlantic Council, May 1, 2016, www.jstor.org/stable/resrep03458 Accessed May 12, 2020.


\textsuperscript{152} Ibid.
Najd and Al-Ahsa” and the emirate managed to expand until it was able in 1921 to control the entire lands of Najd after overthrowing the emirate of Hail, Najd, and Al-Ahsa. Then from there, the name was changed to the Sultanate of Najd, and then the Kingdom of Hijaz and Najd. The Saudi third state continued to exist under this name, the Kingdom of Hijaz and Najd, until the declaration of the establishment of the Kingdom of Saudi Arabia in 1932.153

This process took the Al Saud family with other tribes and kinsmen emirs almost three decades of civil wars, unrests, conquests, and fights. The family united four regions into a single state through a series of conquests that began in 1902. The House of Saud or known Al Saud is the family of King Abdelaziz, who supported his movement. Not to mention, Al Saud had support and encouragement from Britain, which was fighting the Ottomans during World War One, to lead a pan-Arab revolt against the Ottoman Empire and to create a united Arab state.154 Although the Arab Revolt of 1916 to 1918 failed in its objective, the Allied victory in World War One resulted to end the Ottoman suzerainty and control in Arabian Peninsula.155 This created appropriate circumstances in the region to establish an Islamic kingdom lead by the Sunnis. Therefore, Saudi Arabia has since been an absolute monarchy that also effectively a hereditary governed along with Islamic Sunni doctrine.

Due to an old political and religious alliance between Muhammad Bin Saud, who founded the first Saudi state, and Muhammad bin Abdul Wahab, who founded the Wahhabism movement, the King Abdelaziz Al Saud decided to maintain their relationship with ultraconservative Wahhabi religious Imams in the kingdom. Subsequently, this has become a heritage of the kingdom where Wahabi Imams stressed the need for a king to implement the provisions of Sharia and unite Muslims, and they also stressed the duty to obey the rules of the king even if he was unjust unless he ordered disobedience.156 Therefore, King Abdelaziz bin Al Saud successfully created a legitimate political framework based on the foundation

155 AL mukhtar, Salahuddin. History of the Kingdom of Saudi Arabia: Past and Present.
156 Vassiliev, Alexei The History of Saudi Arabia.
of Islamic law to rule the Kingdom of Saudi Arabia and enhance his political position, of course with the blessings from Wahhabis clerics.\textsuperscript{157} This has ultimately become the predominant feature of Saudi’s statecraft and the society’s culture to the present date. In addition to the ultimate and initial role of the Wahhabis clerics and the descendants of Muhammad bin Abdul Wahab\textsuperscript{158} who hold the second raw after the Al-Saud family in terms of governing and blessing the kingdom’s sensitive and critical political and religious decisions.

It is important to mention that some literature facilitates the direction of the debate of Saudi- Iran rivalry, as indicated by Nasr Vali for example,\textsuperscript{159} to the early history of Sunni- Shia sectarianism conflict. In other words, there are attempts to make connections between the early Islamic division into Sunni-Shia sect conflicts which started after the death of Prophet Muhammad and the current conflict between the Islamic Republic of Iran and the Kingdom of Saudi Arabia.\textsuperscript{160}

The aforementioned historic background indicates that over courses of time different powers represented each side of Islam (Sunnis and Shias) and this became embedded in the region. To deter others, different caliphates attempted to change the balance of power to their interests through different tactics including isolation, and humiliation of their opponents. Thus, there was ebb and flow in the authorities of these caliphates based on their capability to use power to expand their authorities over

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\textsuperscript{157} Almani, Muhammad Abdullah. tawhid almamlakat alearabi alsaeudia [Unification of the Kingdom of Saudi Arabia].

\textsuperscript{158} Muhammed Bin Abdul Wahab was a religious leader and theologian from Najd in central Saudi Arabia who founded Wahhabism movement. In the early of 18\textsuperscript{th} century. In 1727 Muhammed Bin Abdul Wahab as a religious preacher started a reformist movement and revival within Islam. His movement rejected by some Muslims and faced some challenges and oppositions in which he needed some political support to success his movement. At the same time Muhammed Bin Saud, from Al Saud, established his Emirate of Diriyah. Diriyah, which is located near modern day Riyadh, considers the first Saudi State and Muhammed Bin Saud is the first founder of Al Saud dynasty to rule Saudi Arabia. In order to settle a successful state and to gain religious blessing, Muhammed Bin Saud as well needed some religious support. Ultimately, Muhammed Bin Abdul Wahab moved to Diriyah to sign a religious-political agreement with Muhammad bin Saud to help him to establish the Emirate of Diriyah, the first Saudi state. This alliance is a political and religious power-sharing arrangement between their families which continues to the present day in the Kingdom of Saudi Arabia. Nevo, Joseph. Religion and National Identity in Saudi Arabia. Middle Eastern Studies, vol. 34, no. 3, 1998, pp 34-53. & Lacey, Robert. Inside the Kingdom Kings, Clerics, Modernists, Terrorists, and the Struggle for Saudi Arabia. (New York: Viking, 2009). Pp 10-14.

\textsuperscript{159} Nasr, Vali. The Shia revival: how conflicts within Islam will shape the future.

\textsuperscript{160} Hazleton, Lesley. After the Prophet: The Epic Story of the Shia-Sunni Split in Islam.
\end{flushleft}
various territories in the region. These conflicts among different Islamic caliphates played a significant role to determine the division of Sunnis and Shias to be in the shape that can be seen today.

Although, this division shapes IRI and KSA’s religious identity, but does not explain the whole picture of rivalry between them. In other words, Saudis are highly concerned because of the Islamic revolution in Iran, but it is accurate to determine the religious sparks as the main reason for rivalry between IRI and KSA. Therefore, having a brief historical background is only to explain the religious identity of both countries, and to understand the roots behind the settlement of the majority of Shia Muslims in the Islamic Republic of Iran and the majority Sunni Muslims in the Kingdom of Saudi Arabia.

Decades after their foundation -still torturing, assassinations, executions, hidden prisons, corruption, and censorship of media still running in both countries that this dissertation may get into some of those events in the chapter fifth, which is about the politics of leadership in both countries. Due to the limitation of this dissertation future studies must be conducted on the role of media in autocratic countries to reveal data in countries as IRI and KSA especially in today’s open and connected world because of social and mass media. The study does not seek to prove that whether the Saudi and Iranian government closely monitors multiple forms of media, nor argues that changes have been made to lessen restrictions upon media to undermine authoritarian regimes.

Almost after three decades of his famous speech, Ronald Reagan claimed that “technology will make it increasingly difficult for the state to control the information its people receive … the Goliath of

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totalitarianism will be brought down by the David of the microchip”\textsuperscript{163}, yet all forms of media still under restrict censorship of the government agencies in the IRI and the KSA. In other words, due to the censorship, surveillance, and dominations of almost all sources of media including publications and press usually serve the propaganda of the government based on its interests. Censorship in Iran is the limiting or suppressing of the mass media publishing, dissemination, and viewing of certain information in the Islamic Republic of Iran. Most of such censorship is implemented or mandated by the Iranian government.\textsuperscript{164} Similar situation in Saudi Arabia, where the government cooperate closely with religious leaders and through formal rules to censorship the media and enforced policies to help counteract potential publications and idea that oppose the government or oppose the authority of the royal family.\textsuperscript{165} This dissertation does not deal with censorship of media in IRI nor KSA, but future studies may conduct on how in the world of social and mass media the trusted sources of information seized by the government.

**Review on Saudi Iranian Rivalry in Modern History**

Most of the literature indicates that Saudi Iranian Rivalry in modern history is an aftermath of the original division of Islam into Shia-Sunni sects, and they consider this split has seeded of conflict between both rivals. In his book Andrew Terrill, for example, argues that IRI and KSA have endured a severe conflict for influence within the Middle East, particularly the Gulf, originating around the Islamic Revolution in 1979, the Iran-Iraq war between 1980 and 1988, and the 2011 Arab Spring subsequently.\textsuperscript{166} Even though both of these countries belong to Islam, the divergences that are present amid their foreign


policies are immense. As such, the KSA acts as a regional status quo power, while IRI attempts to acquire revolutionary adjustments in the scope of the Gulf region and the more comprehensive in the Middle East. Andrew Terrill also adds that “sectarian issues often influence the policy orientations of both states.”

KSA additionally possesses sturdier relationships with Western countries, which poses as an advantage for Saudi Arabia, considering the fact that IRI looks at the United States as a serious threat. However, potentially the most significant divergence that exists amid Saudi Arabia and Iran, as noted in a review of the Saudi-Iranian rivalry by Andrew Terrill, is represented by a conservative Sunni Muslim Arab state, Iran acting as a Shiite state that has leadership looked at by their nation as the defender and leader of the Shiites in the entire area.

A pertinent attribute of the Saudi Arabian-Iranian conflict encompasses ethnic identity and the state-centered approach of Iran. In his book, *Ethnic Identity and the State in Iran*, Alam Saleh discusses the concept of ethnic identity, as well as the state, of Iran, specifically touching upon issues such as ethnic conflict, community, the issue of national identity in Iran, and separatism and the state's method of control. As it pertains to the identity issues demonstrated by Iran, it is stated by Saleh that, "Nationalism in Iran invokes notions of the greatness of the pre-Islamic heritage as an authentic source of Iranian identity and advocates a territorial patriotism." National identity within a group of people is something that members within that group attempt to define, progress, and continually support, in which minorities in Iran and other countries in the region have suffered from ethnic nationalized identities.

In his article, Shokrollah Kamari Majin discusses the cultural and religious characteristics of IRI and KSA and includes a discussion of whether or not this divergence in culture and faith contributes to

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169 Ibid. pp 46-54.
170 Ibid.
172 Ibid. p. 45.
their long-running conflict. Circumstances within the areas of the Middle East within the past several decades, particularly within the recent few years, have ultimately demonstrated that IRI and KSA have defined one another as enemies. This association amid these two nations has attained a point in which both nations look at one another as nothing more than enemies. However, Majin attempts to determine whether KSA and IRI are two hostile national identities, or if they are two rival nations that have developed their rivalry to encompass faith-based and cultural elements. One may argue that both of these nations’ political values are presently under immense strain; neither of the countries can simply keep carrying on their values and beliefs as it pertains to international relations. Nevertheless, it seems difficult for IRI and KSA to come together and mitigate any aspect of their long-enduring conflict in a peaceful manner.

Majin also continues his argument toward the Saudi Arabian-Iranian relationship by stating that the Shia-Sunni religious disagreement is the primary conflict that exists amid KSA and IRI, and it coincides with several events, tales, and discussions of what is reality. Concentrating on their association amid IRI and KSA, with a specific focus on the perceptions of one another, is a necessary means to comprehend both nations’ conduct. However, the issue that must further be addressed is whether KSA and IRI have recognized that they are not able to keep up with this type of political adventurism.

**Origins of Political Scope of Islam: State-Centered Approach**

Prior research regarding the political scope of Islam within the Middle East and North Africa is restricted when it comes to offering a generalizable theory of why it exists in the first place, as well as why it is prevalent in the Islamic movement. As such, in his article, Colin J. Beck utilizes a state-centered approach to maintain the position that state-building activities act as the main reason for Islamic movements. Regimes take on religious symbolism and functions, which legitimize how Islam contributes to the public scope. As a result, state integration of faith formulates Islam as a foundation for political

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174 Ibid.
175 Ibid.
recourse, with rising accessibility to mobilizing resources and increased capabilities of dealing with oppression and political segregation.\textsuperscript{176}

However, Beck offers insight into this concept, to which a systemic test of cross-national variation is provided. Information on 170 political and militant organizations throughout the area are assessed, and the data shows that state integration of faith is a pertinent element in the religiosity of movement organizations. Further, it is also noted that mixed influences from political barring and oppression are discovered, and no support was located for Islamic mobilization due to economic grievances or foreign influence. Based on that, the data denotes that a state-centered point of view would be the most pertinent explanation of political Islam.\textsuperscript{177}

In her book, \textit{Saudi Arabia and Iran: Friends or Foes?} Banafsheh Keynoush discusses the origins of the conflict between Saudi Arabia and Iran, going into detail about how their rivalry has the potential to either decimate the world or restore peace to the nations; she does so via a historical methodology through braking down events chronologically.\textsuperscript{178} The main argument of her book is that the main reason for the rivalry between IRI and KSA “regional instability generated by foreign interventions in the Gulf, which disrupts the balance of power between the two local states.”\textsuperscript{179}

Banafshah also attempts to uncomplicate the multifaceted rivalry between Iran and Saudi Arabia by denying frenzied grandiloquence and examining the primary foundation of the problem to promise a future to peace. She proposes more opportunities for peace and partnership via diplomatic channels. As such Banafshah believes that the Muslim World League, for example, is relevant to this discussion because it contributed greatly to the fledging relationship between Saudi Arabia and Iran, specifically between the periods of 1964 and 1966.\textsuperscript{180} In the early parts of 1967, Sheikh Alam Muhammad Savar Al Sabban and Saqqaf – the president of the league- went to Iran, and an agreement had been signed, to

\begin{thebibliography}{99}
\bibitem{177} Ibid.
\bibitem{179} Ibid. p 2.
\bibitem{180} Ibid. p 85.
\end{thebibliography}
which Saudi Arabian medical students were permitted to attend a renowned university to study, known as the University of Shiraz. And additional agreements were signed later to create a school of medicine in Riyadh, and upon that agreement, which would transport Iranian people, progressed civil air-ground services, and the number of Iranian flights to Saudi Arabia. Motivated by these advancements, the diplomats of Iran encouraged utilizing the Muslim World League to mitigate adverse perspectives of Shi’is by allocating highly-rated theological texts in Arabic to book fairs throughout Saudi Arabia.

**Shia-Sunni Conflict and Sectarianism**

Some literature arguably structures the importance to address the origins and the early successorship after the death of the prophet Muhammad in 632; such argument, for example, is outlined by Syed Husain Muhammad Jafri. In his book, *Origins and Early Development of Shia Islam*, Jafri attempts to spell out the progression of the idea of leading the Islamic world, represented by Shiism in Iran after the Islamic Revolution, tracing the Shia reaction to this concept, from its initial development amid a group of the Prophet's Companions to the Imamate. Jafri notes that this has created a long pathway of sectarianism for the region and encompassed a rising struggle due to the politics of leadership, especially as he noted, for Shias.

To add more Simon argues that the relationship between Saudi Arabia and Iran is most easily illustrated in regards to an incongruence issue originating from both internal and external security issues. Both Saudi Arabia and Iran deal with distinct issues in a historical conflict of ethnic superiority between Saudi Arabia, or the Arabs, and Iran, or the Persians. In addition to that, this pertinent conflict for legitimacy additionally derives from religious prerogatives regarding Iranian Shiite doctrine and Saudi Sunni Wahhabism. As a result of these internal issues, external security problems arise, and they are primarily fueled by soft power.

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181 Ibid. p 86.
As such, Geneive Abdo’s book, *The New Sectarianism: The Arab Uprisings and the Rebirth of the Shia-Sunni Divide*, addresses the rise of the new sectarianism not only between IRI and KSA, but also concentrating mainly on the countries of Bahrain, Lebanon, Syria, Yemen, and Iraq, while providing specific recommendations on policy changes for the United States.\(^{183}\) Abdo addresses that there is a new Sunni-Shia separation, something that has had a distinctively adverse impact on both the diplomatic and geopolitical efforts of the United States, and this is illustrated by a demand for more consideration being put towards religious divergences in its own right, rather than acting as an “epiphenomenon stemming from social, economic, or political contestation.”\(^{184}\)

Concepts such as religion, one’s gender, and origin are much more significant in shaping both social and political communication more than ever. Even though many argue that the Shia-Sunni conflict exists primarily in Islam, the more comprehensive geopolitical implications as a result of the rise in sectarianism must receive a greater concentration in the United States. This is because the United States desires to maintain its interests within the Middle East\(^{185}\). Over time, the United States, as well as its allies will lose reputation, and they are going to weaken their security goals if they are unable to put resources towards imposing a balance of power between both rivals in the region.\(^{186}\) The same argument was made Banafsha that it is a mistake for the United States to take one side (the Kingdom of Saudi Arabia) and isolating Iran. As she argues such a policy would make Iran’s foreign policy to be resorted based on a series of practical and ideologically oriented processes.\(^{187}\)


\(^{186}\) Abdo, Geneive. *The New Sectarianism: The Arab Uprisings and the Rebirth of the Shi’a-Sunni Divide*.

**Saudi-Iranian Power Struggle: Control of Resources**

Both KSA and IRI are well-known in the political spectrum as nations that are critically significant for several reasons, as these nations encompass roles in the cost of oil and leadership throughout the Islamic scope. Fahad Alsultan and Saeid Pedram state that most of what takes place in this region can be looked at as an aspect of the Saudi-Iranian power struggle. As such, there is a growing significance on the region as the main supplier for the globe’s energy, as well as the origin of Islamic military groups, the outcomes of failing to comprehend the Saudi-Iranian conflict are important to note. Fahad Alsultan and Saeid Pedram also state that with the decline of Iraq’s power after its invasion to Kuwait, both IRI and KSA “compete on many fronts, including regional politics, oil prices, and the leadership of the Islamic world, a competition with undeniable repercussions for the Greater Middle East and the world … virtually everything that happens in this area of the world can be viewed as part of the Saudi-Iranian power struggle.”

A variety of both internal and external descriptive elements illustrate the different points of Saudi Arabia and Iran’s relationships since the end of the twentieth century. However, the most significant aspect of the conflict between Saudi Arabia and Iran is simply power. Proxy conflicts, as well as, have been common in this conflict for decades, which is what has yielded the tension in nations such as Syria, Iraq, Lebanon, and Yemen. Sectarianism, as such, has given way to the foreign policy requirements of IRI and KSA, and they also both have created alliances with nations that have mutual beliefs of Islam. Further, sectarianism and ideology, as stated by Frederic Wehrey, et al. very well calculated instruments into both IRI and KSA state’s domestic and foreign policy. However, this is more than a religious struggle, as previously noted; it is also one relating to the control of resources and political dominance.

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189 Ibid. pp 3-5.
190 Ibid. p 10.
192 Ibid. p14.
A great deal of concentration has been placed on the proxy wars between IRI and KSA. As such, Frederic Wehrey, et al. state that the United States withdrawal is a pertinent factor in the proxy competition between IRI and KSA. In this discussion of Saudi-Iranian relations since the fall of Saddam, Frederic Wehrey, et al. detail the Iran–Saudi Arabia proxy conflict, to which the book also refers to it as the Iran–Saudi Arabia Cold War.\footnote{Ibid.} The conflict, according to Frederic Wehrey, et al. derives from the Iranian Revolution, and this is further backed up by Alsultan and Pedram. As they argue that this is a period where Iran became the Islamic Republic, and the revolutionaries requested an overthrow of leaders and secular governments in the region, switching them out for Islamic republics, which was an issue with Iran's smaller Sunni-based Saudi Arabians, including some Persian Gulf states, which were also made up of Shia populations.\footnote{Alsultan, Fahad M., and Pedram Saeid. \textit{The Development of Saudi-Iranian Relations Since the 1990s: Between Conflict and Accommodation.}}

Henner Fürtig further illustrates that there was a rivalry present between the shah and the regime of Saudi Arabia before the Islamic Revolution in Iran, to which both had located mutual objectives as they went against revolutions that shifted the monarchies with more radicalized regimes in Egypt. As a result, Iraq became privy to the same side of the Cold War.\footnote{Furtig, Henner. \textit{Iran’s rivalry with Saudi Arabia between the Gulf Wars.} (United Kingdom: Ithaca Press, 2002).} Of course, interests were still divergent. For instance, there were conflicts between Iran and Saudi Arabia in their ability to decide upon oil pricing policies, to which dormant pressure was present over competing desires for the future of Islam. It is the Islamic Revolution that took place in 1979 that, according to Fürtig redefined the power struggle between Saudi Arabia and Iran. This is due to the government of Iran choosing to export revolution, as well as the explicit anti-Saudi Arabia propaganda campaign.\footnote{Ibid.}

In noting that, starting with the 2003 invasion of Iraq and ending with the outcomes of the 2011 Arab uprising, Frederic Wehrey further examines the foundation of the Shia-Sunni separation that is presently controlling the Persian Gulf’s political atmosphere. Concentrating on three Gulf states that have
been the most impacted by sectarian conflicts, specifically Saudi Arabia, Bahrain, and Kuwait, there are discrete elements that have aggravated and annealed sectarianism within the scope of the Saudi Arabian and Iranian conflict, specifically the domestic political institutions, religious establishments, tensions from the media, and the contagion effect of outside provincial circumstances, including the Iraqi war, the conflict that occurred in 2006 within Lebanon, the Arabian unrest, and the civil war going on in Syria.  

With that being said, Frederic Wehrey also formulates a historical narrative highlighting Shia activism within the Arabian Gulf since the year 2003, to which he associates provincial circumstances to the progression of local Shia efforts and beliefs towards citizenship, shifts in the political spectrum, and multinational identity. Wehrey argues through his research, even though the Gulf Shias had been motivated by their coreligionists within the nations of Iran, Lebanon, and Iraq, they, as a whole, had gone after greater rights utilizing both a nonsectarian and nationalist method.  

Wehrey additionally finds through his research that sectarianism in the area has mostly been the result of the institutional feebleness of the Gulf states, resulting in unwarranted apprehension by the deep-rooted Sunni elites and intended efforts by regimes to disparage Shia political members as proxies for Lebanese Hizballah, Iraq, and Iran. This notion is directed by interviews that Wehrey carries out with various prominent Shia leaders, as well as activists within the Gulf Arab states, along with strong Sunni sources.

Remaining with the origins of proxy phenomena, it is additionally important to address the Syrian conflicts as it relates to the Saudi Arabian and Iranian conflicts. Christopher Phillips writes in an exploratory discussion of the origins of the conflict in theory how the conflict began and progressed, as well as how other nations poured in resources to encourage their political objectives. As a whole, Assad was found to be far stronger than initially believed, and Russia endured a strong win from a political point

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198 Ibid. pp 73-78.
199 Furtig, Henner. *Iran’s rivalry with Saudi Arabia between the Gulf Wars*. Pp 3-10.
of view. The United States also diminished its enormous reputation by failing to possess an appropriate and unambiguous policy. These are some of the contributory factors of the Syrian conflict and their relation to the conflict between IRI and KSA.

Along with this, the Shia and Sunni conflict contributed greatly and acted prominently during the Iran-Iraq War 1981-1988, to which Saudi authorities pledged the United States twenty-five billion dollars’ worth of foreign aid to the Iraqi government. Iraqi invasion into Iran raises apprehension in Saudi Arabia because of issues instability within the area, resulting in their financial support to Iraq despite the poor relations amid conservative Saudi Arabia and the Baath party in Iraq. Because of this, however, Saudi Arabia understood their apprehension that Iran represented a much more distinct threat to their reign and stability over the area.

Saudi Arabia had additionally enrolled other Arab states within the Persian Gulf, such as Qatar and the United Arab Emirates, to carry out the same task of providing financial assistance to Iraq. As such, to mitigate the expenses of the conflict, Saudi Arabia exponentially made their oil production costs go up. This rise in the price of oil by Saudi Arabia had been an effort to weaken Iran's capability to provide resources for their campaigns. Nevertheless, this attempt by Saudi Arabia had been a hard blow for the Saudi government, requiring billions of dollars in revenue to be expended due to oil prices going down during the middle of the 1980s.

In further discussing the concept of oil wealth, the relationship that existed between Saudi Arabia and Iran was not without pressure and strain during the middle to the latter part of the 1970s. The Saudi Arabian people were resistant to the efforts that the Shah was making in trying to create an Iranian security architecture in the area. As such, King Khalid tried to create bilateral security relationships with

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203 Ibid
the smaller neighboring Persian Gulf states, and the people of Saudi Arabia additionally petitioned for additional modest OPEC price rises in the years 1976 and 1977, prices that were not what Iran was in agreeance with.205

When both Russia and OPEC engaged in wanting to enhance the production of oil by several barrels per day to cease the oil price increase that had started becoming discontented for customers from Asia to the United States, there had not been any kind of signal as to what was going to take place several months later, which was decreasing demand in Asia, a great amount of oil, and a conflicting price war amid IRI and KSA.206 Neither KSA nor IRI is likely to give up their efforts due to squanders concerning their position in the region. Both nations have carried out time to time conflicting efforts in the oil industry that have only strengthened their rivalry with one another.207

Iran has been recognized as being a nation that will not back down against threats to the market share of oil. Slowing economic progression and growth is diminishing oil demand growth for various nations, and OPEC’s inner fissures are becoming more apparent, and they are likely to continue to do so due to the fact that IRI and KSA have been shown to refuse to hand down their arms, showing that they are willing to lower prices immensely and unnervingly low.208 A price war, however, may be what concludes OPEC. Iranians have constantly shown their opposition to the redistribution of individual member quotas, this likely to continue without ceasing.

In his book, Resource Wars: The New Landscape of Global Conflict, Michael Klare takes a deep look into the conflict between IRI and KSA to foresee their future, asserting that, as time goes on, conflict is not going to take place over ideology, but rather over accessibility to diminishing supplies of pertinent natural commodities, such as oil and minerals.209 These nations are fervent to maintain their hold over the

205 Ibid.
208 Keddie, Nikki R., and Yann Richard. Modern Iran: Roots and Results of Revolution.
natural resources that they hold, and this conflict between the two nations will likely continue particularly in areas where the competition for necessary commodities intersects with enduring regional and religious struggles between the two nations.\(^{210}\) Not only within their border but also it surpasses the neighboring countries’ border. The progression of this aspect of IRI and KSA overall rivalry fuels their entire geographical region.

This can be highlighted by what Simon Mabon and Stephen Royle refer to as the Iraq vacuum, where a weak government that allows both IRI and KSA take the advantage of fragile and jeopardized security situation.\(^{211}\) Since Iraq holds oil reserves and has its own distinct identity, the nation symbolizes a good place to have proxy conflicts and carry out the power between Saudi Arabia and Iran. In addition to that, the representation of the United States in the area symbolizes an additional attribute of geographical rivalry. The company of the United States acts as a resource for refuge for Saudi Arabia, to which this can be attributed as a determination act for the refuge of Iran.\(^{212}\)

After the 1979 Iranian revolution, associations amid different parts of the Middle East had been changed immensely, to which the role of decision-makers and leadership saw distinct shifts. Simon Mabon offers an insightful explanation into the power and rivalry present between IRI and KSA, specifically detailing various decision-making aspects and leadership influence that has affected the nations’ relationships even to this day.\(^{213}\) Amid the most impacted aspects of these relations after the 1979 Iranian revolution had been IRI and KSA, according to Mabon, and the presence of a new regime within Tehran had resulted in progressively hostile conflicts between these two nations, frequently coming about in the form of conflicts throughout areas of Lebanon, Iraq, Syria, Yemen, and Bahrain.\(^{214}\)

As such, to provide more insight into this rivalry and leadership, Mabon addresses the various identity groups in both IRI and KSA, comprised primarily of different faiths, ethnicities, and tribes,

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\(^{210}\) Keddie, Nikki R., and Yann Richard. *Modern Iran: Roots and Results of Revolution.*


\(^{212}\) Ibid. pp 58-60


\(^{214}\) Ibid. pp 26-30.
stating that internal insecurity represents a massive influence on the more comprehensive ideological and geopolitical competition that is present between IRI and KSA. With an assessment of this volatile and conflicting relationship, as well as its influence on the Middle East as a whole, Mabon further indicates whether or not the Middle East encompasses a regional or global power rivalry.\textsuperscript{215}

In offering these issues, both Saudi Arabia and Iran are enduring rivalry in terms of their ideologies and their geography. Both of these competitive elements put together to formulate the pertinent attributes of their conflict, to which the geographical scope works on behalf of the progression of the ideological scope of the conflict.\textsuperscript{216} Mabon additionally states that the ethnic strain of Iran and Saudi Arabia’s internal belief systems are, taken by themselves, not enough to create this conflict. However, the religious aspects that they encompass yield a zero-sum game that is exacted through soft power.\textsuperscript{217} Based on this, this aspect of their rivalry influences both nations’ validity, as well as their vendetta. It results in a normative competition that is attained through strategic framing, as well as emblematic exchanges.

**Future of Islam and the Shia Revival**

According to Frederic McNish, in the post-war peace settlement, it had been resolved to change the varying Ottoman assets within the Mesopotamian area into one geographically distinct region, disregarding fundamental ethnic separations, specifically the Kurds in the north, the Sunnis in the middle, and the Shiites in the south.\textsuperscript{218} McNish describes that “Filling most official positions when the Ottoman Turks ruled Mesopotamia, after World War 1 they retained their position of political dominance in the newly-created Iraq and continued to dominate the Shiites until the recent American-led invasion allowed Mesopotamia to fracture into its parts along communal lines.”\textsuperscript{219}

\textsuperscript{215} Ibid. pp 163-170.
\textsuperscript{217} Mabon, Simon. *Saudi Arabia and Iran: Soft Power Rivalry in the Middle East.*
\textsuperscript{219} Ibid.
As it currently stands, Saudi Arabia is continuing to deal with more and more internal conflict, which is the result of their low levels of Shi’a members living in the eastern portion of the country. Topical conflicts that have originated as a result of their brief political unrest formulates an ideological risk to the reign of Al-Saud. Because of this, Saudi Arabia illustrates the validity of Islamic Sunni utilizing internal force, as well as external soft power. Along with this, Iran additionally faces internal issues amid differing identities, as the nation’s overall population is diverse and has plenty of religious scopes, which formulate geopolitical unpredictability. For instance, one can refer to the Kurdish population. To maintain their authority. The Islamic Republic of Iran reacted by enacting legislature that limited faith-based, culture-based, and political spaces for these groups.

Along with this, as a whole, in the present political scope within the Middle East, in addition to the unending proxy wars going on in areas like Yemen and Syria, both IRI and KSA offer an assessment that assists in comprehending the profound historical foundation of the conflict and how it was created and dispersed throughout history.

Conclusions

The rivalry that exists between Iran and Saudi Arabia is a unique dispute within the Middle East. The reasons for this are because, for one, there has not been any direct militarized conflict between these rivals. Additionally, this hostility is both idiosyncratic and demanding because either party has conflicting strategic goals. Both of these nations claim the legitimacy of supremacy and leadership to guarantee and assure their national security interests throughout the region. As such, this research will denote that the rivalry between the IRI and KSA is a rivalry of necessity, or a strategic rivalry, to support and expand their leadership into the region.

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220 Mabon, Simon. *Saudi Arabia and Iran: Power and Rivalry in the Middle East.*
222 Mabon, Simon. *Saudi Arabia and Iran: Power and Rivalry in the Middle East.*
In addition to that, this research also suggests that the rivalry potentially remains an on-going dispute for the foreseeable future, but the nature and level of aggression may change based on the effectiveness of the investment of the factors of the rivalry. To reiterate the research question, this literature will further review how factors such as the role of supporting proxies, oil wealth and command the OPEC, and the role of leadership (decision-makers) have exploited and invested into an ongoing rivalry between IRI and KSA.

It is important within the literature review to examine the present gap in the literature; therefore, this research presents the restrictions on some of the literature that is available on IRI and KSA rivalry. Prior studies have concentrated primarily on the spread of power that each nation is looking for, as well as the tools utilized to carry out this need. There is little research that adequately details the concept of conflict resolution in this regard. Therefore, it is important to note as well that this conflict still going on, and updates will continue to need to be made to preserve the documentation and understanding of this conflict.

The conflict between these two nations has been examined from many unique points of view in various studies from foreign policy, as well as within international relations. However, this concept must still be assessed utilizing attributes of conflict analysis and resolution to more easily comprehend the unremitting circumstances that exist between Saudi Arabia and Iran. Shifts in power, policy decisions, and other elements of these nations' developments are taking place in present time, and more affected constructive fluctuations are continuing to take place under the scope of Iranian foreign policy as it pertains to their relationship with the West, as well as in reference to their nuclear policy. This research will further provide details into the current gap that exists within the way in which sectarian identity and national security interests determine the hegemonic nature amid dyadic rivals.

The purpose of this dissertation is to uncover the current rivalry of the relationship between IRI and KSA, as well as understand future implications and opportunities of the nations' relationship as it pertains to comprehending prior patterns of exchange between these two nations. In addition to that, this research will also offer insight into the idea that the rivalry that exists between Saudi Arabia and Iran is a
rivalry of necessity, or a strategic rivalry, in an effort to support and expand their leadership throughout the scope of the region. In addition to that, this research will also add to current literature the idea that this rivalry will be forecasted to continue to be an ongoing dispute; however, the nature and the level of aggression might shift due to the effectiveness of the investment of the elements or tools of this conflict.

Finally, this research is different from current literature because it offers the perspective that the most effective means to dilute or dissolve this rivalry is perhaps either side chooses to relinquish a policy of tolerance and peace, which is difficult to predict based on the nature of their conflict, which is offered within the literature.
CHAPTER 3

OIL WEALTH AND COMMAND OF OPEC

Introduction

The first hypothesis of this study examines to explain oil as one of the essential commodities or tools plays a significant role to maintain the rivalry between the KSA and IRI at a necessity level. According to Petro-aggression approaches oil has a pervasive political effect on shaping international relations and international security among world power.\textsuperscript{224} Especially in the Middle East, specifically among Persian Gulf countries, oil is one of the factors that define the relationship in the region mainly because oil income makes a large portion of the GDP and oil is the main source for leaders to reduce domestic accountability to create imaginary foreign threats.

Because of its massive oil production that is running beyond ten million BPD since the 1980s, besides, to almost two to three million BPD spare capacity,\textsuperscript{225} KSA is capable of easily replacing IRI’s oil production from the market. Therefore, KSA has become the de facto leader of OPEC, which is another arena for a confrontation between the two oil giants in the field. IRI attempts to inspire the rest of OPEC members to reduce their production to maintain the prices at a higher level, while KSA refuses to reduce its share. Firstly, because they believe the effect of low prices on the Iranian economy is much greater than its impact on their economy. Secondly, Saudis believe that lowering production could cause it to lose its market share. Although KSA plays a significant role in countering the expected shortage of Iranian oil in the global market, the Kingdom also requires higher prices to meet its needs for internal expenditure and foreign expenses to challenge Iran’s hegemony in the region.

The aforementioned factors reveal the impact of oil on countries' foreign policy preferences. It shows, for example, some but not all oil-exporting or petrostates become aggressive, and oil politics has a central role in global peace and conflict. Oil creates incentives or motivations that increase aggression,

\textsuperscript{224} Colgan, Jeff D. \textit{Petro-aggression: When Oil Causes War}. pp 17-20.
but also incentives for the opposite. The net effect depends critically on its domestic politics, especially the preferences of its leader. Revolutionary leaders are especially significant under specific conditions because oil income makes aggressive leaders eliminate political constraints, reduce domestic accountability, and take their countries to war.226

In his famous book *Myths of the Oil Boom*, Steve Yetiv indicates that because of the production decline in some places in the world, the Middle East oil reserves will remain as one of the most demanded commodity.227 The 2019 International Energy Agency’s report shows that even if there are some security and economic concerns in the region, the demand for the Middle East oil remains at it is a peak at least over the next two decades.228 “It is not just that most of the world’s global reserves are in the Middle East, but also the Kingdom Saudi Arabia holds most of the world’s spare oil capacity- a percentage that may well increase over time.”229 This capacity capability is a smooth tool for Saudi Arabia that has been historically challenging Iran’s oil production. On the other hand, Iran is a major regional and middle power, and its large reserves of fossil fuels — which include the largest natural gas supply in the world and the fourth-largest proven oil reserves— exert considerable influence in international energy security and the world economy.230

At the same time, a foolish increase in oil production from time to time by KSA against the interests of other countries, whether in the region or other parts in the world or even sometimes other unexpected global issues,might threaten the stability of oil production and further impacting the security of the world. As Colgan argues that until 1970 petrostates had the same risk as non-petrostates to get into an international conflict, but within the modern oil age “the 1973Arab oil embargo” created a situation in

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which a quarter of all world conflicts are led by petrostate countries. Additionally, the recent oil increasing production competition between Russia and the Kingdom of Saudi Arabia simultaneously with the outbreak of Coronavirus (COVID-19) has shaken the global oil market and dropped the oil prices to an unpredictable level where it was almost eleven dollars per barrel “the biggest one-day drop since 1991”. This perhaps leads to a questioning of the significant role of the politics of oil within the global market, and perhaps within the politics of the Middle East in the future.

**History Background of IRI’s Oil Industry Development**

IRI is an oil-enriched country and its oil industry plays a vital role in its economy, politics, and security; besides, it is the primary source of IRI’s foreign currency. The history of Iran’s petroleum industry started in 1901 and has faced several ups and downs in its journey from its birth to the present. Iranian oil industry directly affects economic sectors and the public such as projects of public development, an annual budget of the government, and other sources of foreign exchange. Currently, the petroleum industry of Iran is facing the worst sanctions in its history.

In 1901, Iran started to develop its oil resources through concession with the British speculator William D’Arcy. The oil was discovered in 1908 therefore the Anglo-Persian Oil Company came to existence which was a London-based Oil Company. In 1914, the British government took direct control of the oil industry of Iran, by purchasing most of the shares of the Anglo-Persian Oil Company. The control of the British government on the Iranian oil industry continued for thirty-seven years. In 1933, the British government established a sixty-year agreement and denied any right of Iran to control its oil

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231 Colgan, Jeff D. *Petro-aggression: When Oil Causes War.*
234 William Knox D’Arcy, who lived from October 11, 1849 to May 1, 1917 was concession to explore oil and he was the principal founders of the oil, natural gas, and petrochemical industry in Iran in 1901. His company explored oil in Iran on May 28, 1908, where subsequently his company became Anglo-Persian oil company. Shafiee, Katayoun. *Machineries of Oil: An Infrastructural History of BP in Iran.* Pp 21-22.
exports. Therefore in 1950, the demand from the Iranian nation became more popular to force the government to nationalize the oil industry.\textsuperscript{236} Thereafter, the Iranian Prime Minister Muhammad Mossadegh established the National Iranian Oil Company (NIOC) against the wishes of the British and the US government that resulted in a coup overthrowing Mossadegh’s government in 1953 and structured a new oil agreement in 1954.\textsuperscript{237} The new oil deal consisted of a sharing of the profits equally between NIOC and a multinational consortium that replaced the Anglo-Iranian Oil Company; this agreement continued with the multinational consortium to the end of Shah’s authority and beginning of the Islamic Revolution in 1979.\textsuperscript{238}

The 1973 counts as an important year regarding Iran’s oil industry; first because it brought the country to be the second world’s largest oil exporter. Second, even though the Shah regime had close relations with Israel, but his country alongside Arab countries submitted its political pressure or burden on the whole world during the Arab-Israeli War by increasing the prices of oil. In fact, in an interview by New York Times end of 1973, the Shah “argued that Western nations had already increased the price of their exported wheat and cement by 300 percent and that it was only logical for stalwart importers of oil to be prepared to pay a higher rate for OPEC’s petroleum.”\textsuperscript{239} Therefore, although the Shah’s regime sided with Arab countries to raise oil prices during the Oil Embargo, the Shah’s regime attempted to maintain its mutual relations with Israel through securing and maintaining oil export to the country. While Arab countries attempted to link its oil policy to the issue of the Arab-Israeli conflict. However, Saudi Arabia was keen to narrow the scope of the dispute with Iran in this regard, with the aim of sowing confidence between the two countries regarding oil policy.

\textsuperscript{238} Ibid.
With all questions and concerns regarding corruption, extravagance, and the squandering of government budgets from oil revenue for the Shah self-indulgence,\textsuperscript{240} the Islamic Revolution oil policy also has failed to invest in defeating corruption and decrease the unemployment rate. Iran’s oil production decreased from 6.6 million BPD during Shah in 1976 - as the second-largest producer and exporter of crude oil in OPEC, and the fourth-largest producer in the world- to 3.5 million BPD after the Islamic revolution.\textsuperscript{241} Of course, many factors have had impacted Iran’s oil industry including but not limited to the costly Iran-Iraq war, economic sanctions, and the investment of the oil revenue to support the proxy groups that heavily cost Iran’s national budget. In addition, significant changes after the revolution have happened to the oil industry. Due to Khomeini’s command of the early days of the revolution to demolish all their international oil agreements, NIOC and the ministry of Petroleum of Iran took control of the oil production and export.\textsuperscript{242} Therefore, during the early era of the revolution, the Iranian government attempted to develop their oil industry by maximizing the export, the main aim of that development was to accelerating the economic growth of the country, but the internal and external challenges they face its oil policy prevented these improvements from happening.\textsuperscript{243} Especially, from 1979 to 1997, the Iranian government refused to sign an oil agreement with foreign oil companies.

Muhammad Khatami from 1998 to 2004 strongly focused on the development of the oil and gas industry internally. During this era, Iran defined oil as an indispensable foundation, also inter-generational capital of economic development of Iran. This era accompanied with the succession of the new supreme leader Ali Khamenei that “in contrast to Khomeini, who evaded commitments to economic gains and

\textsuperscript{240} “from early 1970s, corruption was rampant and entrenched in nearly every part of the government. Iran’s oil revenues were used to finance the Shah’s grandiose schemes to make Iran the dominant military power in the Middle East” Bostock, Frances., & Jones Geoffrey. Planning and Power in Iran: Ebtehaj and Economic Development under the Shah. (New York: Routledge, 1989). P 169.


\textsuperscript{242} Ibid. pp 107-109

\textsuperscript{243} Ibid.
sought to lower expectations, his successors vowed to lighten the burden on the populace." Therefore as Weitzman argues that:

Muhammad Khatami was expected to lay the long-term foundations for a strong economy as well as demonstrate immediate results, and to adopt pragmatic policies yet remain politically correct so as to gain the support of the ideological purists. Two years after his election the economy became one of the most pressing challenges facing his government.

Between 1998 to 2004, the government put a plan of almost forty-billion-dollar investment to aggressively expands the capacity of their existing oil fields and exploring new oil field. This development in the oil industry played a vital role in the development of the whole economy of Iran. The projects of discovering new oil deposits their exploration and expanding of the capacity of existing oil fields are launched at regional, national, and international levels. The government has financed these projects through domestic contractors and joint investments groups with foreign groups and directly financed by NIOC, but the project also faced a lot of challenges from some parts of the Iranian government particularly from IRGC because Muhammad Khatami was a reformist president and attempted to dismantle or at least limit their power from reaching oil revenue. Despite challenges from the conservative block, Khatami was ambitious to restore Iran’s economy through a bill he presented to the Majlis [the Iranian Parliament cabin]. The plan indicated political reforms that promote the role of law and guarantee civil rights and economic development that highlighted less dependence on oil revenue due to a belief that oil should be viewed as the asset of the present and future generation.

But the conservative line in Iran that has support from the supreme leader, Ali Khamenei, and the IRGC leaders criticized Khatami’s economic and political reform blaming him for misleading the people of Iran and abandoning the Islamic revolution goals. The conservative groups in Iran have always

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244 Weitzman, Bruce Maddy. *Middle East Contemporary Survey*. (Israel: Tel Aviv University, 1999). P 248
245 Ibid.
attempted to maintain their influences inside the elected governments especially when the cabinets under a reformist president, in which the elected government usually not been able to reduce public revenue spending for political reasons. With the mentioned challenges, finally, the Iranian government was able to facilitate some foreign investment in the oil industry. The new oil industry plan introduced a policy that foreign companies have rights to invest in the discovery, exploration, and exports of the oil and gas in Iran, but under the commission of NIOC, which means NIOC retains complete ownership, marketing, and reimburse expenses of oil and gas fields.

During Muhammad Ahmadinejad's presidency from 2004 to 2013, some avenues of hope sparked again. First, the government announced sufficient reserves of oil during that time and perhaps to remain for the next 100 years, while, as OPEC resources show, oil reserves may disappear in other parts of the Middle Eastern countries within the next sixty years, and some oil-rich countries may lose their reserves during the next thirty years.\textsuperscript{249} In addition, 2006 data shows that crude oil reserves in Iran reportedly estimated to be 132.5 billion barrels, or about 15 percent of OPEC's proven reserves and 11.4 percent of global proven reserves, especially when a new field was discovered near Bushehr. While the estimated crude oil reserves in the world are almost 1154 billion barrels for the same year.\textsuperscript{250} Thus, in 2008 the production of oil increased to 3.9 million BPD, and 2.4 million BPD exported the global market. Therefore, in 2008 Iran again became the 2\textsuperscript{nd} largest producer of oil in OPEC, and its oil industry produced 5\% of the total world's oil production for the same year. To face the green movement, Ahmadinejad attempted to:\textsuperscript{251}

Embark on a populist spending program encouraged by higher oil prices. But his plan overcommitted the government to support social welfare, which Tehran could not afford due to sanctions and, later, the drop in oil prices in 2014. Iran had built up its foreign exchange because of higher oil prices over the past decade, but portions of the reserves were impounded by foreign countries as part of the sanction regime.


After the JCPOA\textsuperscript{252} agreement in 2015, the Iranian oil industry again promised with hopes for its future due to years of stringent sanctions that were lifted and immediately provided economic relief. This, at the same time, encouraged the number of foreign national and private companies to pay special attention to invest in Iran’s oil industry. For the development of the oil industry, the Iranian government changes the terms of investment in order to gain special attention from international oil companies.\textsuperscript{253}

Therefore, in 2017 China was the main buyer of Iran’s crude oil, which was almost 65% of oil export for that year,\textsuperscript{254} yet the relief was short when President Donald Trump announced on May 8, 2018, the United States withdrawal from the JCPOA, and reinstating economic sanctions on IRI again.\textsuperscript{255}

The Iranian president Hassan Rouhani announced on November 10, 2019, that his country discovered a new oil field in Khuzestan province estimated to hold 53 million barrels of crude oil.\textsuperscript{256}

OPEC and “the US Energy Information Administration (EIA) ranks Iran as the world's fourth-largest holder of oil reserves and the second-largest holder of gas reserves. If the size of the new oil reserves is proven to be accurate, it would lift the country to third place, just below its regional foe Saudi Arabia.”\textsuperscript{257}

Although this discovery is important to Iran’s oil industry lifeline, it is still early to predict any improvement within the oil industry in Iran due to heavy economic sanctions that significantly impacted Iran’s economy. Especially this is true when in May 2019 “the US ended waivers that allowed eight countries to continue purchasing Iranian oil, significantly restricting the country's oil exports and causing,

\textsuperscript{252} The nuclear deal or as known The Joint Comprehensive Plan of Action (JCPOA) was signed between P5+1 (the permanent members of the United Nations Security Council—the United States, the United Kingdom, Russia, France, and China—plus Germany), the European Union, and Iran in July 14, 2015.
\textsuperscript{253} Veaz, Ali. & Sadjadpour, Karim. Iran’s Nuclear Program Odyssey: Costs and Risks.
\textsuperscript{257} Ibid.
in part, a sharp economic downturn. This has seen Iranian currency plummet in value while sending inflation skywards.²⁵⁸

In the middle of political competition for power between two main camps, the reformists and the conservative, the Iranian oil industry was highly impacted. The first camp is currently led by President Hassan Rouhani and his government with relatively moderate orientations. The supporters of this camp aim to reintegrate Iran, politically and economically, into the international community as they believe isolationist and confrontational stances with the major powers led to the imposition of sanctions on IRI during the presidency of former President Ahmadinejad.²⁵⁹ Therefore, the continuation of such positions in the future will not only threaten the security and stability of the Islamic Republic but also impacts its economic opportunities. The supporters of this camp defend the need to follow reform visions at home and openness with the outside to achieve the interests of the Iranian people.²⁶⁰ In the 2013 and 2017 presidential elections, President Rouhani achieved his victories based on these visions.

On the other hand, the second camp includes most conservative militant orientations, those who remain close to the Supreme Leader Ali Khamenei, and the Iranian Revolutionary Guard Forces. The supporters of this team confirm that the major powers, especially the United States, are hostile to the Iranian Islamic revolution, and therefore cooperation with it does not produce any positive results, but rather it most likely undermines the foundations and fundamentals of the Iranian state.²⁶¹ Accordingly, the supporters of this team stress the necessity of expanding the “resistance economy” and limiting international cooperation to the lowest necessary level possible. This competition between both camps has tangibly affected the energy sector due to their ambition for control of this vital sector.

²⁵⁸ Ibid.
²⁶⁰ Ibid.
The History Background of KSA’s Oil industry

Oil wealth is both a blessing and a curse, however, its discovery to present oil wealth extensively has engaged to provide a blessing in its economic and political stance for KSA. As the former editor-in-chief of Asharq Al-Awsat, Abdulrahman Al-Rasheed, states that “had oil not been discovered, the country’s [the Kingdom of Saudi Arabia] survival would have been in doubt due to the harsh conditions of the desert as well as the scarcity of both food and water.”

Accounts at approximately a quarter of the world's oil reserves, KSA ranks 7th among the strongest economies in the world due to its membership of the G20. The Kingdom of Saudi Arabia possesses 18.1% of proven reserves of oil in the world to come in second in the world, and the kingdom has the fifth-largest proven reserves of natural gas. It is ranked third after Russia and the United States in terms of natural resources, which are estimated at $34.4 trillion. About 90% of Saudi Arabia's economy depends on the exports of petroleum and oil industry. Saudi Arabia is one of the world’s largest exporter and producer of petroleum.

The story of the oil discovery in KSA took a huge historical curve as the kingdom shifted from a region that economy focuses on livestock raising, agriculture, simple industries, and Hajj and Umrah to a country that relied on 90% of its revenues from oil wealth. Oil in KSA was discovered in 1936 and the production of oil began in 1938; after the discovery, oil reserves under the Arab-American Oil Company (Aramco). Aramco was the joint venture of Standard Oil of California and Texaco with Saudi Arabia. The development in the oil industry is further enhanced by the investments of American Private companies in the oil industry of Saudi Arabia. Aramco is the national petroleum and gas company of Saudi Arabia. Based on revenue Aramco is considered the world's largest oil company. In 1973, after

265 Ibid.
the United States supported Israel during the October War, the Saudi government acquired a 25% share Aramco. Then, in 1974 the Saudi government increased its share to 60%, and finally, in 1980 the kingdom decided to control 100% of Aramco’s share.  

The Kingdom of Saudi Arabia gradually determines the characteristics of its main structure that Geological observations were supplemented with gravimetric surveys and then with drilling data from a series of deep wells with coring which immediately became the main tool for exploration. Traditionally Saudi Arabia is considered as the swing producer of the oil because it can decrease or increase oil production to maintain the oil prices. For example, in 1980, oil production in KSA was 10.3 million BPD and it was 10.6 million BPD in 2006. Then, increased its capacity for production to 11 million BPD in 2008 and reached almost 12 million BPD in 2009.

Since the announcement of the 2030 Vision, the kingdom attempts to diversify its economy through economic reforms that allow the kingdom to reduce its dependency only on oil. This attempt faces obstacles due to the oil prices decline that already reduces the government cash flow. Therefore, the Saudi government decided to issue bonds worth around $32 billion to surpass the 4.2% GDP deficit. In addition, other major challenges need to be considered that face the Saudi 2030 Vision such as “human capital, innovation, information, and communications technology (ICT), the economy, education, and employment. Several challenges are identified relating to human capital, research, and unemployment amongst university-educated females.”

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268 Ibid.
270 Vision 2030 is a post-oil plan for the Kingdom of Saudi Arabia announced on April 25, 2016 that coincides with the date set for the completion of the delivery of 80 giant government projects by 2030. The Vision also is a long-term strategic project that based on diversifying the kingdom national budget. This strategic platform consists five major sectors in the kingdom, which are health, education, infrastructure, recreation, and tourism. Nurunnabi, Mohammad. Transformation from an Oil-based Economy to a Knowledge-based Economy in Saudi Arabia: The Direction of Saudi Vision 2030.
272 Ibid.
Even before the 2030 Vision, the Kingdom of Saudi Arabia achieved exceptional growth in the period from 2003 to 2013 due to the boom in oil prices, reach nineteenth place among the largest economies in the world, which resulted in the doubling of the gross domestic product, the increase in the income of the Saudi family by 75%, and providing 1.7 million job opportunities Citizens, including an increasing number of Saudi women entering the workforce. Also, in 2014 the government has made extensive investments in education, health care, and infrastructure projects, and has strengthened cash reserves that amounted to nearly 100% of GDP. But it is a much-complicated situation when the Kingdom of Saudi Arabia announced its 2030 economic vision to get rid of the oil addiction money, which represents more than 80 of its gross domestic product. Muhammad bin Salman, Crown Prince (30 years), increased enthusiasm among the youth of his country by his ambitious plan for reform which he hopes to nail down when its details are revealed.

The plan itself also revealed its contradiction in many aspects with the current reality. In a country that imports all types of weapons, it seeks within years to convert to a military industrialization country according to the new vision. Regarding reducing the number of unemployed are less than 5% among women, which represents 33% of unemployment, is much complicated while women are not allowed to drive a car. Among the most important images of contradictions to the 2030 Vision is the talk about the shift towards non-religious tourism, which is currently limited to the seasons of Hajj and Umrah, to traditional tourism and the exploitation of the shores of the Red Sea in a way that does not violate the Sharia. This perhaps complicates due to the restrictions regarding women guardianship in the kingdom that do not allow women without head and face covering in the public. Finally, in the absence of transparency and scarcity of information, the Kingdom’s project for a shift towards an economy based on the private sector and attracting foreign investment may face obstacles.

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274 Ibid.
IRI and KAS Presence in OPEC From Its Foundation

In September 1960, the OPEC was founded by five world’s leading oil exporters Iraq, KSA, IRI, Kuwait, and Venezuela. OPEC is an interregional and intergovernmental organization that protects the common interest of oil countries in terms of production, exporting, and prices within the international market. OPEC also aimed to secure a fair and regular supply of oil and gas to the consuming countries. In September 1960, the transitional oil companies of the world which had influenced the fixing of oil prices accepted the OPEC as a partner in the process of oil pricing. On October 16, 1973, OPEC became more influential and gained the power to individually fix the oil prices based on their common interests of the members. Later several countries became a part of OPEC and spanned four continents of the world.

After decision-making in the oil, production phase-shifted to the exporting countries in the 1970s, and their role in influencing oil market prices increased, the views of the member states were divided regarding the extent to where the prices should be settle. Those with low reserves such as IRI, Algeria, and Venezuela, countries aspiring to regional and international political influence, tend to achieve high oil prices, while other countries led by KSA tend to not exaggerate in “raising prices” and accepting “moderate prices” to preserve market share and prolong the oil market to add more buyers.276

OPEC has complex characteristics and acts as puzzled for economists because there is no effective way which explains the upheavals of prices by their higher demand, changes in discounting, and deficient supply. Decades ago, Economists considered OPEC as a profit-maximizing cartel which divided the petroleum market, defend their prices, and establish quotas, but after 1983, OPEC had no quotas because the member failed to protect oil prices.277 As Jeff Colgan indicates:

OPEC’s current role is obscured in part by the complexity of the world oil market, in part by the fact that one of its members, Saudi Arabia, probably does have some market power on its own (distinct from the organization to which it belongs), and in part by misdirection by OPEC itself. The perceived market power of OPEC is a useful fiction.

that generates political benefits for its members with domestic and international 
audiences.\textsuperscript{278}

At the same time, in some particular events, concerted actions by several OPEC member 
countries brought KSA and IRI to take actions that influenced oil prices. After the Doomsday War began 
on October 6 between Egypt, Syria, and Israel, on October 16\textsuperscript{th}, 1973, six OPEC members which were 
Iran, UAE, Kuwait, Iraq, Qatar, and KSA announced a reduction in production by 5\% and an increase in 
selling prices for oil by 70\%.\textsuperscript{279} The next day, October 17, all OPEC countries declared an oil embargo on 
supplies to countries that supported Israel, including the United States, several Western European  
countries, and Japan.\textsuperscript{280} Moreover, on November 5, the Arab OPEC member countries announced an 
additional 25\% reduction in oil production. As a result of these actions, oil prices jumped from $ 3 to $ 12 
per barrel. On March 17, 1974, the embargo was lifted, while the agreed mining restrictions remained in 
force. The price level of $ 12- $ 15 per barrel remained until the end of the 1970s.\textsuperscript{281}

OPEC established a monitoring system in 1985 known as the ministerial monitoring committee 
but that system did work for a short period and failed to monitor suspected violations. OPEC attempted to 
monitor suspected countries without any involvement of the export’s certification. The system of 
marginal quotas for oil production by OPEC member countries as outlined in the charter of the 
organization which was approved in 1961. But it was introduced only at the 63rd extraordinary 
conference of OPEC in March 1985. The concept of “oil production quota” is not used in OPEC, instead, 
until the early 2000s, the term production ceiling was used. For the distribution of oil production by 
OPEC members, the organization at its meetings allowed to set a total production limit and a maximum 
amount for individual countries, but in reality, for most of the occasion oil productions eliminate due to 
political influences of the members not the OPEC set of policies.\textsuperscript{282}

\textsuperscript{278} Ibid. p 3.
\textsuperscript{280} Ibid.
\textsuperscript{281} Colgan, Jeff. The Emperor Has No Clothes: The Limits of OPEC in the Global Oil Market.
\textsuperscript{282} Baffes, John, et al. The Great Plunge in Oil Prices: Causes, Consequences, and Policy Responses.
In 1976, Iranian oil production reached almost 6.6 million BPD, in which Iran became the 2nd largest producer and exporter of the OPEC. Subsequently, the presence and influence of Iran in the OPEC has changed after the regime changed in 1979. In fact, after the revolution, the oil production of IRI decreased and the country lost its position in the OPEC.283 While, in 2008, IRI again succeeded in returning to the previous position in OPEC with a production of 3.9 million BPD.284 In most of the history the member countries of the OPEC, especially IRI and KSA treat as a political rival. Especially, when it gets to make decisions regarding OPEC policies, usually KSA is more influential than IRI within OPEC due to its ability to gain the support of its Arab alliance. Thus and addition to its massive oil production, the kingdom usually alters the results or maintains policies and procedures to its favor. OPEC can be an effective organization at the world level if the member countries depoliticized the organization and overcame the contests of potentially diverse leadership. Since KSA is influential and acts as the head of the faction and overrule on the majority of OPEC members, it seems that sometimes KSA fails to impose its decisions in an organization because some of the OPEC members have no intention to involve themselves in the political conflict of the region.

Occasionally, some OPEC members attempt to bring back the solidarity among the members. Therefore, on September 28, 2016, the Algerian President, Abdelaziz Bouteflika, hosted the 170th extraordinary OPEC conference.285 The meeting brought together representatives of 18 countries that signed the Declaration of Cooperation, thus confirming their commitment to ensuring the sustainability and stability of the oil market.286 Despite the growing uncertainty regarding the dynamics of key market indicators, including economic growth, and supply and demand, the countries joined the Declaration of

286 Ibid.
Cooperation continue to strive to ensure the balance and sustainability of the global oil market in the interests of consumers, producers, industry and the global economy in general.

**OPEC Power Struggle**

In the early days of its foundation, through its horizontal and vertical integration this cartel had leading up to the 1970s, a wider field of coordination among its members, thus securing commitment to plans and strategies. It also had more effective means of organizing and influencing the oil industry. Subsequently, many factors have influenced the effectiveness of OPEC policies in achieving its goals over the past five or six decades. First, OPEC is a group of countries with different goals and limited means of influencing the global oil market - in particular the method of determining production “shares” for member states in the phase of extraction - that differs from the cartel of the major oil companies. Second, the energy policies in importer countries have limited the effectiveness of OPEC's policies; For example, by encouraging the development of alternative areas for oil production or replacing some of its uses with renewable energy and encouraging greater fuel efficiency in general. The third is represented by tension and disagreement among some of its members - such as geopolitical competition particularly between KSA and IRI - which also limited its effectiveness, despite the agreement of OPEC countries in many policies that have occasionally succeeded in increasing prices or preventing them from falling.

Currently, inside the OPEC the degree of consent and cooperation has become a bone of contention for KSA, IRI, and other member countries. Due to the alliance of Saudi Arabia with the US, Iran is aggrieved by supporting US sanctions. Iran is also aggrieved by the willingness of Saudi Arabia to the US, to replace the lost Iranian barrels and maintain the global requirement of the oil supply. On that willingness of Saudi Arabia, the Iranian oil minister Iran’s Oil Minister Bijan Zanganeh said in that “Iran’s oil cannot be replaced by Saudi Arabia nor any other country.”

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renewed oil sanctions of US sanctions on Iran, OPEC deals with Russia and other non-OPEC producers to maintain oil prices at a low level through increasing oil supply. KSA is usually willing to act in favor of any pressure on Iran’s economy, especially when the pressure is from the US because:

Washington not only protects Saudi Arabia, but also provides it with arms, spare parts, and technical training and support that lie at the heart of its defense. In fact, it has poured tens of billions of dollars into building the regional and Saudi military infrastructure. Such dependence hardly enables the United States to dictate terms to Riyadh but has increased US influences.

KSA has had tensions with other countries within the OPEC. Iraq, for example, is one of the countries that engaged in tensions with the kingdom occasionally regarding oil marketing especially after the Iran-Iraq war. After the war, KSA’s oil policy and Iraq’s issue of debt relief jointly became the primary source of friction between both parties. From its end, Iraq needed revenue to repay the war debt, therefore Iraq expected cooperation and support from KSA to maintain high oil prices. But the KSA usually prefers the low fixing of prices at reasonable rates, a position the kingdom considers helping its interests as a long-run oil producer “as the holder of the world’s largest reserves and its statue as the key swing producer in the global market.” In addition, after the Arab oil embargo in 1973 and the 1979 oil shock, the west expanded its research to find more reliable energy sources, therefore KSA attempts to play precisely due to their understanding that oil demand is elastic that changes very quickly and frequently. Therefore, the 2030 Vision relay on this theory in one way or another because it aims to diversify the kingdom’s economy and financial resources. But the percentage of success needs to be study and research in detail.

288 Ibid
291 Ibid.
292 The 1979 oil crisis was an oil price rise due to decline of oil supply in the global market because of the 1979 Islamic Revolution of Iran. This crisis led to an oil supply to cut by 4% that created panic and uncertainty throughout the world. Therefore, the price of oil increased to almost $40 per barrel in a year. Even though, KSA, other OPEC members, and the Gulf monarchies reacted very quickly to the crisis to increase production, but the fear and panic were very high that could not resist oil price maintaining. Then over production by OPEC members, particularly KSA, oil prices declined for almost 40% of its prices that severely impacted the US economy into a recession after the outbreak of the 1980 Iran-Iraq war.
293 Ibid.
Due to its flexible oil industry, KSA usually able to change the game to its favor, therefore the situation has changed between Iraq and KSA after the 2003 invasion because of a semi agreement between both parties for increasing oil production. First, Iraq wanted more production to rebuild the country’s jeopardized economy and infrastructure because of eight years of war with Iran, the 1990s economic sanctions, and the aftermath of the 2003 invasion. Second, KSA prefers Iraq to be a second oil producer within OPEC rather than Iran because it is clear for the kingdom that Iraq’s fragile economy and political system [post Saddam Iraq] will not be a threat to the Kingdom and other monarchies in the region anymore. And third, KSA believes that a stable and strong Iraq will not be a haven for Iran’s political gain. What both parties do not agree is oil prices that KSA prefers low prices to maintain the buyers, while Iraq is willing to increase its production and addition to high prices due to the demand for rebuilding the country, and repay war its debt and international loans. Besides, oil is responsible for over 90 percent of government revenue, 65 percent of GDP, and oil constitutes 95 percent of Iraq's exports.294

August 1990, the quota violation charge leveled by the Iraqi government against Kuwait was one of the reasons for Iraq’s invasion and seizure of a neighboring state.295 Baghdad's aggression provoked the outbreak of the Persian Second Gulf War or known Operation Desert Storm. In March 1991, after the end of the war, OPEC excluded Iraq from the quota system. At the same time, to prevent instability in the oil market, Saudi Arabia and the UAE increased production by 4.6 million barrels per day to compensate for the share of Iraq and Kuwait whose exports were suspended because of serious damage to their oil industry due to the war.296 Oil prices, which rose to $ 40 per barrel in October 1990, had already dropped to a level below $ 20 by March 1991.297 Moreover, KSA and Kuwait were jointly responsible for almost

half of that war’s cost which was around $32 billion out of the total $60 billion the cost of the war. In 1995, OPEC returned Iraq to the quota system, limiting the country's production to the level of 400-500 thousand barrels per day, which are necessary for domestic consumption. In April 1998, Iraq received the right to extract oil outside of quotas, since the UN-proposed oil-for-food that began operating for it.

IRI and KSA fought for a persistent power struggle in most periods of the 20th century, but their relations have not been worse than now. OPEC was founded by the struggle of both Iran and Saudi Arabia with other member countries during the economic transformation and decolonization in the Middle East. OPEC was founded to challenge the greater influence of western oil companies which controlled the oil supply of producing countries. Today, Saudi Arabia and Iran are included in the world’s largest producers and also within the members of OPEC. Currently, the most dominant and largest producer of the OPEC is KSA, which produces 10.6 million barrels per day, while IRI is the 3rd producer in the row by producing roughly three million BPD. The second-largest producer of the OPEC is Iraq, which produces 4.6 million BPD.

There is a shared goal between Iran and Saudi Arabia, which is the production and supply of oil through the platform of OPEC. OPEC is the main gate to keep open the diplomatic channels despite their tense relation and strictly attempts to offer professional talks on OPEC meetings. According to the associate director of the S&P global plats, Paul Hickin, “OPEC is the key strength for Iran and Saudi Arabia relations where they can discuss their political issues.” IRI and KSA are the main competitors in the OPEC, they compete with each other to enhance their revenues and market shares. Against this backdrop, Iran and Saudi Arabia have the shared goal that is to maintain and set the best possible prices of oil at the global market.

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299 Ibid.
300 Ibid.
302 Ellyatt, Holly. *Saudi Arabia and Iran don’t like each other in real life — so what happens at OPEC meetings?*
Accordingly, the relationship within OPEC between IRI and KSA is like a marriage of convenience among two rivals. Despite their deeply religious and political differences, IRI and KSA have a mutual goal to achieve a sustainable price of oil except for IRI’s attempt to higher prices and low production. These dynamics have changed and severely affected by the re-imposing economic sanctions on IRI. Their relations are also influenced by the exit of Qatar from OPEC and its denial to overcome relations with IRI while leaving the KSA group. Due to these changes in regional dynamics, their relations became stiffer and the cooperation between them seems much harder for foreseeable future.

KSA usually prefer a price range of around $50 due to high prices may bring instability to the market that is not in favor of themselves and their customers. “Their [KSA] current stated preference is to bring prices down to about $ 35 a barrel.” Thus, maintaining a stable and reasonable price is the kingdom’s attempt to have an ongoing market, therefore, the kingdom would practice its power within OPEC to challenge others willing to raise prices to a level that the Saudis consider it unsuitable. “Saudi Arabia has been better prepared for low prices than others with large foreign reserves and still relatively low public debt.”

The current US current economic sanctions have declined IRI’s oil production. The US has alerted to fully stop exporting Iranian oil and pressed all European investors to suspend their oil investments in IRI. This situation has angered IRI to retaliate and respond in return threatening to close the strategic Strait of Hormuz to international shipping if these unilateral sanctions remained active.

This is what former Iranian President Abu Al-Hassan Bani Sadr who made it clear in 1980 that he does not see the possibility of close cooperation in OPEC between IRI and KSA and the rest of the Gulf states because of what he described as radical differences in the regimes and political system.\textsuperscript{307}

It should be noted that the Saudi-Iranian coordination in the OPEC is not characterized by a cooperative strategy. Refusing to vote on the candidate of both sides in OPEC’s internal elections, for example, is one of the main issues that impacted the level of trust between both parties. During the organization’s Secretary-General election in the 1990s, Iranian representatives at OPEC did not vote for the Saudi candidate, rather he voted for the Venezuelan candidate, especially after the Saudi representative in OPEC rejected an Iranian proposal to step back from his position to Iran.\textsuperscript{308}

Therefore, IRI behaves very strictly within OPEC due to its fear of Saudi Arabia’s influence in OPEC. This competitive behavior has hindered the growth of economic relations. In fact, the volume of trade exchange between both parties reached 290 million dollars in 1993, then 1995 decreased to 158 million dollars, and in 1998 it reached 147 million dollars.\textsuperscript{309} Due to “the Saudi execution of top Shia cleric Sheikh Nimr al-Nimr, an opponent of the ruling dynasty who demanded greater rights for the Shia minority [in 2016], Iran banned all imports from Saudi Arabia in a Cabinet meeting chaired by President Hassan Rouhani, extending the embargo to free trade and special economic zones as well.”\textsuperscript{310}

\textbf{Political Trends of Oil in Comparative Perspective}

In the midst of an atmosphere fraught with tension between the two countries, and a process that a whole range of it considered an attempt to contain each other, some stages witnessed a range of discussions between IRI and KSA. For example, in July 1986 Saud Al-Faisal visited Tehran, in which the


\textsuperscript{310} Ibid.
two parties exchanged views on various issues, including Hajj, the Iran-Iraq war, and the OPEC. In contrast, Ali Velayati, the former Iranian foreign minister, visited Riyadh in December 1986, and Saudi Arabia’s efforts were summarized in resolving the issues of dispute, especially ending the war between Iraq and Iran, and preventing the spread of the influence of the Iranian Islamic revolution, but these discussions did not lead to any restoration of the two actors.311

Therefore, again oil came to the top of their foreign policy to play its role after KSA adopted a new policy to fully support Iraq, and in this context, Saudi Arabia sold 280,000 barrels of oil to Iraq daily during the Iran-Iraq war.312 Then, the kingdom, from oil revenue, pledged to pay part of the value of Iraqi arms purchases and transfer military goods and equipment.313 Also, the Saudis decided to increase oil production that impacted oil prices, in which on February 1986, in an interview with Tehran Radio the former Iranian Prime Minister, Mir Hossein Mousavi, stated that “Saudi oil exports are the main factor of price collapse and there is no justification for the current level of Saudi exports ... that Iran will not be silent on this issue.”314 Ali Akbar Hashemi Rafsanjani, when he was the head of Iranian parliament, went further when he suggested that Iran might freeze its oil exports, and warned against taking strict measures against KSA if it was found responsible for falling prices. Then some other Iranian officials strongly attacked KSA in April of the same year, accusing it of being responsible for oil prices and they suggested that Iran suspended its oil-exporting to support higher prices of oil.315

IRI accuses KAS that it is deliberately cutting oil prices globally to put pressure on IRI’s economy. The head of the Center for Oil Policy and Strategic Outlook, Rashid Abanami, indicates that IRI’s accusations of KSA to sell oil at low prices in retail and public auctions in Asian markets are real.316

313 Ibid.
315 Ibid.
316 Seifan, Samir & et al. The implications of falling oil prices for the exporting countries. [ tadaeiat nuzul 'asear alnaft ealaa albuldan almusadira ]. *Arab Center for Research and Policy Studies*, October 2015, pp 1-120.
He added that the kingdom’s clear reasons behind lowering prices are attempts to maintain its customers or win new customers in the market. In addition to economic purposes, the real reasons are political as Abanami indicates that based on economic logic, KSA and the Gulf states are the first to suffer behind oil prices reduction. During the Iran-Iraq war, both KSA and IRI had a different strategy for marketing their oil that after three decades the same strategy plays its significant role. In their book, Chubin and Tripp, argue that:

Both Saudi Arabia and Iran had an interest in maximizing their oil revenue, but each had very different strategies to that end. Moreover, the Saudi strategy went directly against Iran’s interests, and, with the hardening of Saudi attitudes, it seemed to Tehran as if Saudi Arabia was waging economic warfare. Saudi Arabia’s capacity and willingness both to undermine Iran’s source of income and to butters its adversary’s need financially and diplomatically made Iran realize the degree to which OPEC had become a Saudi-dominated institution. Once the Saudis took a position there was little that Iran could do to change it. Equally, when Saudi Arabia chose, it could hurt Iran economically, politically, and domestically through its decisions on oil pricing and production.

Regarding diplomatic relations within the oil market and OPEC trends, both KSA and IRI have different perspectives and values. Due to their major role and subversion in the Islamic world, especially in the Arab world, tensions increase in the relationship between both parties. Currently, IRI is more influential in the Middle East than the past with the support of Shia minorities in Arab countries, mostly through alliances and proxies. Even though KSA has spiritual importance among all Muslims due to the guardian Holy mosques, one of the talented areas for Saudis is to deter IRI’s influence in the region of is oil market and domination of OPEC. Therefore, the economic dimension of IRI and KSA relations has its importance, because the two countries possess huge energy resources, which made them the focus of global attention. Also, due to their large oil reserves, both have become two rentier countries oil revenues dependent, which made any political fluctuations have negative or positive returns on these revenues.
In addition, determining oil pricing within OPEC has become subject to political interactions. But in this situation KSA is like a challenger, while IRI the most challenged. First, IRI interprets KSA’s policies as a truce and responsive to the needs of the West through increasing the quantities of production sometimes that affects oil prices. Thus, IRI accuses KSA of harming its economy since 80 percent of the Iranian budget depends on oil revenues. Perhaps the development in the war of statements by IRI about the possibility of Saudi Arabia compensating Iranian oil production in the event of new international sanctions imposed on Iranian oil is only an example of what oil and related policies play in the political rivalry between the two countries. Even Iran has supported some of the anti-Saudi oil policies including the Iranian support in 2001 of Venezuela’s candidate for the OPEC secretariat against the most favorable Saudi candidate.  

This is in addition to some Iranian oil-exporting above of the organization; what happened in late 2011 is the best evidence of this, when IRI increased its production in July by 548 thousand BPD from its scheduled share, despite the denial of its then-delegate Kazempour Ardebili in the OPEC Board of Trustees. Second, although the 1981 secret agreement between the US and KSA was based on aiding “anti-Communist resistance groups around the world,” this agreement established a serious strategic interdependence relationship between the US and KSA that perhaps alarmed IRI because of its seriousness.

The agreement consisted that the US would build $250 billion of military and security facilities and infrastructure. In addition to a massive arm sell from the US to the kingdom “that allowing to buy sophisticated American Awacs radar planes.” Thus, the US presence in the region with close ties to KSA concerned IRI to become an adversarial and grappling to protect its security and oil of the region.


323 Ibid.
Another part of the Iranian concerns of the US-Saudi agreement was their understanding of the threat that both the US and KSA have from the Islamic Shia revolution due to its possibility of spread in the region that may complicate defeating it in the future.

Therefore, the value of relationships with superpowers and the western world is different in both countries. After the Islamic revolution, Iran has changed its perspective toward the US and western countries by introducing new foreign policies that adopted anti-Shah and anti-west slogan. While KSA, especially after the 1981 secret agreement with the US, enhanced its relations since the birth of the kingdom.\textsuperscript{324} By late 1981, Iran was increasingly viewed as a significant regional threat for the US due to the seizure of the American Embassy in Tehran on November 4, 1979, that therefore altered Washington’s approach to the revolutionary regime.\textsuperscript{325} Not to mention, the importance of both countries being doubled for the west and the United States after the discovery of oil reserves in both countries. Since oil plays a vital role in the political trends of both countries, the superiority and the support of their allies depend on the oil production of both countries. In the past few years, however, there has been a change of the Middle East geopolitics and within the OPEC.

\textbf{Position of Oil in KSA and IRI’s Economy}

The Kingdom of Saudi Arabia and the Islamic Republic of Iran both are oil-enriched countries and the economy of both countries depends on the oil revenue. The share of oil in the GDP of KSA is mostly increased while the share oil in the GDP of IRI is decreased after the Islamic Revolution. Oil also is considered as the main factor for the economic development of both countries. Adding to that oil revenue responsible to fund IRI’s nuclear program that is why after the JCPOA agreement in 2015, IRI opened the door for international oil companies to invest in its oil sector.\textsuperscript{326} The situation in the Iranian economy after the lifting of sanctions has improved. For example, oil exports rose by almost one million

\textsuperscript{324} Chubin, Shahram., & Tripp, Charles. \textit{Iran-Saudi Arabia Relations and Regional Order}. Pp 74-79.
\textsuperscript{325} Wright, Claudia. Implications of the Iraq-Iran War. \textit{Foreign Affairs}.
BPD, while investments from China increased.\textsuperscript{327} Crude oil exports helped boost the growth of the Iranian economy and dampen high inflation. However, the sluggish economic recovery has increased frustration among the Iranian population. Economic problems became the main cause of large-scale demonstrations against the Iranian authorities. The course of the Iranian Rial meanwhile varies greatly. The International Monetary Fund (IMF) predicts that Iran’s GDP growth in the current fiscal year will slow to 4.2% from 6.6% last year amid oil production at the same level and uncertainty about a nuclear deal.\textsuperscript{328}

After the US withdrawal from the JCPOA during the President Donald Trump administration in 2016, international investors step back from investing in IRI due to new threats to foreign companies from the US and reintroducing sanctions on IRI. The Iranian leadership expected that the atomic transaction would lead to an inflow of foreign investment in the country's oil and gas sector for ten billion dollars in a year. However, over the past two years, these investments amounted to only about $ 1.3 billion, mostly from China.\textsuperscript{329} Iranian representatives confirmed that foreign investment is entering the country slower than expected, accusing the United States of provoking fear and uncertainty. Iran’s Oil Minister, Bijan Zangane, said in an interview that “Iran is not satisfied with the current state of affairs,” he added that “however, Iran does not give up attempts and Iran look to the future with optimism,” also “We will not surrender under any circumstances ... we have to increase our capacity so that when necessary with full strength we can enter the market and revive our market share,” said Zanganeh.\textsuperscript{330} A spokesman for the US Department of State said the United States complied with the terms of the deal and expected the same from Iran. The United States is also concerned that Iran, among other things, supports terrorist groups as Hizballah, Hamas, and Houthis, and the ballistic missiles they use are Iranian manufactured weapons.

\textsuperscript{327} Ibid.
\textsuperscript{328} Ibid.
KSA oil export provides 90 to 95 percent of the kingdom’s revenues, which is about 60 percent of the gross domestic product (GDP) of the country.\textsuperscript{331} Despite attempts to diversify, the economy of Saudi Arabia is still very dependent on oil crude although, in recent years, investment in the refining and petrochemical industries has changed this trend. The sharp jump in world oil prices at the beginning of 1999 and in 2001 significantly improved the country's economic outlook and was the driving force behind the major changes in the life of the state. Part of this is related to new investment in the oil and gas facilities. Only in gas fields, for example, ARAMCO spent about two billion dollars in Hawiyah Gas Plant that “has a processing capacity of 1.4 billion cubic feet of natural gas per day.”\textsuperscript{332} But then the event of September 11, 2001, and the US invasion of Iran in 2003 impacted the oil price and oil production in the world. In 2002, KSA oil production dropped from eight million BPD to 6.8 million BPD. This led to reducing oil revenue for the kingdom to earned about 49.6 billion dollars from oil export, which is 17 percent less, than in 2001 (58 billion dollars).\textsuperscript{333}

In 2001, the kingdom’s GDP growth was about 1.3 percent, which is significantly less than expected before September 11, 2001.\textsuperscript{334} KSA’s economic growth has also rapidly declined compared with 2000 when it was supported by significant revenues from oil exports, and the country’s annual GDP growth was about 4.5 percent.\textsuperscript{335} The weakening economy of KSA has shown that the country needs significant economic growth to ensure the well-being of the fast-growing and young population of the country, which needs new jobs outside the public sector. For the fiscal year 2002, the kingdom experienced a budget deficit, which was about 12 billion dollars or 17 percent of GDP or implies a state

\textsuperscript{333}Ibid. pp 87-89.
\textsuperscript{335}Seifan, Samir & et al. The implications of falling oil prices for the exporting countries. [ tadaeiat nuzul asear alnaft ealaa albuldan almusadira].
treasury of almost 40 to 45 billion dollars.\textsuperscript{336} Due to the low costs of oil production in KSA that sometimes stays around one dollar per barrel of oil, Saudi American Bank indicated that the kingdom needs to produce about 8 million barrels per day of crude oil.\textsuperscript{337} Therefore to balance its budget, the kingdom can price its oil for almost 22 dollars per barrel, which is a relatively low price compare to any OPEC or non-OPEC members.\textsuperscript{338} Therefore, with any hard conditions regarding oil prices, the Kingdom of Saudi Arabia would not feel the deterioration of the economy. In addition to economic reforms, KSA also made little progress in another important area attracting foreign direct investment. Currently, the leaders of the market are large state corporations, such as Saudi Oil Company Aramco (a monopolist in the dynamically developing oil sector) and Saudi Base Basic Industries Corporation (SABIK, the leader of the industrial sector of the economy).\textsuperscript{339}

**Who Leads OPEC or the Oil Market in the Middle East?**

In addition to its significant economic impact, the Middle East oil market simultaneously has a vital regional and international political importance dimension due to the oil companies’ iron grip on the oil market of the world for over four decades that are responsible for an almost two-third market share of the total world’s oil. The US 2003 invasion of Iraq, 2011 Arab spring events, the rise of some conflicts in the region in the form of proxy wars or direct militarized conflicts, and the extensive engagement of the US, China, and Russia have changed the course of the events in the region to be extremely aggressive. But above all that the rivalry between KSA and IRI has maintained to be out of any direct militarized conflict, opposite to what has been expected or predicted by researchers. At the same time, due to its necessity, maintaining this rivalry is important for both parties to impose their leadership impacts throughout the region. Dominating the OPEC and the oil market is one of the mechanisms of KSA and

\begin{footnotesize}
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\item Jaffe, Amy Myers., & Ellass, Jareer. Saudi ARAMCO: National Flagship with Global Responsibilities.
\item Seifan, Samir & et al. The implications of falling oil prices for the exporting countries. [tadaeiat nuzul 'asear alnaft ealaa albuldan almusadira].
\item Ibid.
\item Ibid.
\end{itemize}
\end{footnotesize}
IRI’s rivalry. Due to its well-improved oil production infrastructure and low-cost production, the Kingdom of Saudi Arabia has become an inevitable leader to the OPEC and the oil market.

Even though KSA is the main player within the OPEC, sometimes does not manage to win the rest of the participants to their side. After the Arab spring in 2011, for example, KSA wanted the OPEC members to increase oil production to compensate for losses of Libyan oil due to unrest in the country, but IRI opposed the request and did not agree with the Saudis due to its satisfaction with the high prices. This was one of the events that made Saudis Ali al-Naimi, oil minister for Saudi Arabia, addressed the issue indicating that “We were unable to reach an agreement — this is one of the worst meetings we have ever had.”

Saudis where unhappy with this particular issue due to the US pressure on them “to deliver a credible deal to cap crude prices and underpin faltering economic growth.” While this was the time for IRI and Venezuela, in particular, to “politically opposed to the United States,” and “found enough support to block Riyadh.” This was a political venue for both rivals to challenge each other; as indicated by Katherine Spector, an analyst at CIBC World Markets “Saudi is the cartel member most interested in earning political ‘points’ with consuming countries, and maintaining its image as a reliable supplier of last resort,” while “Venezuela and Iran likely feel they have less to gain politically by increasing quotas as a symbolic gesture.”

Internally, KSA also faces austerity in revenue because of the kingdom’s continuous attempts to maintain the prices of oil at a low level to challenge Iran through surged production to replace IRI’s lost oil supply, at the same time to convince the US to enhance its economic sanctions on IRI. Therefore, the continuing decline in oil prices has imposed restrictions on the economy and raised questions about whether the royal family, which includes thousands of princes and princesses, will be able to maintain the

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341 Ibid
342 Ibid
343 Ibid
luxury of lifestyle and continue to tighten its grip on the public satisfaction simultaneously.\textsuperscript{344} Intending to diversify and transform the kingdom’s economy, which was initialized under the 2030 Vision project, Aramco decided to sell almost two percent from its share for around eight dollars. The company expected to raise 25 billion dollars at a price range of Aramco that was valued from 1.6 to 1.7 trillion dollars.\textsuperscript{345} This IPO was the largest in the history and the valuation of the company.

Another debate around the Aramco’s public offering is to respond to the huge deficit in the state budget and to provide spending for the royal family. In addition to other decisions by the government that included but were not limited to reducing public sector salaries, and eliminating subsidies, which led to higher prices for fuel, electricity, and water. The kingdom also began to suspend employment opportunities in the government sector.\textsuperscript{346} There is no doubt that uncertainties and challenges have faced publicizing Aramco’s shares are due to the instability of oil prices in the global market that highly impacts the willingness of the investors to replay or invest in the Saudi market. And issues relying on the security of the kingdom that regards to major crises outside the borders of the kingdom between the costly war in Yemen, the violence that is sweeping Syria, and its tensions with IRI, which was accused of drone attacks that hit Aramco’s oil production in September 2019. These attacks forced Riyadh to reduce oil production for almost 50 percent and it took weeks for the Saudi government to restore capacity perhaps questions its spare capacity.\textsuperscript{347}

In 2012, the Western and European powers imposed on IRI various economic sanctions because of its nuclear activities, in which its oil exports were limited from 2.3 million BPD to only one million

\textsuperscript{344} The royal family derives its wealth from the oil reserves discovered more than 75 years ago during the rule of King Salman's father, King Abdulaziz bin Saud. Oil sales provide billions of dollars annually in the form of financial allocations, rewarding jobs in the public sector, and other concessions that benefit royal family members. Currently, King Salman and his son the Crown Prince Muhammad bin Salman are responsible for managing the family’s business that is known informally as the “Al Saud Foundation”. Kulish, Nicholas. & Mazzetti, Mark. Saudi Royal Family Is Still Spending in an Age of Austerity. The New York Times. December 27, 2016. https://www.nytimes.com/2016/12/27/world/middleeast/saudi-royal-family-money.html Accessed on March 15, 2020.


\textsuperscript{346} Kulish, Nicholas. & Mazzetti, Mark. Saudi Royal Family Is Still Spending in an Age of Austerity.

\textsuperscript{347} Turak, Natasha. Saudi Aramco Prices Shares at Top of The Range, Valuing It At $1.7 Trillion.
This restriction put IRI’s economy into deep crisis such as reducing the budget deficit and increase the internal and external debt that combined with its involvement in costly regional conflicts. In addition to a high number of unemployment rates that exceeded eight million unemployed, and the problem of high prices that its citizens have been suffered for years. After JCPOA in January 2016 exporting Iranian oil was eased due to lifting the restrictions and economic sanctions on most of the exports. Therefore, Tehran pressured to make every effort to expand the markets for selling oil and gas abroad, and to find financial resources to help its economy. China, India, Japan, and South Korea are the largest importers of Iranian crude oil, respectively, as most Iranian crude oil exports are concentrated in Asia. Along with its endeavored to open new markets in neighboring countries and eastern European countries, and restored its lost markets in some African countries after lifting international sanctions.

Even though the Trump administration forms its early days started to threatening to withdraw from JCPOC, which he did withdraw his country on May 2018, the Iranian oil industry itself suffers from major internal and external issues including but not limited to: First, since the early days of JCPOA, the global price of oil started to fall by more than two-thirds during from the previous two and a half years that posed a major challenge to companies willing to enter IRI’s oil industry. Therefore, even if the US remains committed to JCPOA, it would be difficult to attract international companies to buy Iranian oil. In addition, increasing and exporting oil is based on demand within the market, which was not in the case of IRI due to existing a lot of products on the market at low prices. The low interests of international companies that suffered significant losses during the two and a half years before JCPOA due to low prices of oil made some of them lay off a large proportion of their workers to increase their profits.

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Second, unlike Riyadh, Tehran budgets harshly able to bear low oil prices for a long time due to low revenue.\textsuperscript{351} That is why on different occasions IRI pushes for low oil production to increase prices, but their requests usually face rejections from KSA even during OPEC meetings. While KSA affords low oil prices due to the availability of financial reserves that enable them to withstand longer periods while adhering to the government expenditure provisioning policies. Third, even JCPOA was signed, most of the international oil companies were reluctant to enter and invest in the Iranian oil market because of due safety and assurance of their work. Also, at the signing of the nuclear agreement, the sanctions were eased on IRI that did not mean complete lift therefore the country was still under some policy of surveillance and testing phase to fulfill its obligations regarding the nuclear program and ballistic weapons. In the event of non-commitment, full sanctions resume within 65 days from the date of Iran's breach of the terms of the agreement.\textsuperscript{352} Such circumstances create ambiguity about the future of oil contracts that international companies may sign with IRI, which are often long-term contracts and require decades-old obligations.

Finally, after the US withdrew from the nuclear agreement and imposed new economic sanctions on IRI, a new set of political and economic challenges again raised to face Iranian oil industry that is already in need of more than $ 500 billion investments over the next ten years to maintain, develop, and reconstruct it.\textsuperscript{353} This is especially complicated when on April 22, 2019, the US Secretary of State Mike Pompeo announced that the United States will not renew exemptions that previously allowed eight countries (China, Japan, South Korea, Taiwan, India, Turkey, Greece, and Italy) to purchase Iranian oil.\textsuperscript{354} Some of the countries granted exemptions, such as Italy and Taiwan, have fully complied with the new

\textsuperscript{351} Ibid.
\textsuperscript{353} Ibid.
\textsuperscript{354} Aslan, Murat. The Economic Consequences of The Us Withdrawal from The Nuclear Deal.
resolution, but on May 2, 2019, the resolution added some restriction that countries do not comply with the sanctions and continue to buy oil from IRI will be subject to the US economic sanctions.  

Therefore, sanctioning Iranian oil buyers deprives 40 percent of the regime’s revenues that come from oil sales that impact IRI’s internal governing and external role in the region. Some researchers argue that there is a noticeable decline in the IRI aggressive role in the region as it faces the risks of not being able to meet the financing of its proxies and the militias that fight on its behalf in Syria. In addition to the poor financial conditions that have begun to appear publicly for Hizballah and preventing IRI from obtaining to fund the group’s need. Aside from the repeated rhetoric and the recent Iranian threat to close the Strait of Hormuz, the expression of what Iranian Oil Minister Begin Zangana said in February 2019 that the US sanctions imposed on Tehran are more severe than the war that his country waged with Iraq for 8 years.

Accordingly, KSA has benefited from this state of hostility between the Trump Administration and IRI, and the sanctions have made the Saudis happy, as President Trump described, but at the same time cautious fearing from Tehran’s retaliation to KSA interest in the region. Therefore, the kingdom rather since the increased economic sanctions moves in a special position as a friend of America in the region. This explains the reasons behind Riyadh’s anger at the attempt of former US President Barack Obama to reach an agreement with IRI, due to any agreements between the US and IRI would undermine Saudis position in the region.

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How IRI and KSA Grow Together in The Oil Market

The history of IRI and KSA in the oil market is too long. Oil in IRI on one side was discovered in 1902 and began production in 1908, while in KSA the production was started in 1938. Since Saudi Arabia and Iran are not natural enemies or not natural allies, being the largest oil producer in the Middle East has enhanced both country’s attempts to challenge each other in the oil market.\(^{358}\) Despite their rivalry and competition in the oil market, both countries attempt to protect their interests in the region. Especially after the departure of the British military presence from the Persian Gulf in 1971, the US administration under Richard Nixon launched a new American foreign policy in the region, which is known as the Twin-Pillar strategy.\(^{359}\) A strategy that proposed no direct interference from the US and required a rapprochement between Iran and KSA to work together to guard the regional security and pumping oil revenue to the global market at a reasonable price was the main dimensions of the Twin-Pillar strategy.\(^{360}\) Although both parties plaid a significant role to implement the Twin-Pillar strategy, Iran at the time played the alleged role as the “regional police”, while KSA played an important, but not dominant, role to maintain the oil prices at a level that interested its allies especially the US.

To control the prices and production of oil, KSA and IRI delinquently participated in the OPEC establishment process. Before the 1979 Islamic Revolution in Iran and the aftermath of the assassination of King Faisal in 1975, the kingdom started a new approach of maintaining low oil prices.\(^{361}\) Therefore, the Shah of Iran sent a strongly worded message to the OPEC criticizing the low price of oil for many years, calling on OPEC members to agree to raise prices.\(^{362}\) The Shah expected Riyadh’s cooperation, but as the de facto leader of OPEC, KSA declared in December 1976 not to raise oil prices.\(^{363}\) Consequently, KSA was able to increase its market share while considering Western economic interests, especially the

\(^{360}\) Ibid. pp 39-41.
\(^{361}\) Vassiliev, Alexei. The History of Saudi Arabia.
\(^{363}\) Vassiliev, Alexei. The History of Saudi Arabia.
US. At the same time, the Shah was heavily dependent on rising oil prices to reduce the growing deficit in his country’s budget and maintain high military spending. But Iran's domestic sentiment has grown with the failure of the Shah's economic reform program to meet expectations for unpredictable earnings from oil revenues.

After the Islamic revolution, Iran’s strategic relations with the US were destroyed, and at the same time, its oil industry impacted. Saudis exploited this moment to prove and maintain their close ties with the West, especially with the US. For the Saudis, the Islamic revolution was a threat to national security. Iranian spiritual leaders led by Ayatollah Khomeini openly criticized the Saudi regime and called on Muslims to carry out revolutions in other countries, including KSA. To stop IRI’s revolutionary threat, KSA and other Gulf monarchies supported Saddam Hussein's regime during the Iran-Iraq war of 1980-1988, during which oil plaid a significant role. The total amount of financial assistance provided by Riyadh to Baghdad during the war years was $27.2 billion. In response, aggressive actions occurred between both parties such as Iranian attacks to Saudi oil tankers, and as a Saudi response, the kingdom brought down on different occasions Iranian fighters after they penetrated Saudi airspace.

After the war, both parties sought to improve relations, where the death of Khomeini in 1989, along with the Iraqi invasion of Kuwait in 1990, opened the doors of modest rapprochement between the two countries. Iranian President Akbar Hashemi Rafsanjani was eager to explore what regional cooperation could offer therefore negotiations achieved an increase of 300,000 barrels per day in Iranian production quotas. Although during the presidency of Ali Akbar Hashmi Rafsanjani and then followed by Muhammad Khatami as president in the 1990s coincided with the transfer of more power to the Saudi crown prince Abdullah, who was more supportive of cooperation with IRI, but oil polices remained one

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365 Ibid. p 36.
366 Ibid. p 49.
368 Ibid.
of the main concerns between both countries.\textsuperscript{369} Relations developed rapidly, with unprecedented visits by Khatami to Riyadh and a series of diplomatic exchanges. This improvement, which culminated in two agreements, was reflected in 1998 and 2001, respectively, the first related to a comprehensive and broad agreement, and the second revolved around a security matter.

When Ahmadinejad won the Iranian presidency in 2005, he promised to revive the ideological power of the first years of Khomeini’s revolution.\textsuperscript{370} This was evidenced not only in strengthening Iran's role in Iraq, but also in strengthening Tehran’s relationship with the Syrian government, Hizballah in Lebanon, and the Palestinian Hamas movement in the Gaza Strip. Ahmadinejad’s support for the Palestinian issue also highlighted the complacency of the Saudi role in an issue considered important in the Arab street. Attempts to rapprochement after the war were sometimes promising, but did not last long, and have been almost impossible since 2003, with the growth of sectarian strategies. IRI and KSA have founded sectarian advocates to be one of the effective tools in demarcating power borders across the region. It is widely known that proxy armed conflicts in Iraq, Syria, Yemen, and Lebanon, and the political uprisings in Egypt and Bahrain have support from IRI and KSA alike. Moreover, since the disclosure of Iran’s secret nuclear activities in 2002, the Saudis have feared long-term Iranian changes, along with Iran’s exceptional ability to attract countries of the region under its security umbrella. In response oil usually, a strong factor for Saudis because:

At the height of the tension between Saudi Arabia and Iran, the Saudis turned to oil production and revenue to balance against Iran. Using oil money, Saudi Arabia propped up allies to counter Iranian influence in the Levant. Following the 2006 war between Israel and Hizballah, Saudi Arabia transferred $1 billion to the Lebanese Central Bank and provided an additional $500 million to support the reconstruction effort. Albeit much less than the Saudi Arabia pledge, Iran also donated $120 million to be spent on schools, clinics, and bridges in the Shia surroundings of Beirut. Similarly, Iran aligned with Hamas, while Saudi Arabia supported the Palestinian Authority (PA). To shore up support for the Palestinian Authority and counter the popularity of Hamas, Saudi money flowed into the coffer of the PA. in 2009, Saudi Arabia donated $1.1 billion to pay salaries of PA employees and security officers.\textsuperscript{371}

\textsuperscript{369} Ibid.
The Impacts of Oil on Internal Politics

Despite the extensive role of oil to fund and proved the expenses of the rivalry between both parties, internal oil revenue also plays a significant role in suppressing internal dissenting voices in IRI and KSA. for the development of the country. The internal political structure of both countries is different since Saudi Arabia is ruled by the family of King Saud while Iran has a hierarchic political system with the role of religious clerics. In addition to the role of the Supreme Leader that his unlimited power and authority that surpasses the president of Iran. Although both countries invest their oil revenue on infrastructure, defense, and socio-economic development, the financial assets available from oil are largely used to support and strengthen security and intelligence institutions, as well as it invests to recruit and acquisition the loyalty of thousands of young civilians to monitor and arrest those who believe to have different political opinions than the general framework of state politics. Human Rights Watch’s reports always raise concerns regarding freedom, civil rights, and minorities’ political rights in IRI and KSA.

In the Islamic Republic of Iran, for example, there are a few agencies that have controls over the oil industry and extensively they exploit oil revenues to submit their influences into the statecrafts. 

_Bonyads or Foundations_ are one of the strongest economic platforms in IRI founded as royal foundations during Shah Mohammad Reza Pahlavi's authority. The main goal of Bonyads was to provide economic subsidies to keep Shah in power, but also beyond that the Foundations provided humanitarian aid to people in need. Some analysts argue that during the Shah power, _Bonyads_ were mostly like a secretive conglomerate that charitable foundation that most of their charity have poorly functioned and there were not any real charitable trusts. They mostly focused on growing their economic capabilities in different sectors, first, to provide economic goods for Shah, and second, to keep him in power. For example, one of the _Bonyad_ investments during the Shah era was housing and property developments in the Kish Island.

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resort. And most of these businesses were oriented and dominated by the upper and middle class. In addition to their economic engagements, *Bonyads* play a significant role in shaping the policies of the government in favor of Shah, in the meantime, they had control and domination over the political system. Also, *Bonyads* criticized obtaining huge subsidies and resources from the government, “while siphoning off production to the lucrative black market and providing limited and inadequate charity to the poor.”

Shortly after the 1979 Islamic revolution, *Bonyads* nationalized under the control of the Supreme Leader as para-governmental organizations. Ayatollah Khomeini, in a letter to the Revolutionary Council, directed that “all of the Shah’s and royal family’s liquid assets should be deposited in the banks in the name of Revolutionary Council.” He directly forced the revolutionary committees throughout Iran to implement this injunction and called all Shah remains and inheritance assets spoil or it is known in Islam Ghanimah. Accordingly, all the assets are dominated and controlled by revolutionary leaders separately from state properties. A similar goal established for *Bonyads* which is backing the Ayatollah's regime in Iran, but their financial resources and economic networks greatly expanded. After the Islamic revolution, these foundations have operated hundreds of companies and according to some estimates, are allocated over half of the state budget and account for as much as 40 percent of Iran’s economy. *Bonyads" confiscated billions of dollars in assets of the former royal family, banks, and ordinary homeowners," and “they even confiscated the personal belongings of some American diplomats seized as hostages in

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376 Ghanimah, in the early Islamic community (7th century AD), booty or spoils taken in battle in the form of weapons, horses, prisoners, and movable goods. Also, it is items subject to the Islamic wealth. In pre-Islamic Bedouin society, where the Ghazw (razzia, or raid) was a way of life and a point of honor. Ghanimah helped provide the material means of existence. After the leader of the Ghazw received a fourth or a fifth of the booty, the rest was divided among the raiders according to tribal precedents. For more detail: Encyclopedia Britannica. *Ghanimah.* July 20, 1998. https://www.britannica.com/topic/ghanimah Accessed on July 28, 2019.
Besides, “they took control of assets confiscated after the revolution from wealthy Iranians and the Pahlavi Foundation.”

Bonyads play a significant role in customizing and determining the Islamic Republic's domestic and foreign policy in favor of the Supreme Leader and Ayatollahs. And they are among the biggest and strongest economic platforms and complexes in the Middle East. There are tens of organizations fund financially from Foundations. These organizations cover and control different areas including but not limited to oppressed, housing, refugees, victims of war, Islamic shrines, Islamic propaganda, and cinema and theater in Iran. Most of the individuals within these organizations are “fiefs of powerful clerics, and their size crowds out smaller private competitors who might be more efficient, even as their corruption fuels resentment.”

Bonyads control a large part of economic activities including the oil and gas sector. These organizations are not subject to official control as the most important political leaders or former and current officials in the government are the ones who supervise the agencies within Foundations. That is why they enjoy real exemption from taxes and customs, they have access to preferential foreign loans and exchanges, and legal protection from private-sector competition. Some Bonyads have managed to establish real monopolies in the import and distribution of a large number of goods and power to most of the Iranian presidents while they are in power. Bonyads exploit “external threats to justify secrecy about those revenues, are tightening their control over the [oil] sector.”

“This undermines the already extremely limited ability of parliamentarians, media, and civil society to monitor and to hold the government to account.”

381 Sciolino, Elaine. *Persian Mirrors the Elusive Face of Iran.* P. 326
384 Ibid.
Another influential group in Iran is the Iranian Revolutionary Guard Corps (IRGC) that has also a large share of the oil and gas industry in IRI. Perhaps the return to the circumstances in which the IRGC was established in the wake of the 1979 Islamic Revolution, the group was made based on a decision by Imam Ayatollah Khomeini. The IRGC transformed by internal and external challenges from a revolutionary group into one of Iran's most powerful institutions with military, economic, and political influence at home and abroad. Although, on April 8, 2019, based on an unprecedented step the US Department of State recognizes “Iran’s Islamic Revolutionary Guard Corps (IRGC), including its Quds Force, as a Foreign Terrorist Organization (FTO) under Section 219 of the Immigration and Nationality Act,” there is a collective consensus among the Iranian government to support the Revolutionary Guards concerning the American move and considered that the United States is playing with the “lion’s tail”.

After the Iran-Iraq war, IRGC's economic strength has increased, and become one of the main contractors on the oil and gas industry. During Ahmadinejad’s presidency of the IRGC powerful man Maj. Gen., Rostam Qassemi becomes an oil minister, “bringing the number of former IRGC officers in the cabinet to 12 out of 18.” Not only that but:

In an unintended consequence, international sanctions have strengthened the IRGC’s economic power, as few foreign firms risk investing in the country and as the IRGC marginalizes the domestic private sector. In 2011, a senior oil ministry official, Mahdi Fakoor, announced that the IRGC’s key subsidiary, Khatam-al-Anbia, would develop two gas fields in the south of the country without tender. According to the BBC, the oil ministry in 2011 awarded projects valued at $21 billion in the South Pars gas field to domestic firms, with the IRGC taking more than half. The Revolutionary Guards are also involved in oil and gas transmission pipelines. For example, early in President Ahmadinejad's first term, the IRGC was awarded a gas pipeline project worth $1.3

385 The memoirs of Javad Mansouri, the first commander of the Revolutionary Guard, can be traced back to the political and social circumstances that accompanied the emergence of IRGC. Mansouri states that looking back to the ground where the Revolutionary Guard established, shows that a state of political controversy accompanied its emergence. Regarding to the name of the group, where some suggested that to be National Guard, but it was rejected with a preferable name “Revolutionary Guards. Ayatollah Khomeini preferred to keep that name because he wanted to give the group a religious and revolutionary legitimacy.” Mansouri, Javad. *Memoirs of Diplomats: Memories of Javad Mansouri.* [Khatirat Diplimat Ha: Khatirat Jawad Mansouri]. (Tehran: Surah-i Mihr; 2015). Pp 30-43.


387 Heuty, Antoine. *Iran’s Oil and Gas Management.*
billion. In 2009, the Revolutionary Guards won contracts for road, dam, oil, and gas projects worth $15 billion.\textsuperscript{388}

Meanwhile, in the Kingdom of Saudi Arabia the massive oil revenue sustenance the government long and impressive investment to maintain the expenditure of Al Saud’s five thousand princes and princesses and the loyalty of Wahhabis clergies, and suppress any possible opposition by the Shia minority that is situated at Al-Ahsa oil-rich province. But it has been complicated recently for Al Saud to maintain the expenses of the kingdom due to oil prices drop, increasing in the number of the Saudi population, and increasing the expenses of the Al Saud itself. According to experts, this has not impacted the family benefits because oil revenues still provide billions of dollars annually in the form of financial allocations, rewarding jobs in the public sector, and other concessions that benefit royal family members. Prince Khalid bin Farhan Al Saud, who is a Saudi dissident from the royal family that resides in Germany, said “The general public has less money now than before, while the royal family expenses have not been affected.”\textsuperscript{389} This situation has angered the public in the kingdom and more specifically angered the Shia minority in the Eastern region. From its foundation, the kingdom faces unrest and uprisings among the Shia minority due to the lack of integration from the Saudi government and discrimination against them.

Although attempts to contain the Shia minority in KSA began before the official establishment of the kingdom by King Abdelaziz Al Saud, but these attempts put into practice inclusively around the 1980s, when Shia leaders and clerics activities represented attempts to reconcile, participate in elections, work in civil society, and dialogue with the reformists among the Al Saud authority.\textsuperscript{390} These activities had no impacts until 1993 when after a meeting held between King Fahd with four Shia leaders in the Kingdom led to a deal included freezing all Shia opposition activities in exchange for government funding and improvement to the Al Asha region, allowing Shai activists return from exile and the release

\textsuperscript{388} Ibid.
of Shiite political detainees.\textsuperscript{391} Then in 2003, the Shias in the KSA submitted a petition titled “Partners in the Homeland” calling for the necessity of achieving full citizenship, recognizing the rights of the Shia community, equality among all Saudis people, and ending all forms of sectarian incitement and political violence against them.\textsuperscript{392}

In 2005, King Abdullah attempted to adopt initiatives that directed to tranquil sectarian divisions, state of openness for the Shias, establishing national dialogue sessions that took the initiative to recognize sectarian diversity in the kingdom, and Shiites participated in municipal elections, but the king’s initiatives have remained only as promises.\textsuperscript{393} Therefore, even before the Arab Spring, Shia activists remained active to express their anger. But the Arab Spring sparked its impact on the kingdom, especially among the Shia were protests erupted in KSA, igniting their youth demanding radical political changes under the name of nostalgic revolution. The Saudi authorities responded to the situation in two ways; first, through a violent attempted to contain the uprisings. Second, by distributing economic subsidies where King Abdullah spent 130 billion dollars in salaries and social programs to keep the country out of any uprisings. This was also considered a revival of the age of his father who was distributing gold coins to his subjects, albeit this time on a larger scale.

The Shia oil-rich province or Eastern Province consists of the biggest oil field in the world known as Al-Ghawar with a measurement of 179 miles long and 19 miles wide.\textsuperscript{394} Al-Ghawar produces more than half of the oil production in the kingdom. Saudi Aramco owns and operates the Ghawar oil field completely and there is relatively little information on the field due to the Saudi government’s abstain on performance and production data to suppress the Shia minority outcry in the region.\textsuperscript{395} Shia locals, religious clerics, and civil rights activists in the region accuse the Saudi government of discriminating their civil rights and slow economic growth in their region. Not only that but instead of benefiting from

\textsuperscript{391} Ibid.
\textsuperscript{393} Ibid.
\textsuperscript{395} Ibid.
oil revenues, the government invests oil to aggressively target their leaders in the region. In fact, after the Arab Spring, the sentenced many Shia leaders in the country including the prominent opposition Shiite cleric, Nimr Baqir al-Nimr. Then in early January 2016, the Saudi authorities executed al-Nimr with 47 other people convicted of them as terrorists and their links to al-Qaeda. This execution sparked a wave of external protests inside the kingdom and major protests that resulted in armed confrontations between some Shiites and the security services.

Mohammed bin Salman’s vision is perhaps based on containing the Shia in Saudi Arabia through building a new line of rapprochement and trust. In an interview with The Atlantic in April 2018 Mohammed bin Salman, or well known as MbS, stated that “the Shia in Saudi Arabia enjoy a normal life and there are no problems with the Shia sect, pointing out that the problem of Saudi Arabia is with the ideology of the Iranian regime, our problem is that we do not think they have the right to interfere in our affairs.” He also added the Saudi government attempts to diversify the cabinet, therefore “you will find Shiites in the cabinet, and you will find Shiites in the government, just as the most important university in Saudi Arabia is headed by Shiites, so we believe that we have a mix of schools and Islamic sects.”

Finally, in both counties, oil is a significant capital that has been implemented to maintain a powerful censorship system through different intelligence and security agencies to ensure that all opposition voices or free voices are repressed and pursued through different constraints. The Kurds in the west and the Sunni minority in the south in addition to other minorities in IRI are suffering from discrimination that includes but is not limited to discriminating their civil rights, education rights, housing rights, cultural and religious rights. A report from Amnesty International in 2008 indicates that “the deep-

396 “Al-Nimr was considered one of the Shia leaders opposing the Saudi government that erupted in the eastern region in 2011. He raised slogans calling for the end to the reality of marginalization in which the Shia minority live in KSA. He was also known for his critical speeches criticizing the Saudi regime of corrupting the Islamic system and oil revenues in the country. BBC. *Sheikh Nimr Al-Nimr: Saudi Arabia Executes Top Shia Cleric.* January 2, 2016. https://www.bbc.com/news/world-middle-east-35213244 Accessed on July 2, 2019.

397 Ibid.


399 Ibid.
rooted discrimination against Kurds has given rise to generations of activists calling for greater respect for minorities and better protection of the human rights of all Iranians."\textsuperscript{400} The report also added that:

A key moment for Kurdish activists in recent times was in July 2005, when Iranian security officials shot dead Kurdish opposition leader Shawan Qaderi and two other men in Mahabad. The security forces tied Shawan Qaderi’s body to a jeep and dragged the corpse through the streets. This sparked violent protests that shattered years of relative peace in Kurdistan. The protests also marked the start of a new wave of state repression against Kurds in which those who spoke up for Kurdish rights were targeted.\textsuperscript{401}

Similar discrimination against other minorities inclusively describes the common violation of human rights against minorities in IRI. In its report in 1997, Human Rights Watch mentions sizable discriminations against all minorities in the country. The report indicates that “the situation of religious and ethnic minorities is a neglected aspect of the human rights picture in Iran. Except for the persecution of the Baha'i religious minority, little has been written about human rights problems experienced by minorities. Yet, as this report shows, ethnic and religious differences underlie some of the most persistent and serious human rights problems in Iran today.”\textsuperscript{402} The report also adds that “Gathering information about the situation in parts of Iran that are particularly inaccessible to the international media and human rights researchers, such as the Kurdish region of the northwest of the Baluchi region of the southeast, presented particular problems.”\textsuperscript{403}

In his article, The Authoritarian Threat: The Hijacking of “Soft Power”, Christopher Walker indicated that these type of regimes, KSA and IRI for example, invest their political and economic capability to improve their censorship over media and NGOs platform to submit the government political interests. Not only that but these authoritarian regimes also attempt through “authoritarian toolkit enables illiberal regimes to project their influence into the democratic space in a variety of ways.”\textsuperscript{404} At the same

\textsuperscript{401} Ibid.
\textsuperscript{403} Ibid.
time, “authoritarian regimes have become adept at muffling from the democracies. Over time, Western universities, think tanks, and media and technology companies operating in China, Russia, Saudi Arabia, and [Iran for example] have become more integrated commercially with these authoritarian systems.” … “This has sometimes enabled these regimes to coopt their Western partners and induce self-censorship, thereby resetting norms of free expression through what is essentially economic coercion.”\(^405\) Also, this sometimes has led the Western democratic world to be silent upon some reckless acts and committed crimes.

The assassination and dismantling the body of the Saudi journalist Jamal Khashoggi on October 2\(^{nd}\), 2018 at the Saudi consulate in Istanbul, for example, internationally condemned but did not impact the Saudi strategic and diplomatic relations. Even though, “according to US media reports, the CIA - whose boss, Gina Haspel, has heard the consulate audio recordings - concluded that Prince Mohammed ordered Khashoggi's killing,”\(^406\) but, “Mr. Trump denied that.”\(^407\) Although, President Donald Trump described the act “as the worst cover-up in history,”\(^408\) he defended the importance of the US strategic and diplomatic relations with KSA as a key trading partner. The international condemns consisted of the cancelation of a few arm deals sale with the kingdom from some European countries such as Germany, Finland, and Denmark. In addition to “the US, Canada, France, and the UK all levied sanctions against 18 Saudis allegedly linked to the killing. The Saudi crown prince was not among them.”\(^409\)

A similar situation induced to a reckless assassination against the Iranian Kurdish politician Abdul Rahman Ghassemlo on July 13, 1989, by some Islamic Republic secret agency in Vienna.\(^410\) Although, some “pressures from Western countries, the Iranian government had to stop its assassination

\(^{405}\) Ibid.
\(^{407}\) Ibid.
\(^{409}\) BBC. *Jamal Khashoggi: All you need to know about Saudi journalist's death*.
\(^{410}\) Carol, Steven. *Understanding the Volatile and Dangerous Middle East: A Comprehensive Analysis*. (Bloomington: iUniverse, 2019).
plots against its opponents in the diaspora. However, recent reports confirm that Iran’s government has again returned to its previous trend of physically eliminating its opponents outside its borders.”

**The Aggressiveness of Oil Foreign Politics of IRI vs. KSA**

It is important to investigate the impacts of oil revenues into fueling the rivalry between IRI and KSA, especially looking at the role of oil from a foreign policy perspective for both parties. Despite an inclusive discussion in chapter four about the role of proxy groups in the rivalry between IRI and KSA and respective support from both parties towards their proxies in the region, this section defines how has oil revenue invested into foreign politics to challenge each other in the region? The foreign politics of oil for IRI and KSA are the same and both parties attempt to increase their control over the Middle East and the Muslim World. Oil is one of the main sources that are accountable to make the IRI and KSA act aggressively and challenge each other in the region. In other words, to implement their influences in the region, both countries have invested a massive amount of oil revenue supporting their proxies, building mosques, Islamic madrasas, publications that praise their brands of Islam.

There is no doubt oil is combined with other factors that are jointly responsible for aggressive actions and reactions throughout the history of the region. In the case of IRI, for example, “the combination of oil income and revolutionary politics created conditions for a sharp increase in the state’s aggressiveness.” This has created the bases for oil to support their actions, Iran-Iraq war, for example, made the Saudi government at the time to support Iraq financially that hundreds of millions of dollars flew from KSA to Iraq. The basis of the contradictions between Riyadh and Tehran is a whole range of factors. Each country claims leadership in the Muslim world and each country has its own opinion on the optimal regional order.

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The religious and ethnic differences, as well as historical rivalry, are important. Another aspect that exacerbates bilateral relations is the fundamental differences in the organization of constitutional legal systems. The Saudi-Iranian relations always seem dynamics in the field of security in the twenty and twenty-one century. An analysis of the current contradictions in the Iranian-Saudi relations cannot be complete without taking into account the causes of these trends. Saudi-Iranian diplomatic relations were established in 1929, following the signing of the Saudi-Iranian Friendship Treaty.\textsuperscript{413} In the 1960s, Shah Reza Pahlavi supported King Faisal’s activities aimed at strengthening Islamic solidarity and assisted in the creation of multilateral nongovernmental Islamic organizations i.e. The Organization of the World Islamic Congress, the World Muslim League, and the Organization of the Islamic Conference.\textsuperscript{414} Oil here significantly has played its role to expand both side’s influences on the member countries within the mentioned organization. Therefore, these institutions are among the key mechanisms used by KSA, more specifically, to extrapolate their “soft power” in dozens of countries around the world, including in the framework of competition with IRI. In 1968, an agreement was signed between the countries on the demarcation of the sea border, which led to a significant improvement in bilateral relations.\textsuperscript{415} The period from 1968 to 1979 was the most placid in the entire history of the Saudi-Iranian interaction, despite the presence of disagreement and opposition.\textsuperscript{416}

After the Islamic revolution in Iran, the courses of relationships have changed dramatically. During the Iran-Iraq war in 1979, KSA’s oil revenue actively engaged in the war by supporting Saddam within the course of the war. The same decade, as MbS in his interview with The Atlantic, indicated that his country alongside with US and Egypt vigorously provided financial support to Muslim Brotherhood Movement to fight communist ideas in the region.\textsuperscript{417} In addition to the Saudi funds to Islamic Madrassas

\textsuperscript{413} Keynoush, Banafsheh. \textit{Saudi Arabia and Iran: Friends or Foes?} Pp 53-55.
\textsuperscript{414} Ibid. pp 67-70.
\textsuperscript{415} Ibid. pp 73-77.
\textsuperscript{416} Ibid. pp 85-89
\textsuperscript{417} Goldberg, Jeffrey. Saudi Crown Prince: Iran's Supreme Leader 'Makes Hitler Look Good.
around the globe to propose their version of Islam to confront deter the Iranian Islamic revolution slogans and ideology.

Then after the Arab Spring events, Saudi Arabia’s foreign policy has become much more active. Moreover, in recent years the Kingdom has repeatedly been involved in conflicts outside its borders in Bahrain, Yemen, Syria, Iraq, and Lebanon. In 2011, at the invitation of the leadership of Bahrain, Saudi Arabia’s army units were brought into that country to counter the Shia uprisings in the country. After the Kingdom failed to prevent the completion of negotiations on the Iranian nuclear program in 2015, Riyadh attempted to thwart the normalization of relations between the US and Tehran. The same year, KSA announced the Arab Coalition, or also known The Saudi-led Intervention in Yemen. The kingdom took part in a conflict with the Houthis to prevent the strengthening of this group, which already at that time received Iranian support. Millions of dollars have been spent, yet the Houthis commit strongly to their ideology and their fighting.

While IRI on the other hand, to implement its long-term strategy of “exporting the revolution” explicitly provides financial supports to Hizballah in Lebanon, Iraqi Shia opposition groups such as the Supreme Council of Islamic Revolution in Iraq and the Mahdi Army, Bashar Assad regime, Houthi rebel in Yemen, in addition to other paramilitary and proxy groups in the region. In its report, the US Department of the Treasury the U.S. Department of the Treasury’s Office in 2018 designated “nine targets in an international network through which the Iranian regime, working with Russian companies, provides millions of barrels of oil to the Syrian government. The Assad regime, in turn, facilitates the movement of hundreds of millions of U.S. dollars (USD) to the Islamic Revolutionary Guard Corps-Qods Force (IRGC-QF) for onward transfer to HAMAS and Hizballah.”

A report by Reuters indicates that “Iran’s financial and military support for Shi’ite proxy paramilitary groups in Iraq, a linchpin of its regional foreign policy, has been dramatically disrupted by

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the coronavirus pandemic and U.S. sanctions."\(^{419}\) The report also adds that “Iran has reduced its monthly payments to each of the four top militia groups in Iraq to between $2 million and $3 million from $4.5 million to $5 million.”\(^{420}\) Despite the world powers attempts to deter IRI’s goal, “Iran’s increasing efforts to develop nuclear weapons over the last two decades, in the face of widespread international condemnation, magnify the perception of Iran as an aggressive state.”\(^{421}\)

Although providing financial support to their proxies will continue through oil revenue to expand external influence in the region, it seems neither Tehran nor Riyadh interested in any direct military clash. On October 17, 2015, Iranian Foreign Minister Muhammad Javad Zarif said his country would be willing to sit down to discuss regional issues with Saudi Arabia, he added that “the ministry of foreign affairs is always ready to cooperate with our neighbors for the security of the region and we have announced this position officially.”\(^{422}\) At the same time, the crown prince of KSA, Muhammad Bin Salman, in an interview with The Economist in January 2016, stressed that his country does not seek war with Iran. He stated that “it is something that we do not foresee at all, and whoever is pushing towards that is somebody who is not in their right mind. Because a war between Saudi Arabia and Iran is the beginning of a major catastrophe in the region, and it will reflect very strongly on the rest of the world.”\(^{423}\)


\(^{420}\) Ibid.

\(^{421}\) Colgan, Jeff. Petro-Aggression: When Oil Causes War. P. 155.


The Kingdom of Saudi Arabia’s Spare Capacity

Despite some new versions of technological and systematic sources of threat and violence, recent drone attacks against Aramco oil plant, for example, KSA still the world's largest oil producer. This addition to its position in terms of oil reserves in the world, which is the world's second-largest proven reserves after Venezuela. The capacity of proven oil reserves of KSA is 268.3 billion barrels and estimated that their reserves are 16.2% of the total oil reserves of the world. This provides a smooth and elastic production capability that enables the kingdom to add two million barrels into their oil production in a matter of days, thereby this brings economic and political leverage for the kingdom’s strategic standing within the region and global oil market. Not to mention “the relatively low cost of developing these reserves, its stable investment environment, and a competent national oil company that has a strong record in executing megaprojects, there are no technical, financial, or geopolitical barriers that would prevent the Kingdom from increasing its productive capacity above the stated current level of 12.5 million BPD.”

Therefore, KSA’s spare capacity is leveraging its position as a swing state to replace some countries' oil production in the oil global market. In addition to low oil prices combining the increase in production to the highest rate is one of the best weapons for Riyadh to challenge Tehran due to their sufficient financial reserves to maintain their position. By contrast, due to the lack of financial flexibility, Tehran desperately needs to raise oil prices and decrease production. This is one of the one of Saudi’s tactic to curb IRI within oil regional and global market.

Its spare capacity and can efficiently stabilize the oil market, therefore KSA is considered the only swing producer of the world because of its flexibility to increase oil production efficiently and fulfill

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424 “Spare capacity is a state’s capability to bring oil onto the market in quick fashion” Yetiv, Steven A. Myths of the Oil Boom American National Security in a Global Energy Market. P. 70.
the growing demand of the world. After the drone attacks on September 14, 2019, for example, the Saudi Aramco oil industry lost 5.7 million BPD but soon was able to restore its oil production.\textsuperscript{427} The king praised Aramco’s capability to meet the global oil demand even though there is a shortage of product. After the attack, King Selman condemned the action and blaming IRI for it, he also called the international community “to stop Tehran’s nuclear and ballistic missile programs and halt regional intervention,” he also added that “chaos and destruction generated by Iran,” brings aggressiveness and instability to the region.\textsuperscript{428} Also, the US Secretary condemned the attack and blamed IRI “saying there was no evidence they came from Yemen.”\textsuperscript{429} He added also “Tehran is behind 100 attacks on Saudi Arabia.”\textsuperscript{430}

For the last two decades, the kingdom’s oil production is almost between nine to eleven million BPD, including almost seven to eight million BPD for export and three to four for local consumption. Studies indicate that “domestic consumption is on the rise as per Saudi Aramco’s estimated.”\textsuperscript{431} In fact, “it is believed that by 2030, local demand is likely to increase to around 8.2 million barrels per day,”\textsuperscript{432} therefore, “several studies conclude that Saudi Arabia could be a net importer of oil before its centennial anniversary in 2032.”\textsuperscript{433} This has energized the Saudis to raise their confidence to replace the Iranians from the oil market. Hence, Jaffe and Elass argue that:

The kingdom’s spare oil production capacity and ability to increase production capacity have become subject to debate over the years, but most analysts agree that the kingdom can raise output to over 10 to 10.7 million b/d on a sustainable basis at present, with surge capacity to 11 million b/d and is working to expand this capability over the coming

\textsuperscript{427} BBC. \textit{Saudi Arabia Oil and Gas Production Reduced by Drone Strikes}.
\textsuperscript{429} BBC. \textit{Saudi Arabia Oil and Gas Production Reduced by Drone Strikes}.
\textsuperscript{430} Ibid.
years. Saudi Aramco has stated that it is “easily capable” of producing up to 15 million b/d in the future and maintaining that production level for 50 years.\footnote{Jaffe, Amy Myers., & Elass, Jareer. Saudi ARAMCO: National Flagship with Global Responsibilities.} Part of the impetus for this emphasis on upstream expansion lies in the kingdom’s requirements for spare capacity as it pursues a global and regional leadership role at a time of conflict and instability in the Persian Gulf. Some Saudi analysts have suggested that it is important to the kingdom to be able to replace Iranian oil exports, should an international conflict with Tehran result in a loss of oil to the market. Saudi analyst Nawaf Al-Obaid, who was formerly the Managing Director of the Saudi National Security Assessment Project, published an article “Saudi Arabia’s Strategic Energy Initiative” which asserts that Saudi Arabia will be able to replace all of Iran’s exported oil, if necessary. “Saudi Arabia not only has a strategic interest in reigning in Iran, but it is well-positioned to do so. With the price of oil at a high, the kingdom’s influence as the world’s central banker of energy is at its apex, making it the economic powerhouse of the Middle East.”\footnote{Ibid.}

On the other hand, the Saudi oil industry also faces some internal challenges due to the MbS’s goal to diversify the resources of the economy through his 2030 Vision project, thereby the allocated money for this project is expected to be 550 billion dollars. In addition to the existence of the budget deficit that spiked from 4.5 percent of GDP in 2019 to over 15 percent in 2020, roughly from 40 to 100 billion dollars.\footnote{Al-Khatteeb, Luay. Saudi Arabia’s Economic Time Bomb.} On the other hand, the kingdom externally faces the costly ongoing war in Yemen the estimated cost is about 100 million dollars.\footnote{Ibid.} Therefore, the aforementioned factors may change the trajectory of what is known as the spare capacity of the kingdom in the coming years. Perhaps it is not early to predict that the Saudi spare capacity has lost its political impacts due to unprecedented global events, such as the outbreak of COVID-19, which reduced oil prices to almost one dollar per barrel.

\footnote{“Writes Al-Obaid, “…if Iran responds to UN-imposed sanctions by cutting its oil exports – which its foreign minister implicitly threatened to do this month when he said that the ‘first consequences of these sanctions would be an increase in the price of oil to around $200 per barrel’ –the impact won’t be as severe as many think. In fact, the Kingdom has largely succeeded in achieving this goal (to be able to replace Iranian exports).” See http://www.saudi-us-relations.org. Later, Al-Obaid wrote in a controversial Washington Post Op Ed: “(King) Abdullah may decide to strangle Iranian funding of the militias through oil policy. If Saudi Arabia boosted production and cut the price of oil in half, the kingdom could still finance its current spending. But it would be devastating to Iran, which is facing economic difficulties even with today's high prices. The result would be to limit Tehran's ability to continue funneling hundreds of millions each year to Shiite militias in Iraq and elsewhere.” Ibid.}
Conclusions

Although, in her recently published book, *The Oil Wars Myth: Petroleum and the Causes of International Conflict*, Emily Meierding argues that countries do not go to war to dominate or invade oil resources within other nation’s border, at the same time she admits the exceptional economic a military values of oil as one of the strategic commodity in the world.\(^{438}\) She admits that “petroleum resources are also vital to the countries that produce them. If their oil disappeared, states like Saudi Arabia, [Iran], Russia, and Venezuela would lose a crucial revenue stream.”\(^{439}\) She also adds that on any occasion of losing oil resources would lead countries “to no longer be able to balance their budgets and maintain social spending, inviting popular discontent.”\(^{440}\) Despite Meierding argument “that countries avoid classic oil war,”\(^{441}\) this study indicates that oil is one of the elements that heavily engaged in providing financial resources for IRI and KSA’s rivalry.

There have not been any forms of threats to invade oil fields between IRI and KSA despite the sentiments that obsessed with fears ‘exporting the revolution’ that Khomeini raised its slogan from the early days of the Islamic revolution. In fact, within the case of IRI and KSA’s rivalry, oil positioning itself as a significant tool that has been invested from the early days of the Islamic Revolution to fuel the rivalry between both parties. The natural wanted ongoing rivalry between IRI and KSA at a level that does not deteriorate to any possible direct military conflict is nonetheless one of several phenomena that direct the hostility to the rivalry of necessity. Therefore, the term *Rivalry of Necessity* is synthesized in this study to determine the impact of the most important factors on the enmity between IRI and KSA since the success of the Islamic revolution in Iran. To do so, the first proposed hypothesis indicates that although KSA plays a significant role in countering and challenging IRI within the oil market, it requires Riyadh's additional efforts to meet its internal expenditure and foreign expenses to challenge and deter Tehran’s hegemony in the region.

\(^{438}\) Meierding, Emily. *The Oil Wars Myth: Petroleum and the Causes of International Conflict.*
\(^{439}\) Ibid.
\(^{440}\) Ibid.
\(^{441}\) Ibid.
Based on the evidence that is characterized throughout the chapter, KSA’s well situated and improved oil industry that consists of nine to eleven million BPD of oil production in addition to almost one to two million BPD of spare capacity provides the economic and strategic capability to the kingdom. In addition to its smooth tactic, as indicated by Jaffé and Elass, the kingdom can increase its oil production in a matter of days to meet the needs of the global oil market. The oil infrastructure in KSA is unique which can swiftly adjust the output of oil and to meet the fluctuations of demand in the global market, therefore it is considered as the most reliable oil supplier in the world. To maintain this superiority, KSA strongly focuses on the infrastructure of oil and invested a huge of its oil revenue each year to improve its production even prices getting low or high, therefore this capacity overcomes any crisis by boosting oil production.  

Although the kingdom possesses massive oil revenue, oil makes 80 to 90 percent of its national budget and GDP, which then has to be divide into various sectors that include the expenses of public salary and subsidies, royal family, Wahhabis institutions (include Imams, clerics, mosques inside the kingdom and throughout the Islamic world). In addition to external expenses of the kingdom’s foreign policy to challenge IRI and its proxies’ threats in the region. And finally, the uncertain or ambiguous future oil’s value as one of the most strategic commodities that may change due to the rise of renewable energy, unprecedented challenges, and pandemics such as the outbreak of COVID-19.

IRI for its side, third oil producer within OPEC-which is roughly around three million BPD, oil makes 60 to 80 percent of its national budget and GDP, faces a lot of challenges includes but not limited the heavy economic sanctions that impacted the internal financial capability of the government, in addition to the rise of its foreign policy expenses that includes but not limited to the financial support of a wide range of Iran’s proxies in the region. Meanwhile, IRI always reassures and emphasizes its strong foreign policy to maintain the Islamic Republic’s security and national interests throughout the region.

The Arab Spring events in 2011 raised the price of oil from almost 95 to 125 dollars per barrel not only because of Libyan oil suspension to the global market but because of the political changes and geostrategic unrest in the Middle East that carried important implications for the international oil market. While the outbreak of COVID-19 plunged the price of oil from almost 50 to zero dollars for a few days in March 2020, and also it has brought uncertainties to the future of the oil market that may be questioning the strategic phenomenon of the oil producers in the future. According to the discussed evidenced-based study, the proposed hypothesis of the research proves at least for now as a swing oil producer KSA is capable to alter the global oil market to its favor and countering the expected shortage of Iranian oil in the global market. Meanwhile, it is concluded that both KSA and IRI are the dominant players of the OPEC and the Middle East, and they both anticipate dominating and lead the whole Muslim world. Along with rivalry, both countries share several spaces and platforms that perhaps keep some openings for cooperation, but for now, there is no evidence of willingness from either side to cool down the hostility.
CHAPTER 4
PROXY GROUPS

Introduction

While the previous chapter highlighted the prominent role of both IRI and KSA to exploit oil as one of the strategic commodities to fuel their rivalry, this chapter provides an analysis of how both parties have, to challenge each other, attempted to supports their proxies throughout the region since the Islamic Revolution in 1979. This chapter also highlights the respective role of their proxies at the state level (governments and countries) and sub-state level (militias and groups). To maintain the rivalry within the proxies’ border, it seems there would not be a direct military conflict between IRI and KSA at least it is not something that either party presently or perhaps for foreseeable future.

To structure the theoretical framework of proxy wars between IRI and KSA, the theory of proxy war has been submitted within the first chapter of this study. And it indicates that armed conflicts arise when the warring powers or rivals use other parties, whether states or non-state actors, to fight directly instead of them. Therefore, the proposed hypothesis of this chapter indicates that IRI’s revolutionary zeal to expand the leadership is an important factor cannot be underestimated by KSA, especially when Iran’s support toward its proxy groups since the success of 1979 Islamic revolution has arguably marked by a degree of hubris in some of these countries. Especially, “the policy of Saudi Arabia to turn its oil and capital wealth to a regional hegemony [is] not sufficient, as its economic power alone cannot make [Riyadh] a regional hegemony due to its inadequate military power.”443 Thereby supporting proxies has become one of the adequate mechanisms of the rivalry between IRI and KSA in the Middle East.

The anarchic nature of the Middle East forces the regional rival powers to invest various mechanisms of defense to deter the hegemony of each other, which creates a security dilemma between the rivals. In other words, “when a country adopts a policy of improving its security by armament after

perceiving a threat from another country, the other country also adopts the policy of improving security that results in a security dilemma." In the case of IRI and KSA, the non-zero-sum game precisely structures the rivalry of necessity between them where gains and losses can be made at the survival of both parties, which is a win-win game for both. That is why proxy war mechanism and others are the tools that play a significant role to maintain the rivalry at a level that neither side are willing to be escalated to a direct military conflict. There has not been any direct military conflict between IRI and KSA, rather both countries most of the time provide military equipment, training, and economic support to their proxies.

Due to the theoretical framework of proxy war into IRI and KSA’s rivalry, it is important to form the bases, the definition, and the meaning of it. The proxy environment is a platform or mechanism that international or regional superpowers, rivals, or adversaries use to challenge each other in a determined location. The proxy war is an armed conflict that arises when the warring powers or rivals use other parties, whether states or non-state actors, to fight directly instead of them. Karl Deutsch defines proxy wars as “an international conflict between two foreign powers, fought out on the soil of a third country; disguised as a conflict over an internal issue of that country; and using some of that country’s manpower, resources, and territory as a means for achieving preponderantly foreign goals and foreign strategies” despite the importance of Deutsch’s definition, it “is too state-centric as it ignores the role that non-state actors, such as insurgent groups, can play in proxy wars, and it unnecessarily internationalizes proxy wars by overlooking the often regional power struggles that they represent.”

On the other hand, Hughes's definition is more about the role of non-state actors as he indicates that “non-state paramilitary group receiving direct assistance from external power.” He also adds that

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444 Ibid.
“proxies can include terrorist and insurgent groups, militias,”448 which all the versions of proxies that Hughes identifies in his book are comparable to what this chapter focuses on. Therefore, regarding IRI and KSA rivalry, various proxies have been supported whether in forms of state-actors (governments), or non-states actors, that include paramilitary groups, militias, and political parties. Despite the growing structure of proxy wars, there are a few conditions for proxy wars. First, both rivals have been in direct and long-term relations with their proxies. Second, there must be military training assistance, grant military equipment, and economic funding from the principal rival to its proxies. And the third, principle parties usually use proxy forces to the expectation that the proxy war remains out of the principles border and remain as an ongoing conflict without dwelling into all-out war.449 Therefore, a proxy war indicates the presence of international or regional superpowers competing in a region that called the conflict zone, and superpowers usually avoid to enter into a direct war or armed conflicts, where there are small countries, paramilitary groups, and/or militias take that responsibility to fight instead.

During the Cold War, especially since 1945, proxy wars played a significant role “as the shadow of nuclear war ensured more acute selectivity in conflict engagement, given the consequences of a potential nuclear exchange.”450 In addition to the ideological factor that engaged in the US and Soviet conflict. In his book, Theories of Violent Conflict: An Introduction, Jolle Demmers argues that the nature of proxy wars during the Cold War was also based on communism and capitalism and ideological factor that divided the superpowers’ strategic interests. Therefore, different forms of proxy engaged into their conflict such “the Carter and then Reagan administrations [response] to the 1979 Soviet invasion of Afghanistan by arming, funding and training the fledgling Afghan mujahedeen; or the Soviet use of Cuban proxies during the civil war in Angola, where conflict first broke out in 1974.”451

448 Ibid. p 11.
451 Ibid.
While after the Cold War, the proxy wars have been coded as terror, ethnic, ethnic-nationalist, ancient hatreds, and primordial identities that seem to be ongoing conflicts for foreseeable future. This new version of proxy wars have been popular and it is being grown in the Middle East, especially after the 1979 Islamic Revolution of Iran a geopolitical rivalry has taken place between the two main superpowers IRI and KSA. Since then supporting proxies, as a new dynamic, has become one of the popular strategies for both parties to challenge each other. And that is because of:

First, the avoidance of states from direct battles due to developments in military technology. Second, the evaluation of the proxy war method by the states to be a strategic choice as a way of conflict and as an instrument to realize their foreign policy objectives. And third, the fact the proxy war contains fewer risks and costs compared to direct battles

In addition to the impact of the 1979 Islamic Revolution, the US invasion of Iraq in 2003, and then the Arab Spring in 2011, are also events that forced both IRI and KSA to deeply engage into proxy wars in various places that include but not limited to Iraq, Syria, Lebanon, Bahrain, Central Africa, and Afghanistan. Although the number of casualties from the Middle East proxy wars may smaller than the Cold War, they have a violent nature that imposes security threats at the regional and global levels. Despite the growing presence of IRI and KSA and providing support to their proxies in various places (Africa, for example, is one of the growing places of interference and proxies emergence), this chapter focuses only on five neighboring countries that include Iraq, Syria, Lebanon, Yemen, and Bahrain, where both IRI highly engage to support their proxies.

**History Background**

1979 is an important year, not only because of the Islamic Revolution but also it was a year that was surrounded by various events and changes within the world politics and the Middle East regional politics. This year, the Islamic Revolution in Iran led Shiites to power and the Soviet Union sent troops to

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453 Eksi, Muharrem. *Regional Hegemony Quests in the Middle East from the Balance of Power System to the Balance of Proxy Wars: Turkey as Balancing Power for the Iran - Saudi Rivalry*.
Afghanistan. The Iranian revolution caused the United States to lose one of its two pillars of Middle East policy, and the agreement between Cairo and Tel Aviv added another ally. It was the same year when Saddam Hussein became the president of Iraq, who has aggressively opposed the Islamic Revolution in Iran. Therefore, Saddam told king Fahad that he wanted to hit IRI before it could get too strong. Saddam felt IRI would regroup and consolidate after the revolution and get stronger, therefore he decided to hit them, while they are not as strong.

The same year “Khomeini called for the overthrow of the Saudi monarchy and argued that Muslims should unite as one nation (ummah) to administer the holy sites of Makkah and Madinah.” The success of this revolution “gave hope to Islamists across the globe and transformed Islamism from ideal to reality.” Nonetheless, “that same year, after the revolution, anti-monarchist Islamist insurgents seized the Grand Mosque in Mecca to force Saudi Arabia’s ruling al-Saud family to relinquish its custodianship of the Holy Land.”

Starting from the 1950s, the Middle East more particularly the Arab World heated with the rise of decolonization and Pan-Arabism that led to the rise of radicalization. In particular, some Islamic leaders, especially the brotherhood leaders such as Sayyid Qutub and his movement Islamic Brotherhood, got stressed by decolonization because they believed that it brought corrupted leaders and regimes. At the same time, they believed that these corrupted leaders and regimes are not able to fight the secularization and westernization that being brought by colonialism to the Islamic World. Therefore, the region was exposed by radicalized Islamic Imams that attempted to oppose and attack some of the Arab leaders. Especially, the Brotherhood Movement and his leader Sayyid Qutub perceived the Egyptian president Jamal Abdul Nasser as the enemy of Islam and corrupted, secularized, and westernize of his behavior.

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458 Ibid.
And Nasser knew that Qutub and his movement disliked him therefore in 1956 Nassir put him in jail, and then Nassir executed Qutub in 1966. His ideas as Ayman Zawahiri indicates, the previous vice president of Al Qaeda in Afghanistan, have become the milestone for him, Bin Laden and other Jihadi group operations, and the main roadmap.460

The Kingdom of Saudi Arabia was also attempted to play both cards Islamism and Pan-Arabism cards. For example, the Saudis supported the Islamic Conference in 1969 which then became like a sort of Arab lead above Muslim themes in the region.461 But at the same time, “the Arab-Israeli war of 1967 revived the plans for a rapprochement between all the Islamic states on an unexpected new base, on the crest of the Islamic revival.”462 And then in 1973, they played Arab Oil Embargo when the price oil doubled. The Saudis launched the embargo in the hope they help their brother (Egypt, Jorden, Syria) and punish the west. Although it was the first confrontation with the West, especially the US, the oil embargo was a significant symbolic act for the Saudis reputation in the region.463

Khomeini’s star on the other hand was on the rise where he lived in Iraq and recorded his sermons to be distributed in Iran, Lebanon, and other countries that Shia community in the region. In these sermons, Khomeini attacked the Shah’s regime for its corruption and inequality.464 After the revolution, Khomeini declared the nature of his governing that would be based on the Sharia Law. He also indicated that the Islamic Sharia Law is the sole source of Allah and governing means obedience solely to the Islamic Sharia Law.465 He also added that the government requires a leader who is an expert in Sharia Law. Khomeini was also a nationalist because he wanted to create an idea of global. He said the revolution should not be spread by forces, but it should spread politically because he believed that the

460 Ibid. Pp 119-120.
461 Vassiliev, Alexei. The History of Saudi Arabia.
462 Ibid.
464 Ram, Haggy. Exporting Iran's Islamic revolution: Steering a path between Pan-Islam and nationalism, Terrorism and Political Violence, vol. 8, no. 2, pp 7-24, DOI: 10.1080/09546559608427343
Arab leaders corrupted, westernized toward the US. And he believed the salvation of all Muslims over the region is his revolution responsibility.\textsuperscript{466}

At the same time, both parties KSA and IRI attempted to spread their version of Islam in different ways. Saudis, for example, spread their version of Islam (Wahabism) through building thousands of Madrasas (Islamic schools) around the world, especially in Pakistan and Afghanistan. Some believe these Madrasas are responsible for spreading terror in the world.\textsuperscript{467} But perhaps 95 percent of Madrassas are peaceful schools, but 5 percent might be radicalized because when we look at the 9/11 bombers, for example, they were no Madrassas, people, they are better educated. It does not mean that having thousands of Madrassas that not creating the sympathy of terror.

From the Pan-Islamism perspective, especially when the Soviet invaded Afghanistan on December 27, 1979, both KSA and IRI acted as leaders of the Muslim world even there was not any formal manpower deployment into Afghanistan. But informally different groups and money sources from both countries flew to Afghanistan. There were seven different groups in Afghanistan beck then; KSA supported their group, Iran also supported their group, and the US-backed their group. The Soviet invasion stressed Islamism because the Soviet invaded a Muslim country. And the reaction was to support the Mujahidin and the anti-Soviet robes. Part of the group was fighting Mosco became Al-Qaeda in 1988; Bin Laden, who was from KSA, was one of the Afghan- Arab group leaders. And the Arabs were behind Bin Laden because of his wealth.\textsuperscript{468} He got about 5000 fighters, most of them were from KSA, and when the war over they went back to their countries. From there the transnational forces seeded global terrorism. And they were high in their activities because they felt confident when they fought the Soviets and they spread the idea of Islamism and they subsequently remain strong. Some Iranian Shia revolutionary militias joined the fight against the Soviets, but at the same time, they opposed the

\textsuperscript{466} Ram, Haggay. Exporting Iran's Islamic revolution: Steering a path between Pan-Islam and nationalism.
\textsuperscript{468} Gerges, Fawaz. \textit{The Far Enemy}: Why Jihad Went Global. P 294
Mujahidin groups. Therefore from the early days of the revolution, spreading their ideology, building proxies, and crossing the borders has become the slogan of both IRI and KSA throughout the region.

Accordingly, to avoid direct military conflict, the rivalry between IRI and KSA manifested through several stages, the first of which was an implicit confrontation in the 1980s through the Iraq-Iran war, the short-term detente in the 1990s, and then competition for influence over the Middle East. As the early days of the Cold War, both parties have attempted to forward a theory similar to the Truman principle, through providing political, military, and economic assistance to compete, blockade, and subjugate each other.

**Iran-Saudi Conflict in Iraq**

As the de facto leader of the Islamic World, the KSA leadership, in particular the Al Saud family, perceived undermined by the rise of a new Iranian government under Ayatollah Khomeini, who challenged the legitimacy of the Al Saud family and its authority as the guardianship of the Two Holy Mosques. King Khalid initially congratulated the Islamic Revolution in Iran and he mentioned that ‘Islamic solidarity’ could be the basis for closer ties between the two countries. Despite his willingness, the relations have worsened significantly over the next decade.

In the early days of the revolution, Khomeini initially attempted to influence neighboring countries, especially Iraq and the Gulf states. Therefore, among the events that sparked by the Islamic revolution was known as the Muharram uprising in the eastern region (Qatif) of the Kingdom of Saudi Arabia in November 1979. The responsible party for this event and was the Organization of the Islamic Revolution in the Arabian Peninsula, who had support from IRI. When the Saudi internal security forces and National Guard soldiers intervened to disperse the gatherings participating in the Ashura processions

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469 Chubin, Shahram., & Tripp, Charles. *Iran-Saudi Arabia Relations and Regional Order*. Pp 60-61.
in Qatif, the uprising turned into violent clashes, after the Shiites decided to resist and a state of agitation prevailed, which soon spread to other parts of Qatif and Al-Ahsa province.\textsuperscript{472} It ended with the suppression of demonstrations and control of the area. Therefore, some of the organization leaders, who were Saudi Shiite, escaped the kingdom to Iran.

In later years of the revolution, IRI sponsored various uprisings in Saudi Arabia during the Hajj season. In the 1987 Mecca incident, for example, Shia pilgrims clashed with Saudi security forces during the Hajj and many people were wounded and killed due to this incident. Therefore, in one of his speeches, Khomeini stated that “These sordid and wicked Wahhabis, like daggers that have always pierced the heart of Muslims from the back ... Mecca is in the hands of a group heretics.”\textsuperscript{473} And time to time, Khomeini raised the idea of similarities between the Shah of Iran and the Gulf kings therefore he called on people in Gulf countries and Iranian to topple the Saudi government.\textsuperscript{474} What happened in the southern Shia region in Saudi Arabia was one of the main reasons that forced the Saudi king Khalid to accept joining Saddam in his fight against IRI. That is why the Saudis were among the very first countries to provide military and financial support to Iraq.

Shortly after the Islamic Revolution, Saddam Hussein initiated a war on IRI. The Gulf states, especially KSA agreed to the war, but tended to fear the victory of IRI, especially after Ayatollah Khomeini described the kingdom as an illegitimate authority and anti-Islamic monarchy. Ayatollah Khomeini’s statement was widely received as a call of threat and overthrown the Gulf states. Therefore, from the early days of the Iran-Iraq war, KSA extensively engaged and spent tens of billions of dollars to support Saddam Hussein and saved Iraq from bankruptcy. According to a secret CIA report, Gulf countries, especially KSA, loaned Iraq $ 30 to $ 40 billion in aid in its war.\textsuperscript{475} KSA also paid Iraq’s debts,

\begin{flushright}
\textsuperscript{472} Ibid.
\textsuperscript{474} Ibid.
\end{flushright}
extended Iraqi oil pipelines through its territory, invested in Iraq, and supplied Iraq with weapons and tanks.\textsuperscript{476}

In 1986, Iraq obtained permission from the Saudi government to use its airspace to attack Arak Island, which led to the escalation of the so-called “tanker war” in the Gulf.\textsuperscript{477} Consequently, IRI also launched some tanker attacks to the Saudi and Kuwaiti oil tankers in the Gulf, claiming that those attacks came in response to Iraq’s attacking its tankers. These attacks followed verbal threats to bomb Saudi ports, oil pipelines, and oil installations.\textsuperscript{478} Currently, the Saudi authority accuses IRI of providing technological equipment to their proxies in the region to attack oil facilities in the region; the most recent attacks to the Saudi oil tankers near to the UAE shores by Houthis, who have support from the Iranian government, even though IRI denies any allegations except political ties with the group.\textsuperscript{479}

Neither side won the war, despite its cost at least half a million casualties and several billion dollars’ worths of damages. But since then Iraq occupies an important position within Iranian foreign policy. One fact IRI looks at Iraq from a religious standpoint, that is the land of almost twenty million Shia that counts for almost 65 percent of the Iraqi population. Besides, Iraq is the holy land of Najaf and Karbala, which is the second center of pilgrimage throughout the Shiite Islamic world after Mecca and Medina. Finally, Alireza Nader describes it:

\begin{quote}
The Iran-Iraq War (1980–1988)—described as the “Holy Defense” by Iranian officials—was a pivotal event for the Islamic Republic. Not only did it cement the nascent regime, but it has often been presented by the Iranian regime as an example of the zeal and sacrifice required to preserve the revolution.\textsuperscript{480}
\end{quote}

During the years of the Iran-Iraq war, IRI was able to recruit or cultivate some of the Iraqi Shia opposition parties and have them a safe place in Iran. At the same time, using them as auxiliary forces

\textsuperscript{476} Sick, Gray. G. \textit{Iran, Iraq, And the Legacies of War}. (New York: Palgrave Macmillan, 2004).
\textsuperscript{478} Sick, Gray. G. \textit{Iran, Iraq, And the Legacies of War}. Pp 180-182.
\textsuperscript{479} Juneau, T. Iran’s policy towards the Houthis in Yemen: a limited return on a modest investment. \textit{International Affairs}, vol.92, no.3, 2016, pp 647-663.
alongside the country’s fight against Iraq. Even after the war, IRI was also able to maintain the links with these groups especially with the Dawa party and the Supreme Council for the Islamic Revolution in Iraq (SCIRI) that was established in IRI in 1982 by Mohammed Baqir al-Hakim.\footnote{Sick, Gray. G. Iran, Iraq, And the Legacies of War. Pp 144-146.} Although the Iranians during the 1990s did not have a strong impact as Saddam Hussein practically formed a strong wall in its’ way, but this did not prevent IRI from reaching areas within the Arab depth by supporting purely Shiite parties calling for supremacy of the Shiite community.\footnote{Mallat, Chibli. Religious militancy in contemporary Iraq: Muhammad Baqer as-Sadr and the Sunni-Shia paradigm, Third World Quarterly, vol. 10, no. 2, 1988, pp 699-729, DOI: 10.1080/01436598808420078} This activity remained limited until the 1990 Iraqi invasion to Kuwait and the Desert Storm Operation, which affected the Iraqi military structure significantly. After the Desert Storm Operation, IRI seized this opportunity by injecting tens of thousands of Badr militias and Shia opposition forces into Iraq in the 1991 uprising.\footnote{Hiro, Dilip. Neighbors, Not Friends: Iraq and Iran After the Gulf Wars. (New York: Tylor & Francis Group, 2001). Pp 172-175.} And then imposed severe economic sanctions by the UN weakened the Iraqi regime's capabilities to face the Iranian tide and intervene in Iraq’s internal affairs.

Although the early days of the US 2003 invasion of Iraq little bit concerned Iranians on the other side of the border, as Alireza argues IRI sees the 2003 invasion as a win-win game for their international interests in the region that since then Iranian implement their foreign policy easily into Iraq’s internal policy.

The 2003 overthrow of Saddam Hussein by U.S. forces and the subsequent ascent of Shi’a parties and militias in Iraq were viewed by many of the Iranian elite as vindication for their revolutionary sacrifices. After all, many of Iraq’s new rulers, including those belonging to the Islamic Supreme Council of Iraq (ISCI), the Badr Brigades, and elements of Dawa had fought alongside the IRGC during the war with Saddam. Iran may have not defeated Saddam in conventional warfare, but, in a way, it had achieved one of its major goals: the empowerment of the Iraqi Shi’a. The recapture of Tikrit, Saddam’s hometown, by Iranian-allied forces may have provided great satisfaction for the Iranian government.\footnote{Ibid.}

The 1990s constitute a new period of conflict that began establishing some Iranian new tools to be implemented in Iraq through political and military institutions to move the goals of the revolution. IRI
highly engaged to export them to Iraq and the rest of the Gulf countries through militias and proxies that
revolve in the orbit of Iran and condemn loyalty and obedience to the authority of the Iranian Wilayat Al-
Faqih\textsuperscript{485} system. In this context, the Iranian Revolutionary Guards and Badr Corps played an important
role in managing the Iranian conflict with Iraq. These groups were mostly established after 1991 and
transferred thousands of their members to Iraq. They were also able to recruit some Iraqis manpower to
work with the Badr Corps in the provinces Basra, Maysan, Wasit, and Dhiqar in Iraq.\textsuperscript{486} The members of
these groups were able to carry out various operations, such as distributing the Islamic Revolution printed
slogans, assassinations, and sabotaging governmental facilities. In response to that threat, the Iraqi regime
increased its repressive measures against religious Shia leaders, who suspected their destructive political
activities, and the regime continued its policy of relentlessly expelling Iraqi Shiites who claimed to be of
Iranian origin. Moreover, Saddam Hussein succeeded in marketing the war to Gulf neighbors as a unified
Arab defense against the “Shiite Persian” enemy, and thus obtained support in the hundreds of millions of
dollars.\textsuperscript{487}

After a long term of cooperation and support during the Iran-Iraq war, the Iraqi-Saudi relations
impacted due to Iraq’s invasion of Kuwait. This, therefore, shifted the alliances between the two. First,
the Gulf countries, particularly Saudis, were the main supporters to Iraq during its war with IRI.\textsuperscript{488}
Second, the invasion spread threats, and Saudis fear raised due to the possibility of another invasion from

\textsuperscript{485} Wilayat Al-Faqih is an old jurisprudential theory in Twelver Shia jurisprudence. It is believed that goes back to
post occultation od the last Twelver Imam, who is known, Mahdi. After the occultation of Imam Mahdi, the other
Shia Imams who holds the Faqih position have rights to guardianship and governance of the Islamic Ummah or
Islamic nation and establishing the rule of God on earth. Wilayat Al-Faqih is also a person who has the conditions of
making of the Fatwa and Ijtihad or interpretation of the Islamic religious sources, reference, and jurist. Mavani,
Hamid. Ayatullah Khomeini’s Concept of Governance (wilayat al-faqih) and the Classical Shia Doctrine of
\textsuperscript{486} Al-Jazeera. Badr ... an Iraqi militia that fought Saddam and fought with Assad. [Badr.. malishiaan eiraqiat haribat
saddam waqatilat mae al’asad]. February 10, 2016.
\textsuperscript{487} Joyner, Christopher C. The Persian Gulf War: Lessons for Strategy, Law, and Diplomacy. (Connecticut:
\textsuperscript{488} Amiri, Reza Ekhtiari,. & Soltani, Fakhreddin. Iraqi Invasion of Kuwait as Turning Point in Iran-Saudi
Relationship. Journal of Politics and Law, vol. 4, no. 1, March 2011, pp 188-
Iraq to their country after Kuwait. Also, the invasion had changed Iraq’s position from allies to enemies in the eyes of the United States and Saudi Arabia. Thus, on the evening of August 6, 1990, King Fahd agreed to the US Secretary of Defense Dick Cheney’s request to deploy American forces in the wake of the Iraqi invasion of Kuwait.

Since then along the way to the launch of the coalition operation to expel Saddam Hussein from power on March 19, 2003, Saudi Arabia has become the main Arab partner to the US in the region. This move cost Saudis some critics such as condemning the Kingdom for maintaining loyalty to a foreign power especially after “the prolonged deployment of American forces in Saudi Arabia” to deter Iraq, which is a long-partner Arabic neighbor. The Kingdom did not pay attention to critics because of the necessity to restore its position from unprecedented tensions between the US-Saudi historical relations, which appeared publicly after the September 11 attacks. These tensions not only included differences of opinion on the policy to be pursued towards Iraq, but also the internal effects of the impact of violence in the Palestinian territories on Saudi public opinion, and the role played by Saudi citizens in the September 11 attacks, especially 15 out 19 hijackers were Saudis.

The US 2003 invasion of Iraq is considered to be a new course regarding the Iraq-Saudi relations at the same time concerns have been raised from the Saudis regarding the situation in Iraq. In addition to instability in Iraq since 2003, which is one of the main concerns for KSA, The Saudis are very concerned about Iranian clear to interfere to infiltrate Iraqi society and politics most closely through Shias, especially Iraqi Shia political parties and Shia militias, and establish long-term influence in the country. For example, “in 2004, the Saudis confirmed that the Iranians are buying as much real estate as possible in

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489 Ibid
southern Iraq intending to implement this plan in the long term. In 2005, the Saudi Foreign Minister Saud Al-Faisal stated that:

The Iranians now go in this pacified area that the American forces have pacified, and they go into every government of Iraq, pay money, install their people, put their own—even establish police forces for them, arms and militias that are there and reinforce their presence in these areas. And they are being protected in doing this by the British and the American forces in the area…. [T]o us it seems out of this world that you do this. We fought a war together to keep Iran from occupying Iraq after Iraq was driven out of Kuwait. Now we are handing the whole country over to Iran without reason.

The 2003 US invasion to Iraq also had a role in defining the nature of Iranian-Saudi relations. The exit of Iraq as a strong player in the region increased threats to the Gulf security and a vacuum and imbalance of powers that prompted some elements of cooperation between IRI and KSA. In fact, in 2005, King Abdullah showed his country’s willingness to new courses of relationship, but his attempts soon vandalized because of Iranian early interference of Iraq. The rapprochement is perhaps required in their relations to confront regional changes such as countering the Turkish-Israeli rapprochement. The penetration of IRI into Iraq by supporting the Shia groups angered of KSA and increased its fear of Iran’s domination in the region, especially the Iranian hegemony combined with developing its nuclear program.

Unlike IRI, there has not been any direct interference from KSA whether through providing any direct support to a specific group in Iraq or interfering with any negotiations of forming government in Iraq after 2003. As it is clear after any elections in Iraq, there would be long-term negotiations to form a new government due to the ethnic diversity that makes forming a new government cabinet one of the complicated and long processes that sometimes take months after elections. Therefore, since the 2003 invasion, all minorities in Iraq suffer from inequality and discrimination. In his first round of governing, for example, the Iraqi former Shia Prime Minister Nouri Al Maliki excluded Sunnis from the government

494 Ibid.
496 Eksi, Muharrem. Regional Hegemony Quests in the Middle East from the Balance of Power System to the Balance of Proxy Wars: Turkey as Balancing Power for the Iran-Saudi Rivalry.
in 2005. Therefore, the later year 2006, insurgencies exploded substantially in Sunni areas in Iraq and the country turned into sectarian violence. In the same year and a year after, for example, Iraq saw one of the darkest moments in history. Almost 3000 to 4000 people were killed monthly because of identity, in addition to explosions, assassinations, and kidnapping that took thousands of lives. In fact, “many of the killings were the result of deliberate attacks by Sunni and Shi'a armed groups as the conflict took on an increasingly sectarian nature.”

Although the Iranian regime excuses Saudis for allowing and/or supporting terrorists into Iraq, due to a long border between both Iraq and KSA “the Saudi government’s biggest fear is that disorder [in Iraq] will spill over its borders in the form of experienced, battle-trained fighters who can easily infiltrate into the kingdom, bringing with them newly honed skills in bomb-making and other aspects of insurgent warfare and joining with al Qaeda elements already active in Saudi Arabia.”

With the Saudis anxiety of a new Iraq, the relations between both parties tempered even though the establishment of a Shiite government was strongly influenced by IRI. Despite its satisfaction and support to the American invasion of Iraq in 2003, the Saudis were absent and reluctant to engage with the new political system letting the country march towards the unknown, especially the provinces whose Sunni Arab extension. This has been accountable blame from the Iraqi Sunnis and their leaders in Iraq; some of the Sunnis figures have criticized the Saudi government for Iranian interference in Iraq. And at the first moment of the invasion, KSA had no strategic vision to deal with the future of the country, as evidenced by the statements of the Saudi Minister of Defense, Sultan bin Abdelaziz, when he said “I do not imagine that Iran is threatening Iraq,” the Saudi minister said during a press conference with his

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American counterpart, Donald Rumsfeld, in Riyadh, on April 29, 2003, expressing his belief that “Iraq does not tend to integrate into any other country.”

Although the Saudis welcomed the overthrow of Saddam Hussein’s regime, they did not resume relations with Baghdad, which was suspended due to the 1990 invasion of Kuwait. The Kingdom continued the policy of retreating towards the new situation in Iraq and rejected the Sunnis’ request in the early days of invasion to provide support or stand on their side. Some Iraqi Sunni leaders attempted to meet King Abdullah, but the king ignored their calls and did not listen to the warnings of the Iraqi Sunnis at the time, which assured the Saudis that IRI is beginning to control the country due to lack Arab countries support to intercept it, as IRI fills the void after the fall of Saddam Hussein’s regime. Iraqi sources emphasized that despite its recognition of the post-2003 regime, KSA has not made a step towards re-opening relations and has relied entirely on Washington to formulate a new political process in Iraq.

After the sectarian violence struck in Iraq, particularly after the bombing of the Imam Al-Askari Shrine of the in the city of Samarra, on February 22, 2006, the Kingdom of Saudi Arabia hosted a conference for Iraqi reconciliation under the sponsorship of the Organization of the Islamic Conference. The reconciliation conference that was held on October 20, 2006, resulted in the signing by some Iraqi Sunni and Shia parties of the ‘Mecca Document’, which prohibited sectarian fighting and attacks on mosques in Iraq. King Abdullah, himself, blessed the participants of the Iraqi Reconciliation Conference in Mecca, saying: “I welcome you in your second country, and I wish you success because you, thank God, are all Muslim and brothers, and we do not want anyone to interfere between the Islamic nation.”

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501 Ibid.
Under the first cabinet ruling of the Iraqi Prime Minister Nuri al-Maliki\textsuperscript{504} from 2006 to 2010, the Saudis found themselves alongside a government that predominantly Shiite influence and has strong ties with the primary opponent of the Saudis in the region, represented by the Iranian regime. The Sunni Arabs in Iraq were marginalized in the country, and some of them engaged in insurgency to fight the government. This led the borders between the two countries, Iraq and KSA, to become for years a primary source of infiltration of terrorism in both directions, especially al-Qaeda.\textsuperscript{505} This was a beginning moment for the kingdom to realize the dangers of the situation in Iraq, therefore, Saudis decided to fund and support the Sunnis electoral coalition list in the 2010 elections that included some Sunni and some secular Shiites, led by Iyad Allawi (a secular Shiite) under the name Iraqi National Movement.

After declaring the victory of the Iraqi National Movement led by Iyad Allawi over Al Maliki, by a two-seat margin, the country entered into a crisis because Al Maliki’s group rejected the result of the election and willing to appeal the results to the Iraqi supreme courts, even though the UN envoy in Iraq declared the fairness of the election’s results.\textsuperscript{506} Therefore, with support from IRI and other Iraq’s Shia groups and parties, Al Maliki again become the Iraqi prime minister for the second round. Nonetheless, Allawi won the elections, but he could not have the majority of the Shia that enabled him to form a government because his supporters were mostly from the Sunnis that are the minority of Iraq. In an interview with BBC on March 30, 2010, Allawi said “it was very clear that Iran was trying to stop him from becoming prime minister.”\textsuperscript{507} He also said, “Iran is interfering quite heavily and this is worrying.”\textsuperscript{508} Allawi also “accused the Iranian government of interfering by inviting all the major parties to Tehran for

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\textsuperscript{504} Nuri Al Maliki, who is the secretary general of Islamic Dawa Party that is one of the biggest and strongest Shia party in Iraq, has served as the Iraqi Prime Minister for two terms from 2006 to 2010, and from 2010 to 2014. Al Maliki is known as radical Shia leader in Iraq and he has close ties with Iran Supreme Leader because he lived in IRI for almost ten years during his exile.


\textsuperscript{508} Ibid.
talks, except his bloc." Other Sunni leaders also condemned the Iranian interference into the election, Salih Al Mutlaq, for example, said: “we will not accept that the rulers of Iran impose on us a new law or a new way for the elections.”

To counter IRI’s position in Iraq, KSA presented an initiative in which the Iraqi political parties called for a meeting in Riyadh to solve the crisis in Iraq through forming a government that achieves a national reconciliation. But the initiative was welcomed only by the Iraqi National Movement, which was a Sunni group umbrella. Tariq al-Hashemi, a main Sunni leader within the Iraqi National Movement, stated that the Saudi initiative came to live at an appropriate time and became necessary after the efforts made by the winning political blocs in the elections failed to reach an agreement.

The Iraqi Sunni leaders were pushing in favor of the Saudi initiative. First, because they believed similar efforts might be complicated to be subjected to the Saudis in the future. Usually, similar efforts might be complicated in the future because the Saudis foreign policy does not lean easily toward Iraq. Therefore, the Sunnis expressed their hope that the invitation receives a response from the various parties in Iraq. Second, the Sunnis anticipated that if the Saudis take the lead of negotiations between all Iraqis political parties perhaps increases the possibility of confronting Iranian interferences in Iraq.

On the other hand, Al Maliki and other Shia majority lists rejected the Saudi invitation due to the earlier Iranian blesses. At the same time, Al Maliki attempted to maintain the matter as an Iraqi internal issue therefore he used his power to reach an agreement in Baghdad after the country’s highest court ordered the parliament to resume its sessions. Ultimately, KSA failed to gather Iraqis’ political parties, and Nuri al-Maliki returned for the second term as prime minister after retaining the majority of parliament seats on December 21, 2010.

509 Ibid.
512 Ibid
The relationship between Iraq and KSA remained unstable during the second term of Al Maliki’s of authority because it is believed that King Abdullah criticized Al Maliki for being the reason of IRI’s interference in Iraq. In a leaked cable published by Wikileaks shows that in a meeting between King Abdullah and President Obama’s counterterrorism adviser John Brennan in March 2009, the King said “no confidence whatsoever in Iraqi Prime Minister Al Maliki … I do not trust this man … he is an Iranian agent.” Not only that but also the “top Saudi officials have frequently lambasted Al Maliki as being a tool of Iran and ruling only on behalf of the Shi’ites.” In response, “Al Maliki accused Riyadh of funding Sunni Muslim insurgents in Iraq’s western Anbar province, a charge Saudi Arabia vehemently rejected.” Close to the final days of Al Maliki’s departure, especially when ISIS invaded the third of Iraq in June 2014, Saudi Arabia accused Al-Maliki of ISIS’s emergence due to the fact of pushing his country into the abyss because of his policy of excluding Sunni Arabs from their political rights.

After the election in 2014, Al Maliki attempted to challenge the constitution and overturn the power of authority in his favor to remain as the prime minister for the third round, but due to a wave of rejections from the Sunnis, Kurds, and some Shia political parties, the US National Security Advisor Susan Rice commended Al Maliki for his decision to support Haider Abadi, and the ongoing fight with ISIS, he finally endorsed Al Abadi to be the new prime minister of Iraq. Following the Haider Al Abadi administration in 2014, there was a momentum of improvement and openness regarding Saudi-Iraq relations. Some changes have happened simultaneously to the leadership of countries that allegedly ended in the favor of relations between Iraq and KSA. On one hand, after the death of his brother, King Salman officially ascended the throne to become the king of Saudi Arabia in 2015 that converged with the Nuri al-Maliki’s departure from power in Iraq. Therefore, a new chapter of the relationship between the two

countries began, which extensively was welcomed by the Sunnis in Iraq. On the other hand, the reasons for openness between the two countries was the arrival of Haider al-Abadi to become the Iraqi prime minister in 2014. In December of the same year, Al Abadi called for the possibility of the development of relations between the two countries to accelerate the chances of defeating ISIS.ﬁ

Subsequently, in January 2016 the Saudi Embassy in Iraq resumed its operations for the first time after almost 26 years. However, Thamer al-Sabhan was appointed as the Saudi ambassador to Iraq.517 Reopening the embassy credited as a blessing move from the Saudis to restore the relations between both countries. The Sunni Union Forces, that chaired by Osama al-Nujairi, welcomed the nomination of KSA’s ambassador in Baghdad, and described the move as ‘a blessing’. In fact, in a statement issued by his office indicated that “the blessed step will reflect positively on the reality of Iraqi-Saudi relations and will enhance support for Baghdad to defeat ISIS.”518 But after almost a year of his nomination, the Iraqi foreign ministry demanded the kingdom withdraw its ambassador, Sabhan, from Baghdad after accusing him of interfering in Iraq’s internal affairs. Al Sabhan repeatedly criticized IRI’s interference into Iraq’s internal affairs and he suggested that “Iranian-backed Shi’ite militias were exacerbating sectarian tensions.”519 This finally led the Iraqi government to the summons and dismiss him, therefore about a year later, on August 7, 2016, the Iraqi Foreign Ministry demanded that the kingdom withdraw its ambassador from Baghdad after accusing his interferes into internal affairs impacts the newly restored relations between both countries.

The new Saudi king and his government attempted to maintain the relations steady with Iraq to reduce excuses in the region in the regard that the Saudi are responsible for the rise of ISIS therefore on

October 14, 2016, the kingdom appointed Abdulaziz Al Shammar a new ambassador to Baghdad, who was the military attache at the Riyadh embassy in Germany. The Saudis openness toward Iraq expanded to build relations with Shia leaders in Iraq therefore their focus was not limited to the government side, but rather they began to network with some Shia figures in Iraq, among them Muqtada Al Sadr.\textsuperscript{520} On July 30, 2018, Muqtada Al Sadr visited the kingdom based on an invitation from Prince Mohammed bin Salman. This visitation was his second visit since 2006. The two sides were alleged to have talked about Saudi-Iraq relations, subsequently, the Al Sadr issued a statement that he hoped this would signal a retreat in the region’s sectarian conflict.\textsuperscript{521}

Both the US former Secretary of State, Rex Tillerson, and the former Saudi Ambassador to Iraq, Al Subhan, played their role to organize invitations to some Iraqi leaders at different levels to visit the kingdom. On July 19, 2018, for example, the former Iraqi Interior Minister Qasim-Al Araji visited Saudi Arabia, where he met with Prince Mohammed bin Salman. Qasim-Al Araji is a key member of the Badr militia who fought against Saddam Hussain during the Iran-Iraq war in the 1980s and trained with the Iranian Revolutionary Guard. Qasim-Al Araji’s visit to KSA accompanied by Saleh Muhammed al-Mutlaq’s, one of the main Sunni leaders in Iraq\textsuperscript{522}. These visitations from Some Iraqi Senior and Junior leaders revealed the eagerness to establish relations with the Saudi government perhaps to change Iraq’s political direction from Iranian influences toward Arabian orbit. This has become clear especially when a new government came to power in both Iraq and KSA that attempts to build and maintain that relationship therefore anti-Iranian attitude may have been a factor of this rapprochement\textsuperscript{523}.

\textsuperscript{520} Muqtada Al Sadr is the leader of Sadr Movement, which is one main Shia political group in Iraq's third largest constituency in a crowded small party. He is also the son of the famous Shia cleric Mohammad Sadeq al-Sadr, who was assassinated by Baath Party in 1999. Muqtada Al Sadr is also the leader militia called the Peace Army (formerly the Mahdi Army). This young leader has spent sometimes in IRI to be exiled with his father and their he finished most of his studies in Iranian well-known Islamic schools in Qum. Since 2003, Muqtada Al Sadr, plays significant role to challenge and oppose the US presence in Iraq.

\textsuperscript{521} Abdul-Zahra, Qassim & Batrawy, Aya. Iraq Requests New Saudi Envoy After Assassination Remarks.

\textsuperscript{522} Kraus, J. Proxy Wars and the Role of Intelligence Services in the Current Middle East. \textit{Vojenske rozhledy}, vol.27, no.3, 2018, pp 37-46.

\textsuperscript{523} Hokayem, E. Iran, the Gulf States and the Syrian civil war. \textit{Survival}, vol.56, no.6, 2014, pp 59-86.
The exact nature of these visits to KSA have not been disclosed, but these movements may be part of bargaining over the situation in Iraq after the sweep of the ISIS. KSA was wary that after defeating ISIS, the Iranian Revolutionary Guard’s deployment in Iraq appears to take longer. Their appearance alongside with the Iraqi Shia militia (Al Hashd Al Shabi) would create more threats to the Sunnis inside Iraq and the kingdom’s interests in the region.524 The Saudis approach combined with the US push to open their relations with Iraq therefore the former US Secretary of State Rex Tillerson met in October 2017 with the Iraqi Prime Minister Haider Al-Abadi and King Salman in attempts to restore Iraqi-Saudi relations and bring Iraq out from the Iranian quagmire.525 Tillerson stated that “the relationship between Saudi Arabia and Iraq is vital to bolstering our collective security and prosperity, and we take great interest in it.”526 Tillerson added that this the US new policy “to counter Iran’s malign behaviors in the region.”527 He also added that “we believe that those who conduct business with the Iranian Revolutionary Guard . . . really do so at great risk.”528

However, given the history of the past, it is hard to imagine that these efforts would challenge Iran’s position in Iraq. For Iraq, IRI is now a major trading partner alongside Turkey and China. A large amount of cheap Iranian products such as food, building materials, and automobiles are circulating into Iraq that has become one of the pillar supporters to the Iraqi economy, which is facing difficult times. In addition to IRI’s long and costly presence to support Iraq during its fight against ISIS. Therefore, the future of Iraq is a central concern for both IRI and KSA, as well as for the United States. The planned of absolute withdrawal of the US army from Iraq might complicate the issue of Saudi-Iranian competition in Iraq.

527 Ibid.
528 Ibid.
The departure of American soldiers perhaps impacts the relationship between Iraq and KSA, especially with Iranian constant support to the Iraqi Shiite militias. As for one of the most disturbing ways in which Iran is exerting influence in Iraq, it is through the various Shiite militia organizations involved in terrorist acts that strike American soldiers and other targets inside Iraq. These militias loyal to IRI due to Iran’s significant influence over these groups through providing weapons and training, in which they become elites to Iran Revolutionary Guards.529

Under the US pressure alongside the Saudis attempted to support the formation of a Sunni Block in the 2018 elections. This time the former Saudi ambassador to Baghdad, who later become the Saudi Minister of State for Arab Gulf Affairs, Thamer Al-Sabhan facilitated extensive planning and meetings with some Iraqi Sunni leaders such as Jamal Karbouli, the official sponsor of the solution party, and Saleh al-Mutlaq, the former deputy prime minister, and the governor of Salah al-Din Ahmed al-Jubouri in Jordan.530 The meeting aims to form a Sunni bloc in the next Iraqi parliament election with Saudi support albite that it can negotiate the ongoing negotiations with the Kurds and Shites to form the 2018 government.

The Saudi envoy and the president Trump former representative in Iraq strategy in Iraq to support the Sunni Block was not a successful plan; in fact, as some Sunni leaders described it was a negative role because they could not invite or accumulate all Sunni leaders under one umbrella especially those who have weight and sobriety in the Iraqi political scene. Ultimately the US and Saudi joint efforts turned the Sunnis into two blocks, some of which compelled to reveal their loyalty to and other Shia Blocks who are close to Iran. Some of the Sunni figures in Iraq criticized the US-Saudi efforts to divide the Sunnis in Iraq instead of unifying them.531 In confirmation of Iranian attempts to entice some Sunni figures who supported by Saudi Arabia, the statements of the Iranian Revolutionary Guards Commander, Major

General Mohammad Ali Jaafari, in November 2018, stated that “his country defeated America in Iraq.”

The Iranian military commander also added that “the current three Iraqi presidencies (parliament, government, republican) are from the Iranian camp, and those in Washington can answer this.”

Finally, diplomats and military leaders dealing with Iraq should be prepared for Iranian attempts to take advantage of the serious differences between Riyadh and Baghdad after the United States withdraws its soldiers from Iraq. To contain IRI while supporting stability and democracy in Iraq, the United States should be prepared to mediate between Saudi Arabia and Iraq and limit Iranian efforts to corner itself in such a process. Since the main Saudi concerns may include the actions of the Iraqi government in the Sunni Arab regions, the United States would need to be aware of the issues, and be ready to support measures to increase the willingness of Sunni Arabs to participate in the political system alongside the Shiite and Kurdish willingness to share the authority.

Nonetheless, if the Saudi-Iran confrontation in Iraq is headed toward resolution, there may be changes to improve Saudi-Iran relations, and could lead to the stability of Iraq that would ultimately improve the regional stability. At the same time, fears still out there; in an interview that was conducted recently on PBS by Christiane Amanpour on January 6, 2019, Ayad Allawi again criticized the Iranian political and military interference in Iraq. In this interview, Allawi states that “Iran still played a very negative role interfering with Iraqi politics and confiscated the decision of Iraqi people in 2010 and

now.” He also indicates that he told General Qasem Soleimani that IRI “is playing with the results of the elections, and Iran has direct influence politically and militarily through its proxies of course.”

Perhaps the Saudis position in Iraq during the 1980s was much clearer due to their military supply and financial support to the Iraqi regime Saddam Hussein during the Iran-Iraq war. Although, the Trump administration has pushed both sides to build new mutual relations, yet since the 2003 invasion, unlike IRI, KSA still has not been able to justify its position in Iraq. Perhaps, one of the issues is that the US-led Iraqi military operations in 2003 made the kingdom nervous because it cleared the way for the rise of the majority Shia in Iraq. Under the Sunni-dominated regime led by Saddam Hussein, Iraq’s Shiites were squeezed out to the periphery. Iraq's newly formed governments reflect a strong sense of Shiite power, which much closer to IRI.

**Iranian Saudi Rivalry in Bahrain**

After the 2011 Arab Spring events, the region witnessed an increased intensity of regional conflicts between IRI and KSA. Riyadh views Teran’s increasing regional interference in Iraq, Lebanon, Syria, Bahrain, and Yemen not only as of the source of interference into the region but it has translated as an eventual threat to the Saudi national interests and the neighboring countries. This claim is presumably

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535 Qasem Soleimani was one of the Iranian top generals at IRGC, who was the commander of Quds Forces. Soleimani played significant role to implement Iranian foreign policy in the region. He created a wide cobweb of network with various governments, Shia militias, and Islamic clerics and figures in most of the Arabia peninsula countries including but not limited to Iraq, Syria, Lebanon, Bahrain, Yemen. Soleimani was assassinated with one of the top Iraqi Shia Militia leaders Abu Mahdi al-Muhandis, who was deputy chief of the Popular Mobilization Committee (Al-Hashd Al-Shaabi), in Baghdad on January 3, 2020. Soleimani became the main Iranian figure in Iraq since 2003. He gained reputation among Iraqi Shia militias and he allegedly interfered to finalize almost all the internal political affairs in Iraq. Until his death, he was the main Iranian commander to Support Iraqi Shia Militias during their fight with ISIS. In early days of the 2003 invasion the US military commander “Gen. David Petraeus, described Soleimani as “a truly evil figure” in a letter to Robert Gates, the U.S. defense secretary.” Gordon, Michael R. Iran’s Master of Iraq Chaos Still Vexes U.S. *New York Times*. October 2, 2012. https://www.nytimes.com/2012/10/03/world/middleeast/qassim-suleimani-irans-master-of-iraq-chaos-still-vexes-the-us.html Accessed on July 29, 2020.


true for Iranians too, but with a different version. KSA has worked to consolidate its influence within Iranian spheres of interference. In Bahrain, for example, KSA relied on one of the provisions of the Gulf Cooperation Council Charter to provide support to the Gulf states and sent 1,000 soldiers to help the Bahraini government crackdown on protests during the Arab Spring events.538

Bahrain is the only island that is located in the middle of the Persian Gulf approximately between the north and the south, which is about 12 miles from the Saudi and is about 18 miles from the Iranian coast. According to the UN data in 2020, Bahrain’s population is estimated to be 1.7 million;539 50% of which are immigrants and the rest are Bahrainis.540 Some studies suggest that 70% of the Bahraini population is Shia and the rest are Sunnis.541 This has been a little complicated situation for the ruler family, the Al Khalifa, to deal with their long-standing authority in the country. Perhaps the Saudi King Fahd Causeway, which opened in 1986, is the main strategic gate to deliver military and security supports in any unexpected circumstance. Nonetheless, the gate played a significant role during the 2011 Arab Spring uprisings.542 In addition to its economic implications that made the country an important center for transportation between the Persian Gulf and the rest of the world.

Historical resources indicate that after a long period of ruling under the Persian Empire, or know Safavid Dynasty, more particularly since 1783, Bahrain has been ruled under the Al Khalifa family; the

540 Ibid.
importance of this history indicates that Bahraini Arab Shiites consider themselves the true original inhabitants of Bahrain and surrounding smaller islands.\textsuperscript{544}

Since the early twentieth century or after signing the Jeddah Treaty between KSA and Great Britain in 1927, Iran has not missed a chance but to renew its allegations in Bahrain and the Kingdom of Saudi Arabia aiming to respond. Even Mohammed Mossadegh government renewed his allegations to Bahrain. This confirms Iranian attempts to dominate Bahrain do not relate to the leadership, rather it is a traditional Iranian policy.\textsuperscript{545} To relinquish Iranian threats towards Bahrain, the Arab League discussed the issue of Bahrain and Iranian allegations in it for the first time. The League’s Council that held on November 6, 1954, issued a resolution confirming that Bahrain is an Arab country and not subject to Iran's sovereignty.\textsuperscript{546} The league also stated that Bahrain has no political dependency linked to Iran.

After the end of British mandatory guardianship in 1971, the Shah revived Iranian allegations to unify Bahrain with the Iranian homeland. The Shah also predicted the necessity of using forces to accomplish the unification. However, the Iranian claims were flimsy and based on the Persian occupation of Bahrain in the eighteenth century.\textsuperscript{547} The Shah’s allegations were opposed by members of the international community. At the same time, this crisis was averted when the Shah focused instead on seizing three small but strategically important islands, Abu Musa and the Greater Tunb and Lesser Tunb islands, belonging to the UAE.\textsuperscript{548} Iranian prolonged political rights over Bahrain remained active after the Islamic Revolution. In fact, amidst the revolutionary glow and the success of the Iranian Islamic Revolution in 1979, Rouhani, an official spokesman for the Islamic Revolution, reaffirmed the Iranian


\textsuperscript{546} Mabon, Simon. The Battle for Bahrain: Iranian-Saudi Rivalry.


\textsuperscript{548} Ibid.
claims in Bahrain. In 2009, for example, again in a statement from Nateq Nuri head of the accountability section at the office of the Supreme Leader and a former spokesman for the Iranian Shura Council, raised consideration of Bahrain as the fourteenth Iranian province.\footnote{Mabon, Simon. The Battle for Bahrain: Iranian-Saudi Rivalry.}

It is noticeable that this was not the first time that IRI expressed its geographical ambitions in the neighboring state of Bahrain, claiming to be the fourteenth governorate, but it was carved out in a historical era from Iran’s mainland. There are similar statements, and these statements come only from figures affiliated with the Iranian regime and most of the time from the once who are close to the religious leadership. Repeating these types of statements from figures at this level denies that they are passing “slip of the tongue” or these statements are only an expression of special tendencies of some figures in the authority. The statement made by Ali Akbar Nateq Nuri, who claimed that Bahrain is the fourteenth Iranian province, led the Bahraini government to prevented Iranian ships from entering their territorial waters on February 21, 2009. At the same time, the diplomatic dispute continued to escalate Between both countries.\footnote{Cerioli, Luiza Gimenez. Roles and International Behavior: Saudi–Iranian Rivalry in Bahrain’s and Yemen’s Arab Spring, Contexto Internacional, vol. 40, no.2, May/Aug 2018 http://dx.doi.org/10.1590/S0102-8529.2018400200010 Accessed on July 31, 2020.}

The Kingdom of Saudi Arabia took a practical response to challenge IRI's allegations in Bahrain, where it began direct negotiations with the Bahraini government to define and determine the maritime borders between both. On the other hand, defining the borders was a catalyst for the oil companies’ operation in both. This move, as Saudis believe, was important because it shows that Bahrain has no affiliate with IRI in the region, and they supported Bahrain's position to dismiss Iranian claims.

The global financial collapse and financial recession of the 2008 Lehman Shock have spread to Bahrain, as other GCC countries, where large-scale real estate development has collapsed, real estate values have declined, and unemployment has increased in Bahrain. Furthermore, since 2007, international prices of food have risen due to food speculation in response to the US dollar overissue, and the living conditions of lower Shiite citizens in Bahrain have deteriorated, raising public dissatisfaction with the
The 2001 referendum (National Action Charter) promised more freedom, expansion political and civil rights, democratic reforms, inclusive government that invite some Shia leaders into governing including a popularly elected national assembly, in which the people of Bahrain voted overwhelmingly for the National Action Charter. But this could not stop Bahrainis from the 2011 Arab Spring Uprisings. In fact, “tens of thousands of demonstrators marched in cities and towns across the country to protest the ruling Al Khalifa family’s tight grip on power, discrimination against the country’s majority Shia population, and arrests of political critics.”

Therefore, the Egyptian revolution particularly paved the pathway for Bahrain’s rebel movement intensified after the Egyptian Revolution. Shortly after Egyptian President Mubarak resigned on February 11, 2011, The rebel movement and uprising was led by Shiites in Bahrain, and the focus was on improving the economic and political situation where the monarchy suppressed the Shiites, left them on poverty, without giving them jobs or housing.

The reality of political relations between Bahrain and IRI relates to the Iranian support to the Bahraini Shia groups and parties, and their support to some associations within Bahraini society. Since February 2011, demonstrations have continued inside Bahrain calling for change for both the authority and the constitution. Shia majority in Bahrain demands a constitutional monarchy system in which the people of Bahrain participate an inclusive government. Iranians also call for the Bahraini government to allow more Shias to hold political positions within the government. Although almost all Bahraini Shia opposition groups deny any allegations with Iran, since the 2000s, “Iran has favored a more indirect approach to Bahrain that supported Shiite opposition groups and amplified their grievances in Iran’s

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551 Cerioli, Luiza Gimenez. Roles and International Behavior: Saudi–Iranian Rivalry in Bahrain’s and Yemen’s Arab Spring.
Arab-language media.” Therefore, “during demonstrations in 2011, Bahrain’s ambassador to the U.S. accused al Wefaq [Bahraini Shia opposition political party] of carrying the agenda of Iran.”

Discrimination against minorities in the Middle East is one of the major issues that dismiss the rights of people to be a part of the government and enjoy their political rights. While IRI challenges Bahraini to encourage a more inclusive government, in IRI Kurds in the West and Arab Sunnis in the South are vastly exclude or expelled from the government institution. There is no Arab Sunni within the Iranian government that hold a ministerial position since the Islamic revolution in 1979 to the present. “Nor have they ever been selected to serve as provincial governors or mayors even in provinces with significant Sunni populations. For example, in Sistan-Balochistan, where Sunnis are a majority, less than 15% of government workers are Sunni.”

Bearing in mind that neither the Iranian political system nor the Saudi one, as well as countries such as Tunisia, Egypt, Libya, Syria, Yemen, Iraq, and Bahrain, are in better shape than each other in the region where people have been revolting for a long time against their governments for gaining more political and civil rights. In some of these countries, the situation much worsened after the Arab Spring regarding political and civil rights, where the expectations were opposite during Arab Spring because people expected more democracy, inclusiveness, openness, and human rights. Only in Bahrain, for example, the Human Rights Watch report indicates that:

Bahrain’s human rights crisis has only worsened. The authorities have demonstrated a zero-tolerance policy for any free and independent political thought, and they have imprisoned, exiled, or intimidated into silence anyone who criticizes the government. From the very beginning [of the uprisings], Bahraini authorities carried out a systematic campaign of retribution, using lethal force to disperse protests, arresting thousands, and firing hundreds of public sector employees suspected of supporting the protesters’ democratic demands.

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556 Ibid.
559 Ibid.
No doubt this has created an issue of interference from neighboring countries into Bahrain’s internal affairs. Iranians on side intervene to support various Shia Bahraini parties and associations that are most privileged because of their popularity within Bahraini society that have support from IRI. In return, especially during the early days of the uprising, the Bahraini government asked KSA to send about 1200 military forces, the Saudis intervened militarily to stop the popular movement in Bahrain. In addition to direct financial aid and grants of about ten billion dollars and allocated ten times that amount to investment projects and business support in Bahrain.560

The reason behind this intervention was, first, to avoid the transfer of the spark of the uprising to the kingdom, especially into the Shia eastern regions in Saudi Arabia. In addition to Saudi concerns about the joint bilateral relations between the Shiites in Bahrain and the Shiites in the eastern region of Saudi Arabia, and therefore the increase in the Shiite power in Bahrain leads to the empowerment of the Shia community in Bahrain. Also, the more the Bahraini monarchy makes concessions to the democratization demands of its people, the more likely the Saudi Shiites will demand political and economic democracy from their monarchy. Second, to challenge Iranian supports to their Shia proxies in Bahrain as officials from both countries, Bahraini, and Saudi, “acknowledged that it was a message to Iran,”561 because “there is no doubt Iran is involved.”562 The Saudi move has put the Iranians in a difficult position in a way that prevents the ruling regime in Tehran from taking advantage of the opportunity to stir up unrest in the region and thus pushing it to make less effective and risky options. Given the fact of the close geographical distance between Bahrain and KSA, the safety and stability ruler of the Al Khalifa family is a necessary condition to prevent the increase in Iranian influence in Bahrain.

The rebel movement occupied Pearl Square in Manama on February 14, 2014, making it the center of the movement. This mimicked the strategy of the Egyptian rebel movement occupying Cairo’s

561 Ibid.
562 Ibid.
Tahrir Square, the heart of the Bahraini royal family, turning it into a center of movement and attracting the world’s attention. When the crisis escalated, Bahraini authorities announced the imposition of martial law and sought assistance from GCC to quell the unrest. On March 14, 2011, KSA sent about 1200 soldiers to support the Bahraini government in its efforts to suppress the demonstrators. Around 500 security officers have been dispatched from the United Arab Emirates. Several Arab Gulf states also made contributions to this effort, and members of the GCC provided political support for the operation, which was administered by the Peninsula Shield Force.563

In the context of justifying the intervention, the Saudi and Bahraini officials stated that the GCC forces intervened to protect the country from the possible Iranian threat. In return, Tehran responded to the Saudi intervention in Bahrain and the GCC’s efforts to blame them on the Bahraini unrest, naming the intervention a Saudi occupation. The Iranian leaders, President Ahmadinejad for example, called for urgent international intervention to stop the killing of the people of Bahrain, according to their statements.564 In fact, in a press conference, Ahmadinejad stated that “The Saudis did an ugly thing to deploy troops … the Bahraini government also did an ugly work to kill its people.”565 While the Bahraini King Hamid stated that “An external plot has been fomented for 20 to 30 years until the ground was right for subversive designs. . . . I announce today the failure of the fomented plot.”566

The Bahraini accusations were directed at IRI, but they also accused the Lebanese Hizballah Party of playing a role in provoking civil unrest. The government of Manama suspended its flights from Bahrain to Lebanon and later accused Hizballah of training Bahraini oppositionists in military campgrounds in Lebanon and IRI. These accusations ultimately impacted the relations and escalated the hostile rhetoric between GCC between IRI, especially with the Kingdom of Saudi Arabia. In April 2011,

the foreign ministers of the Gulf Cooperation Council issued a statement declaring that some member states of the organization are deeply concerned about Iranian interference… and adding that Tehran violates the sovereignty of the GCC countries. KSA from its end responded to Iranian criticisms of the Saudi intervention in Bahrain by declaring that the Iranian accusations are irresponsible and contain “void allegations and blatant attacks against Saudi Arabia.”

Then after the Saudi-Bahraini oil pipeline explosion, several accusations were directed from both parties against each other. Bahrain's Foreign Minister Khalid Al-Khalifa said on social media: “The attempt to blow up the Saudi-Bahraini pipeline is a dangerous escalation on Iran's part that aims to terrorize citizens and to harm the world oil industry.” An Iranian government spokesperson responded to the Bahrain accusation stating that “obviously, the only thing Bahraini officials have learned to do after each incident in the emirate is to accuse Iran,” … “the era of childish accusations and lies is over,” he also added his country seeks “the stability and security of its neighbors.”

One of the most important slogans of the Iranian Islamic revolution was the idea of overthrowing or replacing the gulf monarchies and secular governments to be replaced with pro-Islamic governments, to the dismay of the small Sunni perspective of Iran’s Arab neighbors Saudi Arabia, Ba'athist Iraq, Kuwait, and other Persian Gulf countries, most of which are monarchies, and all of which have a significant Shiite population. Therefore, the Arab Uprising again gave rebirth to this idea of spreading the Islamic revolution by imposing more pressure on its proxies in those countries.

Several elements make Bahrain one of the sites of Iranian-Saudi conflict, including the regional balances of power, in addition to the polarization factors associated with the sectarian factor between Tehran and the Bahraini opposition on one hand, and Riyadh and the ruling family in Bahrain on the other

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567 Nuruzzaman, Mohammed. Politics, Economics and Saudi Military Intervention in Bahrain
570 Ibid.
Protesting on this small island in the Gulf consist of two basic elements. The first is local issues related to the position of the Shias opposition that has marginalized, and the interference of regional and international interests of foreign powers. Therefore IRI is one of the parties that has benefited from the situation in Bahrain, considering that these events expose threats to the American Fifth Fleet that eventually put the US interests in a difficult position, besides, to threaten the stability of the Arab Gulf states, especially KSA.

IRI has offered to provide strong moral and material support to the Shiites in Bahrain. Besides, some Bahraini Shias are considered Ayatollah Khamenei as their spiritual guide or reference. However, Tehran’s intervention in Bahrain is not similar in any way to the military and financial support provided by the Iranian Al-Quds Corps who led by Qassem Soliman. Tehran considers Bahrain the frontline of the US presence in the Middle East because of the US Navy’s Fifth Fleet headquarters, and the center of the capabilities of command and control and logistics services maritime, which is interpreted by Tehran as a way for Washington to restrict Iranian influence in the Gulf. Tehran hopes that the increasing Shias political influence in Bahrain promotes the withdrawal of the US presence in Bahrain. Nevertheless, a large part of the Shia opposition in Bahrain prefers the continued presence of Americans in the country to achieve a balance between both Saudi and Iranian influences.

IRI sees the restoration of its traditional hegemony over the region - from ancient times to the era of the deposed shah - and the spread of anti-regime revolutions in North Africa and the possible in the Arabian Peninsula as a golden opportunity that cannot be missed for whatever reasons. This belief reinforces that IRI has long played a role in shaping the existing political reality in neighboring countries.

571 Ibid.
574 Knights, Michael., & Levitt, Mathew. Evolution of Shia Insurgency in Bahrain. & Ghoble, Vrushal T. Saudi Arabia–Iran Contention and the Role of Foreign Actors.
575 Hanau Santini, R. A New Regional Cold War in the Middle East and North Africa: Regional Security Complex Theory Revisited.
- as happened in Iraq since 2003 - given that such a role remains a lot of low-spoils compared to the price and chances of success of direct intervention.\textsuperscript{576}

**Saudi and Iranian Interference in The Syrian Civil War**

Although IRI and KSA sat together for the first time at the Syrian talks in Vienna in October 2015, the prospects for peace in Syria have plummeted as the Saudi-Iranian struggle has intensified.\textsuperscript{577}

The Syrian conflict began initially as a revolt against the Bashar regime. The more the resistance was tilted in the direction of a military conflict, the more severe the intervention by Tehran and Riyadh. Subsequently, other countries have joined the occasion such as the US, Russia, and Turkey, therefore the Syrian uprising which started in March 2011,\textsuperscript{578} has changed to a complicated civil war that seems to take a bit longer to be settled. Some have argued that the Syrian civil war gets similar to the Palestine-Israeli war, except this one is being there for almost either decades.

Since 2011, anti-government uprisings in the Arab world (known as the Arab Spring) caused political instability throughout the region. IRI and KSA exploited these unrests to expand their influence, especially in Syria, Bahrain, and Yemen, which further exacerbated mutual suspicion between the two camps. Iranian critics argue that the Islamic Republic intends to establish its own or proxy influence throughout the region and control a land corridor from Iran to the Mediterranean. While Riyadh’s strategy makers calculate that if Assad's power is overthrown in Syria, the territory affected by the Iranian revolutionary slogan is perhaps divided into two camps. To achieve this, KSA and other Gulf monarchies support the Syrian opposition, including jihadist groups. In response to Russian air support for Assad, for


\textsuperscript{578} Hokayem, E. Iran, the Gulf States and the Syrian civil war, *Survival*, 2014, vol.56, no.6, pp 59-86.
example, reports indicated that Saudis provided Tao, anti-tank missiles, to the Syrian Jihadis opposition.579

In the past ten years, since the early days of the Arab Uprising, the differences between IRI and KSA have been only structured by various factors that are exacerbated by a series of events. But the aim for both parties is the same, which is to maintain and expand their influences throughout the region as a matter fact of maintaining the rivalry at a level to be protected from a direct military between both, hence this shape of rivalry induces its necessity.

IRI has been a long ally of Assad’s regime the fall of the Shah in January 1979 paved the way for a new strategic alignment between Syria and IRI. Syria was amongst the first countries in the region to welcomed the Ayatollah’s seizure of power in Tehran. In August 1980 the then Syrian Foreign Minister Abdel Halim Khaddam visited Tehran to deliver the Syrian support to the Iranian revolution even before its establishment and during its outbreak and after its victory of the revolution.580 Therefore, the Iranian-Syrian alliance comes at the top of IRI’s regional project priorities. Syria is an important factor within the Iranian “Shia Crescent Belt”. Through its way, Tehran can link a continuous geographic chain of regional influence that starts with Iran through Iraq and then Syria, which organizes the Iranian sphere of influence, to Lebanon and the Palestinian territories.

The close alliance between Syria and IRI has been maintained for over thirty years, especially after the 1979 Iranian revolution, which is based on geopolitical interests between the two countries. Although the Syrian ruling system dominates by the Baath Party, which is the second pillar of the former Iraqi Baath Party, it supported IRI during Iran- Iraq war. the Syrian regime prevented Iraq to export its oil, at that time, through the Iraqi-Syrian pipeline from the city of Banias, on the Mediterranean coast.581

In return, the Islamic Republic has provided Syria with oil at reduced prices, in addition to sending

thousands of Iranian pilgrims to the Shia shrines of Ahl al-Bayt in Syria.582 Given the strong relations between Syria and Iran at the national level, they work to promote popular exchanges and use cultural tools to maintain the alliances.583

For Syria, the timing of the Iranian revolution was the most appropriate for several considerations. Syria isolated and being increasingly vulnerable to strategic threats were exacerbated by Egypt’s exit from the Arab alley confrontation against Israel and signed off the Camp David Accords in 1976.584 In addition to raised tensions with the Baath Party in Iraq where Saddam Hussain removed and replaced all the party’s moderate leaders from their position with members of his family and some radical aggressive personnel who later ruled based on repression and persecution.585

The Iranian and Syrian leaders have repeatedly expressed that the relationship between their countries is historical and strategic and that it cannot be dismantled regardless of the circumstances.586

Therefore, after the victory of the Islamic revolution, Syria provided its propaganda machine and diplomatic efforts to support Tehran during the Iraq-Iran war. One of the important factors in strengthening the ongoing relationship between the two countries was IRI declared willingness to provide support to Syria in any future confrontation with Israel.587 Moreover, Syria has secured a supply line for the resistance movements supported by IRI, more particularly Hizballah, against Israel in both Lebanon and Palestine.588 In a press conference, the Iranian foreign affairs advisor to the Supreme Leader, Ali Akbar Velayati, stated that “Syria is the golden ring of resistance against Israel, and if it weren’t for

582 Maltzahn, Nadia. The Syria-Iran Axis: Cultural Diplomacy and International Relations in the Middle East.
Syria’s active government the country would become like Qatar or Kuwait. Iran is not prepared to lose this golden counterweight.\footnote{Fulton, Will. & el at. Iranian Strategy in Syria. Institute for The Study of War. May 2013. http://www.understandingwar.org/sites/default/files/IranianStrategyinSyria-1MAY.pdf Accessed on August 9, 2020.}

Nonetheless, IRI intends to ally with Syria whereby to confront any Arab rejection of its role in the region. This phenomenon has worked for Iranians in Syria due to the Shia identity of Assad's family. Here the Syrian-Iranian coalition prioritized within the Iranian regional project and seems the Syrian-Iranian relations more stable than Iran's relations with other Arab countries. The most prominent of these relations bias from the Syrian position to be considered Iranian's gateway to the Arabic world. The former IRGC official, Hojjat Al Islam Mehdi Taeb, in a statement, describes Syria as “the 35th province [of Iran] and a strategic province for us [Iran]. If the enemy attacks us and seeks to take over Syria or Khuzestan [the Iranian province], the priority lies in maintaining Syria, because if we maintain Syria, we can take back Khuzestan. However, if we lose Syria, we won’t be able to hold Tehran.”\footnote{Ibid.}

Although Assad’s family is Shia, but rather in reality IRI is not interested mainly in the composition of the sectarian identity of the Syrian leadership. The Iranian leadership is interested in whether the Syrian regime engages in Tehran’s strategic perception in the region. Therefore, billions of dollars in loans and credits, oil reserve, military assistance, and intelligence training have been provided to maintain Assad’s regime in power and eliminate the opposition and armed militias. According to US intelligence reports, Tehran has also assisted the Syrian leadership in establishing Syrian paramilitary groups of 50 thousand men known as the Popular Army.\footnote{Jones, Seth G. & Markusen, Maxwell B. The Escalating Conflict with Hezbollah in Syria.} This support eventually provides security assurance to the Iranian regime to prevent any possible Sunni regimes to come power in Syria, which they make the majority of the Syrian population. At the same time, keeping Bashar Assad in power also important to secure the strategic gateway to Hizballah, who receives Iranian-supplied weaponry that is transported through Syria to their stronghold in the south of Lebanon.\footnote{Esther, Pan. Syria, Iran, and the Mideast Conflict. Council on Foreign Relations. July 18, 2006. https://www.cfr.org/backgrounder/syria-iran-and-mideast-conflict Accessed on August 10, 2020.}
On the other hand, the relationship between Syria and KSA differs from the one between Syria and IRI. For a long time, the Saudi monarchy has maintained a long tradition of mistrust towards Syria due to fewer common interests with the Syrian government except for the Arabism identity, which has not been an issue for either side. More recently, IRI and KSA have needed to study how the unrest in Syria impacts their interests. Tehran is the one who loses the most with the fall of the current Syrian regime, therefore, Tehran has been engaged actively in Syria especially since the early days of uprisings and it seems will not allow in any case the downfall of the Syrian regime. The previous Saudi policy of detente with Damascus was important, but Riyadh has not considered the Assad regime an ally, therefore the Saudi attempts to overthrowing Assad’s regime in Syrian related to consequently eliminating the Iranian position in Syria. Therefore, KSA, along with some Gulf countries, have provided enormous financial support to the Syrian militants, the majority of whom are Sunni Salafism.

It is not surprising that the initial slogan of the Syrian people uprising over time has changed because right now the conflict in Syria is not between Assad’s forces and the Syrian people. Rather it is between the Syrian regime backed by IRI and Russia on the one hand and Sunni Jihadi militias, who receive the Saudi military and financial aid. At the same time, there are Syrian Democratic Forces, who include the Kurdish-led Autonomous Administration of North and East Syria; this group receives support from the US and France. Other Jihadis groups and Arab free armed Sunni groups, who receive support from Turkey.

KSA considers Syria as its main direct scene that influences its geostrategic conflict with IRI. For the Saudis, Syria is one of the locations that translates their appropriate opportunity for success or failure to challenge the Iranian presence in the Arab world. This is an important factor for the Saudis because...
the Syrian regime is the only Arab regimes that openly exercise their relations with IRI for almost four decades. Therefore, the Saudi leadership was willing to support any attempts to topple the Syrian regime, especially President Bashar Al Assad by all means. Since the early days of the Syrian civil war, KSA employs all its capabilities and its regional and international alliances to achieve that goal. In return, the Iranian leadership seeks to thwart Saudi ambition, and it has been achieved tangible success in this regard. At least the Assad’s regime is still in power and one of the main reasons behind it is Iranian support.598

While Tehran seeks to preserve Political and economic investments that are decades old in Syria and Lebanon, the Saudis believe that overthrowing Assad’s regime one of the factors that impact the Iranian hegemony to be declined in Syria. Also, this eventually hit Hizballah hard in Lebanon. But the potential of alternative group replacing Assad’s regime is a serious question for the Saudis, and the Western power, and other Gulf countries. From the early days of the Syrian civil war, KSA willing to provide support to Syrian opposition groups and invest them as proxies against the Iranian presence in Syria at the same time maintain its relations with these groups that may alternat the Assad’s regime in the future. In fact, on February 12, 2013, Saudi Foreign Minister Saud al-Faisal in a news conference stated that his “country believes that the brutality of the Syrian regime against its people requires empowering the people to defend itself.”599 But this is one of the main concerns for the Saudis due to the possibility of wrong investments that ultimately leads to the repetition of 1980 the US-Saudi role in Afghanistan; the US-Saudi support turned the Jihadi group in Afghanistan to terrorism groups that later attacked both KSA and the US in different occasions.600

Unlike Iranians, being in Syria is one of the hardest decisions for the Saudis that forces them in a situation where they need to derive and develop new policies that compensate for the American strategic

decision during the Barack Obama and the Donald Trump administration to withdraw from the region sooner or later. The Saudi supports to the Syrian opposition has nothing to do with replacing Assad’s regime with a democratic one, but to replace it with a Sunni or pro-Sunni group that eventually may challenge Iranian interference in Syria in the future. While the Syrian geography may not constitute a broad capability for the Iranian response, it may pose a challenge to a broad Saudi escalation because Syria has become a field in which the Saudis have not exhausted the options for military support even though they endeavor to restore the military balance on the ground.

The situation yet unclear in Syria due to other regional and international powers’ engagement, which makes the future of Syria unpredictable. But events in Syria have provided a new opportunity for the Saudis and the Gulf countries to play their position and confront the Iranian presence in Syria. The Saudi and Gulf support for the Syrian opposition group increased in early 2012, which was a time Hizballah forces and the Iranian Revolutionary Guards intervened to support the Syrian regime. But the Saudis engagement and support are not as much as the Iranian therefore it is complicated for them to challenge the IRI position in Syria.

The risks posed by the ongoing war in Syria appear to be dangerous for Tehran and Riyadh. Not only did Iranian support for Assad cost him enormous financial costs, but there was also a cost that could not be restored to its reputation in the predominantly Sunni Arab Middle East. Also, Riyadh’s support for the rebel groups may rebound against the kingdom if the jihadi factions in Syria are in control, or if the Saudi-backed factions are defeated. This simultaneous with the deterioration of the political situation in Syria that has transformed into a humanitarian crisis; hundreds of thousands of civilians have become victims of this crisis, and more than five million Syrian people are displaced internally or externally.

The Syrian crisis is one of the most difficult issues in the world due to the disagreement between the engaged regional and international powers. In addition to the role of militias that is difficult to be

601 Kraus, Josef. Proxy Wars and the Role of Intelligence Services in the Current Middle East.  
602 Berti, B., & Guzansky, Y. Saudi Arabia's Foreign Policy on Iran and the Proxy War in Syria: Toward a New Chapter?  
tempered. Therefore, this crisis is one of the most important areas of political and sectarian conflict that both IRI and KSA have highly engaged since the early of its beginning. Some argue that the complicity of this crisis related to the Iranian project in the region, since the first day of the crisis the political and ideological lineup took place in the region.604

On one hand, the Iranians have supported the Syrian regime, on the other hand, the Saudis and later other countries provided support to Syrian opposition groups. Given this, the survival of the Syrian regime or not directly affects the alliances and influence of IRI and KSA in the region because both have remained committed to their positions. Neither IRI nor KSA has shown concrete and serious indications for a solution to the future of the Syrian crisis. However, if the Syrian regime continues to receive the full support of IRI and its proxies in the region, and Saudi Arabia supports the Sunni armed groups, this will certainly contribute to the continuation of disputes and tension in the region.

The Yemeni Conflict

The Arab Spring for Yemen turned into a Dark Fall because it has since then put the country into a chaotic situation that includes famine, displacement, civil war, and humanitarian crisis. Especially since 2015, the country has become one of the humanitarian disasters as declared by the UN.605 Almost half a decade after the Saudi military intervention in Yemen and Iranian alleged support to its Houthi rebel proxies, one thing is clear: the end of the disaster does not appear to be close for the forcible future. Although the Iranian-Saudi intervention in Yemen extensively increased after the Arab Spring, their presence in this country has a long history that perhaps stymies possible solutions.

604 Eksi, Muharrem. Regional Hegemony Quests in the Middle East from the Balance of Power System to the Balance of Proxy Wars: Turkey as Balancing Power for the Iran-Saudi Rivalry.
As it is clear, until its unification in May 1990, Yemen consisted of governments; the southern government, the People’s Republic of South Yemen, was flagged under Communist propaganda and it had close ties with the Soviet Union. After the Islamic Revolution, the IRI attempted to establish relations with the People’s Republic of South Yemen in the context of the Iranian revolution convergence with the left and the government that declared anti-Western trends and slogans. At the same time, North Yemen, or also known as the Yemen Arab Republic, declared its support to Saddam’s regime during the Iran-Iraq war in 1980-1988. The close ties and relations between the ruling regime in North Yemen at the time with Saddam Hussein’s regime reached a strategic level of alliances, coordination, and partnerships whereby the Yemeni forces fought alongside the Iraqi army against IRI.

The Iranian intervention in Yemen resulted from many various attempts to penetrate and exist on Yemeni soil. Similar to other Arab countries, the principle of exporting the Islamic revolution motivated Iranians to attempt to expand strategic interests in Yemen. In particular, the Iranian interests in Yemen after the Islamic Revolution have increased through three main aspects. First, after the Islamic Revolution in 1979, Iranian interests in Yemen increased dramatically through attracting Yemeni students to study in Iranian universities and Islamic Hawzah during the eighties and nineties of the last century. This was in the context of its endeavor to export its revolutionary model to neighboring countries via attracting the Shiite elites. Second, after the establishment of Yemen’s unity in 1990, and on the light of the tense relations of Yemen with the Gulf countries as a result of Yemen’s support for Saddam’s regime during the crisis of the invasion of Kuwait, Iran seized the opportunity to strengthen its relations with Yemen. Subsequently, IRI expanded its activities in Yemen through spreading the Iranian Shia version, which is

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607 Ibid. p 121.
609 Ibid.
610 Hawzah is Islamic seminaries or schools that almost all Shia clerics take their education. The major Shia Hawzah in province of Qom in Iraq and the second major in Najaf in Iraq.

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the Twelver Shia Doctrine, by some Iraqi Shiite cadres who were residing in Yemen. Third, through cultural activities, such as inviting some representatives of Yemen’s Shia leaders to visit IRI under many banners of participating in conferences or the Islamic Revolution anniversary. The aim was to acquaint the Yemeni Shias to the revolution and acquire their loyalty.

Usually, the main actors exploit their proxies during crises. For example, from 2004 to 2010, the Iranian role in Yemen increased significantly, through its support for the Houthis in their armed conflict with the Yemeni government. However, the most prominent development in the course of the Iranian role in Yemen is during the outbreak of the revolution against the Ali Abdullah Saleh regime in 2011, as Iranian influence has grown in the Yemeni arena since then through providing military and financial supports to the Houthis. This is in the light of chaos and instability, as a result of the stalled political transition process, the exacerbation of internal divisions, the weak effectiveness of the Yemeni government, and its failure to deal with political, security, economic and social problems.

In this context, IRI has structured its alliance with the Houthis based on sectarian and ideological considerations through intensifying its political, media, financial, and military support. In early 2015, a few months after the Houthis ousted President Ali Abdullah Saleh and seized the power in the capital, Sanaa. IRI exploited this opportunity to strengthen its partnership with the Houthis, by signing economic cooperation agreements between the two parties in the oil fields, electricity, and transportation. According to these agreements, IRI pledged to supply Yemen with oil derivatives for one year, and establish power plants in Aden, Hodeidah, and Taiz, and maintain the electricity

613 Ibid.
615 Ibid.
transmission lines between Marib and Sanaa. Besides, IRI attempted to enhance maritime transport and expanding the port of Hodeidah, allocating a line to supply the necessary goods and equipment to Yemen, sending Iranian experts in various fields of infrastructure. As well as establishing a direct air bridge and operating daily flights between the two countries.\textsuperscript{618}

These attempted agreements constituted a shift in Iranian role from being a hidden ally to a declared an essential ally of the Houthis, with an attempt to transform this alliance into a formal alliance with the Yemeni state itself, based on the Houthis’ control of the levers of power. But the launch of the Arab coalition led the Kingdom of Saudi Arabia, Operation Decisive Storm, against the Houthis on March 26, 2015, impeded the actual implementation of those agreements and prevented further Iranian penetration into Yemen.\textsuperscript{619} Despite reports issued by the United Nations Panel of Experts suggesting that Tehran has provided significant military and financial assistance to the Houthis, Tehran has denied allegations of smuggling weapons and money through IRI to Yemen.\textsuperscript{620}

KSA, on the other hand, has remained its committed military and financial supports to the Northern Yemen, Yemen Arab Republic, from the 1960s to the current date. When the Crown Prince Muhammad Al Bader established the Yemen Arab Republic in 1962, the Saudis alongside Jordan decided to support Al Bader’s newly established government.\textsuperscript{621} The reason for this support was to face and challenge the Egyptian Nasserist ideology spread in Yemen, who have worked effectively through providing military and financial support to groups and rebels who fought against the newly established Yemen Arab Republic in the north.\textsuperscript{622} Eventually, KSA and Jordan were able to protect Al Bader’s newly established government, Yemen Arab Republic, for two main reasons. First, Jamal Abdul Nasser withdrew the Egyptian troops from Yemen because of the 1967 Setback or known as Six-Day War with

\textsuperscript{618} Salisbury, Peter. Yemen and the Saudi–Iranian ‘Cold War’.
\textsuperscript{619} Knights, Michael. The Houthi War Machine: From Guerrilla War to State Capture.
Israel, that left the rebels in a position to be defeated by the Yemen Arab Republic.\textsuperscript{623} Second, the aftermath of the Egyptian withdrawal from Yemen expanded the spaces for the Saudis to reach a reconciliation with all opposed groups and rebel movements to recognize the Yemen Arab Republic in 1970.\textsuperscript{624}

The Kingdom of Saudi Arabia has remained from the end of the 1960s until the current date an effective and capable actor of controlling the Yemeni decision due to its possession of a network of relations and alliances with several influential tribes leaders, politicians, and its close ties with the Yemeni government. In addition to the long and extensive financial support provided to Yemen’s government over the past decades that estimated to be more than 50 billion dollars.\textsuperscript{625} The Saudi interest in Yemen is due to several reasons. The most important of which is the geopolitical importance of Yemen that is considered to be the backyard of the kingdom. Therefore, it is natural for KSA to be affected by Yemen’s internal events and instability due to the geographical proximity between the two countries. Second, three waterways or ports are linking Yemen with KSA.

The importance of the Bab Al Mandeb port, which is one of them, in the global oil trade cannot be overestimated. Saudi Arabia exports nearly 65% of its oil exports through the port of Yanbu on the shores of the Red Sea, which is passes through Bab Al Mandeb port. Therefore, any Iranian presence/control of Bab Al Mandab port, means that it controls the three most important waterways of the global oil trade. In another word, having power on the Bab Al Mandab port eventually allows IRI to control the Suez Canal as well as the Strait of Hormuz.\textsuperscript{626}

\textsuperscript{623} Ibid.
\textsuperscript{625} Ibid. p 208.
Therefore, in July 2018, the Saudis’ officials announced, “it was suspending oil shipments through the Red Sea’s Bab al-Mandeb strait after Yemen’s Iran-aligned Houthis attacked two ships in the waterway.” As Helal Aljamra indicates in his article:

The rivalry for control of the Bab-El-Mandeb Strait and the Red Sea is part of a greater regional conflict between Iran and its Shi’ite allies and Saudi Arabia, the UAE, Egypt, and their Sunni allies. Since the beginning of the civil war in Yemen, the Houthi rebel forces and their allies from the armed forces of the late president, Ali Abdallah Saleh, have been quick to take control of strategic Yemeni ports and coastal areas, the most important of these seizures being the Bab-El-Mandeb Strait.

KSA is struggling to curb IRI’s growing influence, and the military adventure of the young and impulsive crown prince MbS, the actual ruler of the kingdom, is exacerbating regional tensions. He waged war against Houthi rebels in neighboring Yemen, in part to stop Iranian influence there, but almost five years later seems to be a costly gamble and complicate for Saudis to withdraw. Therefore, “The Saudis are trying to create a situation in which the U.S. would in one form or another significantly step up support ... so that they can claim military victory.”

Yemen has become the weakest part within the Saudi’s security belt that Riyadh formed to enhance its national security. This is due to the fragile Yemeni society with its sectarian structure that forms the basis for the social and political turmoil; Yemen has been witnessing this situation for decades. The turmoil of the Yemeni scene is reflected in the Saudi security, depending on the nature of the sectarian clan relations extending between Yemen and the southern Saudi region. In addition, the fragile nature of Yemeni’s society has increased the Iranian influence in the country. A matter that has concerned Saudis internal security before threatening its regional influence. Saudi government afraid of the political empowerment of the Houthis may encourage the Shiite minorities in the kingdom Saud to seek their

630 Kalin, Stephen., & Gamal, Rania. Why Is Saudi halting Oil Shipments Through the Red Sea?
political as well, especially with a historical background of such incidents. Also giving the geographical proximity to a long border strip between the two countries might have exploited to smuggle part of the massive number of weapons that have propagated in Yemen.

Although some researchers argue that the main reason behind the formation of the Islamic Military Alliance on December 15, 2015, was because of the willingness of the young eager Saudi leader MbS, who was ambiguously preparing to dominate the power of the kingdom’s thrown, at the same time the Saudis were about to lose power control in Yemen when the Houthis invaded Sanaa, the Yemeni capital, on January 20, 2015. No doubt as announced in a press conference by MbS in Riyadh that the main responsibility of the Islamic Military Alliance is to fight terrorist activities in the Islamic World, but one of its first activities was to defeat Houthis when they invaded Sanaa.

Shockingly to the Saudis and the world, the Houthis took control of the Yemeni capital and forced the Yemeni president Abdrabbuh Mansur Hadi to resign and flee the capital to his hometown Adan in south Yemen. Perhaps the erroneous estimates of President Abdrabbuh Mansur Hadi led to the political and military rise of the Houthis and eventually managing to overthrow Sanaa. The mystery remains surrounding the reasons why the Yemeni army did not confront the Houthis and how they voluntarily surrendered their military equipment and weapons to the Houthis. Some believe that President Hadi wanted to get rid of the influence of the Islah Party and its control over important military sites, therefore

631 Islamic Military Alliance, also officially known as Islamic Military Counter Terrorism Coalition (IMCTC). This coalition was formed on December 15, 2015 in Riyadh and the main invitation was delivered in a speech by the Saudi king, Salman, who invited the Islamic world leaders to be part of this coalition. In response 35 countries joined IMCTC; eventually its members raised to 45 countries, most of which are members of the Organization of Islamic Cooperation. Syria and IRI among the countries that were not invited. On December 14, Saudi Arabia announced the formation of a military alliance against terrorism consisting of 34 Islamic states. A Joint Statement was released by MbS that stated terrorism is an act that is unacceptable for any reason, and therefore a military alliance should be formed to achieve the elimination of terrorism. Helfont, Tally. A More Forward Role for the Gulf States? Combating Terrorism at Home and Abroad, Orbis. vol. 62, no. 3, 2018, pp 454-472, https://doi.org/10.1016/j.orbis.2018.05.002 Accessed on July 27, 2020.
633 Ibid.
he refused to intervene in the battle of Imran was in favor of the Houthis. Thus, the balance of power restored in favor of Houthis that reached a point of a coup against Hadi’s legitimacy.

Since 2011 the competition between Riyadh and Tehran has also exacerbated Yemen’s domestic power struggle at the southern tip of the Arabian Peninsula. Saudi-led Arab coalition forces have launched large-scale airstrikes on Houthi armed forces since March 2015 due to their accusations of Iranian plans to expand its presence in Yemen through Houthi forces. As stated on Al Jazeera website:

> Since the outbreak of the Yemeni February Revolution, Iran has been working to take advantage of the changes in the Yemeni arena for the benefit of its Houthi allies and it is preparing to bring them into power. Therefore, Iran has supported them with various forms of assistance, such as: portraying the Houthis through Iranian media channels that they are the ones leading the revolution and the strongest component in it. Also, Iran assisted Houthis to establish an official TV broadcast “Al-Masirah” [which is now of the widespread Houthis’ mass media platforms that include websites and social media]. In addition to military supplies weapons and training through the Revolutionary Guards and Hizballah military commanders to train Houthi fighters in camps were established on an Eritrean island for the Revolutionary Guards to train the Houthis.

In response, Iranian and Hizballah officials have denied or downplayed the claims. In November 2017, Revolutionary Guards commander Maj. General Ali Jafari said that “Today, Yemen is ruled by the Ansarullah (Houthi Resistance Movement), and Iran’s assistance is confined to advisory missions and spiritual support, which Yemen needs most.”

A recent Houthi drone on September 15, 2019, to attack the Saudi oil infrastructure was a unique act. In fact, “the group had launched missile and drone strikes on Saudi infrastructure before, but the latest strikes would be unprecedented in terms of the choice of targets, range, and scale… The attacks cut the kingdom’s oil output in half, disrupting some five percent of the daily global oil supply.” The accuracy

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of the attack forced the Saudi alongside with the US officials accused IRI based on physical evidence of Iranian arms transfers to the group.\textsuperscript{638} Both Saudis and the US officials condemned the attack and blamed IRI to provide such advanced technology to the Houthis, therefore statements were released by the Saudi officials as well the US Administration.

In a statement by the Saudi Ministry of defense indicates that “the drones used in the attacks — which had been claimed by Yemen’s Houthi rebels — were Iranian delta-wing unmanned aerial vehicles.”\textsuperscript{639} In addition to accusing IRI to be behind the attack, the Saudis attempted to bring international attention to the Iranian aggression in the region as they claimed that “We have witnessed distinct growth in Iranian aggression,” … “This attack wasn’t against Saudi Aramco or Saudi Arabia, it was an attack against the international community, the whole world economy, and global trade.”\textsuperscript{640}

Accordingly, KSA not willing to confront IRI alone because it is perhaps clear for them that any military confrontation with IRI would create a quagmire for the Saudis. At the same, either side willing to blame each other in such conditions. In this case, the Saudis blamed IRI that brings instability into the region. Perhaps any condemnation from the international community would favor the Saudis in this specific situation and it may bring more isolation for IRI. Although the Houthis formally announced that they were responsible for the attack and it has nothing to do with IRI, the US Secretary of State Mike Pompeo blamed IRI for its aggression throughout the region stating that “an unprecedented attack on the world’s energy supply,” … “no evidence the attacks came from Yemen.”\textsuperscript{641}

On the other hand, in response to the Saudi-US accusations, IRI officially denied any allegations to the Saudi giant Aramco oil facilities. The Iranian foreign minister, Mohammed Javad Zarif, in an


\textsuperscript{640} Ibid.

interview with CNN stated that “Yemen's Iranian-backed Houthi rebels, who claimed responsibility for the attack, have stepped up their military capabilities and were capable of conducting a sophisticated operation such as the one that knocked out half of the kingdom's energy production.” Zarif also added that “I know that we did not do it. I know that the Houthis made a statement that they did it.”

Therefore, IRI reportedly denies supplying military equipment and weapons to Houthis. However, it has repeatedly condemned the Saudi-led military alliance due to its humanitarian impacts. And they blame the Saudis of killing civilians, innocent people, and children. In short, nor does this missile attack or others trigger a confrontation between the two major regional powers in the Middle East. But there is no doubt that this may bring more disasters and dangers to the Yemeni people.

Although some argue that sectarianism runs through the foreign policy of IRI and KSA, the rivalry is not simply a religious conflict. One of the important factors is that even they both form alliances with countries belonging to the same sect, but that does not mean the entire region is religiously divided into two campuses. However, religion is not a major part of the struggle, but political struggle to influence the resources and dominate a politically turbulent region is the main factor of rivalry. The tensions between IRI and KSA were not caused by a single incident. However, the Islamic revolution that erupted in 1979 played a significant role in creating a hostile atmosphere.

**Saudi-Iranian Interference in Lebanon**

After nearly 15 years, in August 2020 an international tribunal for Lebanon issues its verdict in the case of the assassination of the former Lebanese Prime Minister Rafik Hariri. The suspects are members of the Lebanese Hizballah group that in absentia before the special international court in the

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643 Ibid.

Following the assassination in 2005 angry protests erupted in different places, and protesters marched for the Syrian military withdrawal at the same time they held Hizballah as accountable for their Prime Minister assassination. In return, the Syrian military personnel was forced to withdraw from Lebanon after they had been in for nearly 29 years. The court’s decision coincides with a catastrophic explosion in the Beirut port on August 4, 2020, which killed at least 180 people and injured more than 6,000. This simultaneously with dozens of economic crises, such as the collapse of the currency value, the high inflation, and unemployment rates, that have been afflicting Lebanon stability which led to mass protests throughout the country. Despite the threat of the global structure of fundamental transnational crises such as poverty, pollution, proliferation, transnational energy and water, population, terrorism, pandemics, and cyber, the Middle East, on top of that, suffers from fragile political systems that are not able to resist the unprecedented threat. The fungible political and economic situation Lebanon played a significant role in fostering internal instability and cultivating an environment of insecurity. Furthermore, the governing in Lebanon conceptualized with corruption, terror, and violence that purports threats to current people’s life and future generations. Despite a bitter experience during colonialism, after the August 4, 2020 explosion, thousands of Lebanese signed petitions to put their country under French mandate. This is a unique act for Arab nationals to invite Westerns to govern them, while a half-decade ago they were forcing colonialism to leave their countries.

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The nationalization movements in the Middle East emerged between WWI and WWII to fight for their identity and gain freedom from colonialization that subsequently these movements were known as decolonization. Some argue that decolonization brought secularism and modernism to some of the Middle East countries. Especially during the sixties and seventies of the last century in countries such as Iraq, Iran, Lebanon Egypt, and Afghanistan the societies were more open and modernized compared to the eighties where the region again faced increased presence of radical movements such the rise of the Jihadist groups in Afghanistan, the Islamic revolution in Iran, and the revival of Wahabism in Saudi Arabia, and Muslim Brotherhood in Egypt. This fundamental change ultimately created an aggressive environment for instability, civil wars, the rise of political Islam, sectarian aggression, and economic collapse.

Lebanon is one of the most countries that extensively impacted by these changes. Regarding the Iranian-Saudi rivalry, more specifically, Lebanon has become a form of political competition due to the historical interests of both IRI in KSA in the country. The Iranian relations with the Lebanese religious figures are before the Islamic revolution. But after the revolution, these relations have expanded and remained much stronger especially in the southern region, which is controlled by Hizballah, which lead a politically powerful group that controlled large and heavily armed fighting forces. At the same time, the South of Lebanon represents part of the Iranian ambitious project in exporting the revolution.

In his book, *Hizballah: The Footprint of Lebanon’s Party of God*, Matthew Levitt argues that there “is a function of the close alignment between Hezbollah leaders who believe in Wilayat Al-Faqih, the Islamic Republic’s principle of the rule of the jurisprudent.” Levitt adds that part of this “intimate relationship” between both parties is religious bond as the Hizballah leader, Hassan Nasrallah, stated that “the subject of the Wilayat Al-Faqih and the Imamate is the heart of our religious doctrine and any

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650 Ibid. pp 43-44.
offense to it is an offense to our religion." In addition to the religious phenomenon, financial dependence is also another factor of relations between IRI and Hizballah. Over course of years, sources show that Hizballah has received hundreds of millions of dollars, in addition to establishing a “web of social-religious institutions, military hardware transfers, and continued training of Hezbollah fighters in Iran.”

Saudis, on the other hand, view Lebanon as an arena for its regional influence; this is evidenced by the support provided from the kingdom during the 1950s and 1960s to the Lebanese leaders and figures who opposed the Nasserist movement. Then KSA expanded its influences in Lebanon after success in hosting the 1989 Taif Agreement that ended the decades’ long civil war in Lebanon. The aftermath of the agreement is another stage where Saudis more engaged in Lebanon’s internal affairs, but this time when Rafik Hariri, a Lebanese Prime Minister from 1992 to 2004, had become the front-line man for the Saudis interests in Lebanon. This time KSA engaged in rebuilding and developing the Lebanese economic structure. Hariri was a Saudi based businessman, who in addition to his Lebanese citizenship, he held Saudi citizenship.

In 1992, pro-Saudi Lebanese billionaire Rafiq al-Hariri became prime minister as a result of the Taif Accords leading to a clear boost of Saudi influence within Lebanon and a strong potential for Saudi involvement in economic rebuilding. Hariri, a Sunni Muslim who made his vast fortune in Saudi Arabia, quickly overshadowed the traditional Sunni elite in Lebanon because of his financial power and his close relationship with the Saudi leadership.

Meanwhile, the assassination of Rafiq Al Hariri on February 14, 2005, created new political chaos in Lebanon that represented more opportunities for both IRI and KSA to build alliances with political parties in different forms. IRI chose to support the coalition that includes Hezbollah that leads by

652 Ibid. 357.
Hassan Nasrullah, the Shia prominent cleric, and the Free Patriotic movement lead by Michel Aoun, a Christian military and politician. While Riyad found its natural partner, which was the March 14 Coalition that leads by Rafiq Al Hariri sons, Saad Al Hariri.

Therefore, during the outbreak of the July 2006 war between Hezbollah and Israel, KSA alongside with March 14 Coalition criticized the war. During this war, Hizballah invaded the international border between Lebanon and Israel and entered Palestinian territory after killing and kidnapping a few Israeli soldiers. Even as argued by some researchers that the Kingdom’s position to oppose and condemn the war government was difficult to position because of what appeared to be a decline towards the Arab-Israeli conflict, but Saudis in this war alongside with March 14 Coalition took a clear stance to blame Hizballah for bringing Lebanon into a costly war with Israel. At the same time, both parties also accused IRI of supporting Hizballah for a war that resulted in the deaths of more than 1000 Lebanese and economic damage of almost 3.5 billion dollars. Also, Riyadh accused Hizballah of clearly raising Iranian regional ambitions in Lebanon and stressing its determination to establish a foothold that would gradually advance it in the Arab region.

The aftermath of the 2006 war, Iranian-Saudi rivalry in Lebanon continued through their proxies in a divided environment to control the reins of power in the country. To adopt its influence in the political arena of the Lebanese, IRI provided prominent support to Hizballah and the leadership of the March 8 Movement. While to counterweight Tehran’s leverage in Lebanon, the Saudis remained committed to their supports for the March 14 Movement. In a statement, Saad Hariri indicated that “we do not accept that we are an Iranian protectorate ... Saudi Arabia is the first and largest investor in Lebanese stability, and this investment is not priceless.” Also, the former Lebanese Prime Minister,

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657 Salem, Paul. The Future of Lebanon.
658 Keynoush, Banafsheh. Saudi Arabia and Iran: Friends or Foes? Pp 203-225
Fouad Siniora, stated that “Hezbollah ignored the role of Saudi Arabia in helping to rebuild Lebanon after the 2006 war.”

After the war, the Saudis played a preserver role that simultaneously accusing Iranian’s interfere in Lebanon to provide military and financial support to the Hizballah. The Saudis also condemn Hizballah’s responsibility for threatening Lebanon and the Arab region’s stability. At the same time, the Saudis expressed their support to the legitimate government of Lebanon and the March 14 Coalition who led by Saad Hariri. The Saudi Foreign Minister, Saud Al Faisal, warned Hizballah “that what happened in Lebanon would push the country into a dangerous slope, and called on the party to stop confiscating Lebanon political decision and its free will.” While Iranians attributed the Saudi’s position as a panic resulted from Hezbollah’s victory that perhaps encourages the Shiite minority in the eastern region of Saudi Arabia to fight for their political rights. Nonetheless, Saudis fear of the growing Iranian influence in Lebanon represented by Hezbollah. IRI believes that the Saudi government support for the Lebanese government is focused on one goal, which is the fight against Hezbollah, and they do not represent Lebanese interests, rather the US and Israeli interests in the region.

2010 was an important year due to a few diplomatic visits to/from Beirut. First, in an unprecedented meeting in August 2010 Saudi King Abdullah met Syrian President Bashar Al Assad in Beirut. Perhaps “the Saudi king’s involvement was widely seen as an effort to legitimize greater Syrian influence in Lebanon, and over Hizballah, in the hopes of countering Iran’s role here.” Of course, the Saudi King efforts did not last for a long time due to the outbreak of the Syrian civil war where the Saudis

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661 Ibid. p 44.
oppose Assad’s regime by providing military supplies to the opposition groups in Syria. At the same
time, since the early days of the Syrian civil war, the Hizballah militias and forces have been fighting
alongside Syrian forces and express their loyalty to President Bashar al-Assad. Therefore, it is
complicated for the Saudis to maintain relations whether with Asaad’s regime or Hizballah due to their
close ties to the Iranian regime.

Second, to counter the Saudis role in Lebanon a trip was made by Ahmadinejad to Lebanon in
October 2010. His visit alarmed and concerned Western powers and some pro-western Lebanese leaders
as they stated that IRI treats Lebanon as “an Iranian base on the Mediterranean.” Although
Ahmadinejad met all the heads of the government cabinet, President Michel Suleiman, Parliament
Speaker Nabih Berri, and Prime Minister Saad Al Hariri, his visit publicly bolded by the Hizballah
prominent Shia leader Hassan Nasrallah. He stated that “Lebanon should thank Iran for supporting
resistance movements in the region... especially at the time of the July war in Lebanon,” he also added
that “Iran had helped rebuild Beirut’s southern suburbs and funded post-war reconstruction in south
Lebanon, both Hezbollah strongholds.” … “where did this money come from? From donations? No,
frankly from Iran.”

Third, in return, the Mar14 Movement and Saad Hariri did not ignore the IRI influential position
in the region. Therefore, in November 2010 Hariri made his first visit to Tehran that was described by
Iranian officials as a representation of a good opportunity to highlight the Iranian political and economic
interest in its relations with Lebanon. As broadcasted by Iranian government official media Hariri stated

665 Osiewicz, Przemysla. Ideological Determinants of the Current Saudi-Iranian Rivalry in the Middle East. Przegląd
https://www.reuters.com/article/us-lebanon-iran/ahmadinejad-trip-highlights-iranian-sway-in-lebanon-
667 Ibid.
668 Ibid.
that “Iran is interested in providing stability in Lebanon,”⁶⁶⁹ … at the same time stressing that “he had not accused the Shiite Hezbollah in the case of the assassination of his father.”⁶⁷⁰

After the 2011 Arab Spring Uprisings, IRI has remained an active and influential power in Lebanon due to its military supplies to Hizballah through Syria. At the same time, forcing them to fight alongside Assad’s regime in Syria throughout the Syrian civil war. Therefore, the mounting pressure from Riyadh on Hizballah threatens to seriously destabilize Lebanon. Also, the recent Lebanese Prime Minister Hariri's resignation in November 2017 from the Saudi mainland one of the examples of the Saudis pressure on Lebanon.⁶⁷¹ As many observers believe Saad Al Hariri was forced to resign by the Saudi Crown Prince MbS due to increased efforts by Riyadh to confront Hezbollah and pit more Lebanese against the Iranian-backed organization.⁶⁷² Perhaps, this is another Saudis attempts to promote their feet in Lebanon is to counter Iranian consolidations in Iraq since 2003 and Syria since 2011. While KSA is somehow stuck in an expensive quagmire in Yemen, it has chosen to take the path of confrontation with Tehran through targeting Hizballah in Lebanon. Although he later shelved his resignation, Hariri accused IRI and Hizballah of disregarding the stability of his country and the safety of his family. Therefore, Riyadh attempted to use its influences on Hariri to end any balance in power-sharing that legitimizes Hizballah’s position in Lebanon.⁶⁷³

The Saudi government has enjoyed the Trump administration tone against IRI whether the US withdrawal from JCPOA or a new form of heavy sanctions on IRI. This in return as Saudis believe this would squeeze the Iranian capability also the capability of its proxies. But in reality, history proves that all efforts exerted by Hizballah’s enemies in the past to weaken it have not been successful. This naturally

⁶⁷⁰ Ibid.
⁶⁷² Ibid.
raises questions about the ability of the Saudis to easily counter the Hizballah’s influence, especially there have been recent concerns about the Hizballah’s supports to the Houthis in Yemen and the Shia militias in Iraq. In addition, the Trump administration foreign policy in Lebanon is not moving the same direction with KSA to curb IRI and its proxies. Furthermore, during the Lebanese crisis in November 2017 the former US Secretary of State, Rex Tillerson, warned that exploiting Lebanon as an arena for proxy disputes impacts the security and stability of the entire region. 674

The 2019 was known as “Wandering streets of Lebanon” due to large-scale protests that broke out throughout the year in Lebanon, especially after the Lebanese government announced new taxes on some goods. 675 To face this strong reaction of Lebanese citizens, the government immediately canceled the tax initiative, but this did not relax the protests. Even though the government proposed a reform package, the protesters continued to urge the Lebanese Prime Minister, Saad Hariri, to resign in the same year. Therefore, passing through the history of Lebanon reveals that 2019 protests, August 2020 Beirut’s catastrophic explosion, internal civil wars, and unrests are the result of a fragile and weak governing that allows regional power to destroy sovereignty, democracy, the stability of Lebanon for a long time. In return, the country suffers from a collapsed economy, high unemployment rate, corruption, and famine. 676

With no doubt, this is the nature of most of the countries in the Middle East that allows regional power to exploit their weakness. The recent explosion has brought a new wave of uprisings and protests that perhaps lead the future of the country to nowhere. The history has also proved that neither internal changes such as civil uprisings nor external changes such as invasions have brought stability, democracy, or civil rights. Millennials in the Middle East, especially in Iraq, Lebanon, Syria, Yemen, Afghanistan, and perhaps some other countries have dim hopes for the future.

676 Ibid.
Conclusions

The anarchic and chaotic nature of the Middle East and the complexity of the regional relations have had determined through regional unrest and internal struggles. This has been the case in the region’s recent history, more particularly since the collapse of the Ottoman Empire a century ago, the Middle East has not witnessed what it is now and will remain the same for the foreseeable future. Within the deterioration of the regional system, the ongoing civil wars in Syria and Yemen, unrest in Lebanon, Libya, and Iraq, Palestine-Israel conflict, and the Saudi-Iranian rivalry, are widely considered complicating factors and seemingly intractable issues. Nonetheless, the broader dynamics have prolonged these conflicts and made them uglier.

Therefore, the region needs special attention through the role of dialogs, think-tanks, civil movements, and NGOs because the region entirely under one threat, and there should be one regional view and direction to deal with the issues. These issues have become obstacles to impact the security of the state and the security of the people in the region and impact the economic, political, and cultural development. The region has become a mushroom cloud for violent, ideological, and sectarian threats in different forms and identities. Perhaps, the revive of Marxism in the 60s and 70s, the rise of Al Qaida and the latter ISIS, proxy wars, and sectarian violence appears close example on the situation in the Middle East on the past, present, and future.

Paying close attention to the structure of the proxy wars within IRI and KSA’s rivalry, it reveals that Hughes’s three strategic justifications provide a clear approach to the situation. One of these strategies, for example, is the strategy of coercion that indicates “persuading an opponent to stop an ongoing action or to start a new course of action by changing its calculations of costs and benefits,” or forcing a rival to “choose between making concessions or suffering the consequences of continuing its present course of action.”677 Forcing their proxies to choose a direction versus others is one of the clear strategies that has been practiced by both rivals for a long time. Perhaps the reasons to submit such a

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strategy are related to the weakness or the hopelessness of their proxies; the Syrian government, for example, have not choices, but to accept Iranian military and financial support to maintain its power against its adversaries. The Syrian opposition groups, on the other hand, also would have to side one of the Iranian rivals, which is in this case is KSA due to their needs also for military and financial support. This is a very clear and well-structured strategy that can be tested on other Saudi and Iranian proxies in the region.

Disruption is the second strategy that indicates when “a country may be at war or in a heightened state of confrontation with another power and can choose to weaken its adversary by supporting internal conflicts,” this “thereby diverting its military capabilities towards the suppression of domestic insurrection and sapping its capability to wage an external war.” After the success of the Islamic Revolution, the Iraqi government accused Iran of interfering through supporting Shia in the south of Iraq uprising against Saddam’s regime. Therefore, one of the reasons for the Iran-Iran war was Saddam’s fear of the Iranian disruption to weakening Iraq’s military capability. Thereby to confront IRI, Saddam asked the blessing of the Saudi King Khalid to support his for the duration of the Iran-Iraq war. Finally, the third strategy is one side of the rivalry that achieves transformative objectives that may “include encouraging separatist movements to encourage the breakup of a target state.”

For a long time both IRI and KSA target opposition movements in the areas of their proxies map, but after the US 2003 invasion of Iraq and the 2011 Arab Spring Uprisings Iranian, this strategy has been used widely. As explained throughout the chapter IRI supports and encourages the Shia minority in the south region of Saudi Arabia to oppose the government and protest for their right. In return, the Saudis support the Arab minority in Ahvaz province. For example, during the August 24, 2018, military parade attack, an official letter from his website the supreme leader, Ayatollah Ali Khamenei, stated that “this

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678 Ibid.
679 Ibid.
cowardly act was done by the people who are rescued by the Americans when they are in trouble in Syria and Iraq and are paid by Saudi Arabia and the United Arab Emirates.”

Therefore, this combination of strategies provide a clear response to the proposed hypothesis of this chapter that indicates Due to IRI’s revolutionary zeal to expand its leadership, the second hypothesis is: KSA cannot underestimate Iran’s support toward proxy groups since the success of 1979 Islamic revolution that arguably marked by a degree of hubris in some of these countries. The pieces of evidence throughout the chapter indicate the expanded role of both rivals to support their proxies in the region at various levels whether it is a pan-state, state, and sub-state level.

Nonetheless, it appears the hostile relationship between both rivals has become an organizational principle for the alliance of the Middle East. But this does not mean the region is entirely divided into two blocks there are always changes and moves happening among the proxy groups to shift their loyalty to one side or another. Perhaps there are similarities between IRI-KSA rivalry and the Cold War. During the Cold War, countries were choosing whether between the United States and the Soviet Union. the US sought policies of siege and eradication of communism and rallying of allies, especially in Western Europe and the Middle East. Meanwhile, the Soviet Union supported communist movements around the world, especially in Eastern Europe, Latin America, and Southeast Asian countries.

Finally, it is clear to avoid direct military conflict, both IRO and KSA seem unlikely to go to war, at least not in the traditional sense. Therefore, it is still unlikely that a wider regional conflict will erupt, thereby maintaining proxies has become a necessary strategic platform for both rivals to claim their leadership throughout the region for the foreseeable future.

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CHAPTER 5

ROLE OF LEADERSHIP; DECISION-MAKERS

Introduction

With the respect to democratic institutions, national leaders are the most prominent actors in terms of decision-making in the developed world. When it comes to developing countries, leaders have a more advanced and significant role regarding the process of decision-making due to the lack of institutions. In his article, *The Power of Perceptions in Foreign-Policy Decision Making*, Richard Herrmann argues leaders are key factors “even more important than bureaucratic interests, lobbyists in Congress, or environmental pressures of the international system, at least with the respect of the Middle East.”\(^681\) In the Middle East as Herrmann argues, especially in countries like IRI and KSA, leaders dominate a wide range of power that usually above the role of law.

It is important to note that despite the hierarchal system in both countries, decision-making, in general, is determined by some powerful individual leaders. It is not only the power of the leaders but sometimes the role of agencies that enhances the power of leaders as well. In a country like IRI, for example, IRGC is one of the crucial actors that play a significant role in Iranian internal and external strategic policy. But for any of the leaders in the country, there must be a network source to gain the support of IRGC, which means ultimately the support of the Supreme Leader who leads IRGC.\(^682\) While in KSA, although the King has the final decisions for almost all the state’s affairs, usually Saudi kings need the blessing of the Ulama, which is a council of Islamic scholars and religious leaders that lead by most prominent Wahabis Imams.\(^683\) In other words, decision-making in IRI’s theocratic system and

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KSA’s monarchical kingdom is mostly “rule and function” by the power of individual leaders alongside some agencies’ blessing and support.

The third hypothesis indicates that decision-makers and leaders make up one of the most important variables that play a significant role to escalate and de-escalate the rivalry between IRI and KSA. Therefore, to determine the framework of the study, this chapter concentrates on the most influential decision-makers in both countries since the 1979 Islamic revolution of Iran. As argued in the introduction chapter of this study, it is important to investigate how leadership has handled this rivalry since the Islamic revolution and, how the decision-making or leadership factor has played its role in the rivalry of necessity. Despite the abundance of factors or mechanisms inherent in rivalries, it is important to note that leadership directions and views to the world politics events drive the nature of this rivalry. In other words, the nature of the rivalry between IRI and KSA cannot be identified without considering the respective role of leaders and their respective decision-making regarding domestic and foreign policies.

**IRI’s Expansionist Tendency**

One of the most important features that contributed to the formation of the IRI’s national identity throughout its history is its expansionist tendency, and therefore its preservation is constantly linked to external expansion, a characteristic that the Iranian writer Ramzani long time ago describes as an aggressive nationalism to expand its hegemony into the Middle East, South Asia, the Indian Ocean and the Southwestern Pacific, and the Persian Gulf.684 This policy has continued and expanded after the success of the Islamic Revolution in January 1979.685 The ideology of the Islamic revolution is a transnational ideology in the sense that it transcends the geographical and cultural boundaries of peoples

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based on the national interests of IRI thorough the region. Hence, the orientation of the new Iranian state after the revolution became essentially self-reliant in mobilizing the self-efforts of the state and the Shiite masses outside the country.\textsuperscript{686}

After the revolution, IRI’s popular then and now slogan “Neither East, nor West, Islamic Republic” has been the county’s most practiced agenda of various Iranian governments' foreign policy throughout the four decades of the revolution’s life. This eventually positioned IRI to purge some of its relations with the West, particularly with the United States. Perhaps, there has been summons for openness, but due to the lack of transparency and trust that have complicated IRI’s position within the international system.

Therefore, some scholars argue that this slogan has served IRI to build: a new theoretical and operational pattern of foreign policy that was crystallized into the constitution of the Islamic Republic of Iran. Its experience of 30 years can now help shape an independent course in international relations and develop an order without the domination of imperialist powers which will promote national pride and independence among developing countries.\textsuperscript{687}

Iran also considered itself the sponsor or protector of the Shias in all around the world. That is why the idea of spreading the Shia identity emerged from the early days of the revolution. It reached its peak after the 2003 invasion of Iraq when Iran actively engaged in Iraq’s domestic and foreign policy. The spread of Shia identity and the protection of it since then coined the term “Shiite Crescent” which was raised by Jordan’s King Abdullah in 2004. He noted that an Iranian-fueled “Shiite alliance was being formed from Tehran to Damascus and passing through Baghdad.”\textsuperscript{688} An idea or policy that Iranian leadership recently set their ambitions even higher not only “Shiite Crescent” rather the idea of a “Shiite Full Moon”\textsuperscript{689}. Since the early days of the revolution, IRI has been an active character in the region through providing financial assistance and military supplies to some radical Shia Islamic fundamentalist organizations in the region. This also translates into exporting the Iranian Islamic revolution. But to

\textsuperscript{686} Aarabi, Kasra. The Fundamentals of Iran’s Islamic Revolution.
\textsuperscript{687} Dehshiri, M. R., & Majidi M.R. Iran’s Foreign Policy in Post-Revolution Era: A Holistic Approach
\textsuperscript{688} Hitchcock, Mark. Russia Rising: Tracking the Bear in Bible Prophecy. (Illinois: Carol Stream, 2018).
\textsuperscript{689} Ibid.
justify its moves, the Iranian government correlates its interference to the lack of civil and political rights regarding the Shia communities throughout the region. IRI accuses the regional governments, particularly Gulf Monarchies, for political and military persecution against the Shia communities.  

Therefore, maintaining the rivalry and challenging the Saudis also falls under the same expansion tendency of the Islamic revolution slogan. This is one of the main political strategies for IRI to expand the power of leadership throughout the region. Regarding the Iranian-Saudi rivalry, some moderate or reformist Iranian leaders tend to slow down the idea of interference and expansion. But in general, and to date, this is still the main tendency of the revolution is to maintain their rivalry with KSA at a necessity level not to turn into direct military conflict. Accordingly, “outside of ideology and the character of their respective regimes, Saudi Arabia and Iran would appear structurally inclined toward rivalry in the Gulf.”

Political System of the Islamic Republic of Iran

The Iranian political system is a unique Islamic revolutionary model that has radically changed from the regime of Shahanshah “King of Kings” or an emperor of a dynasty to an Islamic regime. A model that is based on the principle of the Islamic jurists, or as known “Welayati Al-Faqih”, in which clerics serve as head of state and dominate the main powerful governmental tools. The Islamic Republic of Iran merges the authority of the guardian Al-Faqih (the right to appointment), and the power of the people (the right to vote); it is an unprecedented experience in the history of political systems. The Islamic revolution of Iran in 1979 established for the first time a new type of Islamic movement alone

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690 Ngahban, Behbod. Who Makes Iran’s Foreign Policy: The Revolutionary Guard and Factional Politics in the Formulation of Iranian Foreign Policy
691 Wehrey, Frederic, et al. Saudi-Iranian Relations Since the Fall of Saddam: Rivalry, Cooperation, and Implications for US Policy. P 75.
693 Ibid.
bears responsibility for building a state, while other Islamic models were theoretical experiences at the level of state and governance.

The political system in IRI, in general, is characterized or mobilized by its religious Imams, which is based on the principles of the Islamic Sharia. But mostly adopts the ideas and theory of Wilayat Al-Faqih that originated from the Shia sect. The political system is also characterized by centralization as well as the complex and intertwined nature of its structure. This system is distinguished from many political systems in the world due to the fact of its diversity and multiplicity of decision-making sources and their overlap. According to the structure of this system, the constitutional institutions of Iran includes three branches: executive, legislative, and judicial. In addition to other institutions that are independent of previous authorities. These constitutional institutions, religious and political societies, revolutionary groups, and the bazaar contribute and influence political decision-making.

Although the Iranian constitution defines the structure and powers of these institutions and limits their functions in a manner that does not intersect with each other, the final solution is entrusted to the Supreme Leader of the Islamic Revolution. Sometimes the Supreme Leader, high-profile Imams, and the president, who is the second-highest position after the Supreme Leader, violate the constitution. This is because “the jurists have been endowed with the same all-encompassing and absolute authority enjoyed by the Prophet and the Imams.” Therefore, “they can override Islam’s primary injunctions … because the Iranian constitution “gains validity from the Wali Al Faqih’s endorsement.”

Iranian constitution articles are mostly affirmed based on the Islamic rules within the framework of the official doctrine of the country, which is the Twelver Shia Doctrine. For example, Article IV of the Iranian Constitution indicates that Islamic scales must be the basis of all legislation, laws, and regulations

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694 Bill, James A. Power and Religion in Revolutionary Iran.
696 Bill, James A. Power and Religion in Revolutionary Iran.
698 Ibid.
in the country. And there should not be any affirmation to issue or adopt any law or legislation that contradicts Islamic law including but not limited to various fields of political, economic, social, and cultural life.\textsuperscript{699}

Despite the multiple sources of political decision-making, the Iranian political system is not democratic because the ultimate decisions are subject to the directives and influences of the Supreme Leader. The system is one of the totalitarian Islamic regimes and it is closer to the characteristic of the central system.\textsuperscript{700} The only democratic feature that the Iranian political system emulates is elections, which it believed is controlled by hard-line clerics.\textsuperscript{701} Whether during the presidential elections or parliament, the hard-liner Imams and clerics have the power of interrogation and the possibility of withholding confidence of the government.

Finally, It seems that the nature of the political system in IRI makes it distinct from many political systems in the world, as it includes in its political and constitutional components besides the three main powers (executive, legislative, and judicial), other institutions that directly contribute to the political decision-making process. And their ability to influence decisions issued by the legislature and these institutions are mostly affiliated with the Supreme Leader of the Revolution, which has the highest authority in the country.

\textbf{Religious Factor Within IRI’s Foreign Policy}

Since the success of the Iranian revolution in 1979, religion has become one of the prominent soft power tools within Iranian foreign policy it is a model based on Shia doctrine that plays an impressive and significant role in formulating and defining Iran’s foreign policy directions. Through the policy of Iranian leadership, religion implemented severe foreign policy concerns that ultimately increased the

\textsuperscript{699} The Constitution of the Islamic Republic of Iran, Article Four
\textsuperscript{700} Siavoshi, Sussan. Authoritarian or democratic: the uncertain future of Iran, \textit{Iranian Studies}, vol. 32, no. 3, 1999, pp 313-331, DOI: 10.1080/00210869908701959
\textsuperscript{701} Tarock, Adam. The Struggle for Reform in Iran, \textit{New Political Science}, vol. 24, no. 3, 2002, pp 449-468, DOI: 10.1080/07393140220000054554
tension between IRI and its neighboring countries. Therefore, Shiite Islam after the Islamic revolution has become the political and ideological structure of the Islamic Republic. And the role of Islamic Shia identity was not limited to shaping the texture of contemporary IRI only, but also transcended the country’s relations with the outside world. This feature did not emerge as the most important characteristic of the Iranian Islamic revolution, but its power grew after the revolution in a way that changed the internal affairs of the Iranian government with the people of Iran. Also, it changed the courses of Iranian relations due to the formation of new political orientations of the Iranian regime in its relations with the West, especially the United States, Israel, and the Arab Gulf states. Therefore, this complicated texture of governing that combined radical Islam with the geopolitics of the region that makes the rivalry a strategic and necessity prerequisite policy for IRI to maintain the power of leadership.⁷⁰²

The Iranian constitution includes an enormous number of articles linking internal and external political life in the country with religious determinants and religious frameworks, to go beyond its role as a constitution to a state of “sanctity”, preventing the amendment of some of its articles permanently. Also, it provides a superpower to the Supreme Leader as the first guardian of all Muslims inside and outside Iran. The doctrine played the main pillar of Iran's revolutionary vision of the outside world, especially in the first decade of the revolution, and the famous phrase of Khomeini expresses the truest expression of this when he said “We face the world with an ideological confrontation.”⁷⁰³ The revolution introduced new and discursive rhetoric to express the message to the inside and the outside of Iran. The structure of the leadership in IRI is unique; despite the prominent role of the government and the President, the final decision is in the hands of the Guardian Faqih or Supreme Leader.⁷⁰⁴

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⁷⁰⁴ Ayatullah Khomeini was the founder of the Islamic Republic therefore he became the first Suream Leader until his death in 1989. Thereby since then Khamenei has become his successor. Hovsepian-Bearce, Yvette. The Political Ideology of Ayatollah Khamenei: Out of the Mouth of the Supreme Leader of Iran. (New York: Routledge, 2016). Pp 108-110.
The Iranian constitution adopted the theory of the absolute guardianship of the jurist. The fifth article, for example, provides another important sanctity to the leadership, especially for the Supreme Leader. Hence Article 5 stipulates that “During the Occultation of the Walial Asr [Imam Mahdi] (may God hasten his reappearance), the wilayah and leadership of the Ummah devolve upon the just ['adil] and pious [muttaqi] faqih, who is fully aware of the circumstances of his age; courageous, resourceful, and possessed of administrative ability, will assume the responsibilities of this office in accordance with Article 107.”

This article provides and legitimizes superior power to the supreme leader in the time of the absence of Imam Mahdi to guardianship and the imamate of the nation in the Islamic Republic of Iran and the whole Islamic world. More additionally, to maintain the power of the Supreme Leader in Iran, article 177 orders a concrete law that “wilayat Al-Amir; the Imamate of Ummah; and the administration of the affairs of the country based on national referenda, the official religion of Iran [Islam] and the school [Twelver Ja'fari] are unalterable.”

Overall, the constitution forces the guardianship of an Islamic regime in Iran and the Islamic Ummah that is designated according to the Shia doctrine which is unalterable for any change. It also forces all Muslims to obey the orders and prohibitions of the jurist. It is not possible to separate the commitment to the guardianship of the jurist and the commitment to Islam and the jurisdiction of infallible imams. And it seems that IRI is not ready to disqualify the religious dimension from its foreign policies in the foreseeable future. This is because it considered the pillar of its construction as an expansionary regional power that started since 1979, unless an extraordinary strategic shift occurs within the Arab world, especially in the Gulf region and the Middle East. Then Iran may reduce the impact of the religious factor on its foreign policy in favor of factors of mutual interests, and the political pragmatism that is proficient in its foreign policy.

706 Ibid. Article 177.
707 Kawtharani, Farah W. Political Thought in Contemporary Shia Islam: Muhammad Mahdi Shams al-Din. (Cham: Palgrave Macmillan, 2019).
The leadership of Iran may not have an option of reshaping its relations with the neighboring countries of the Gulf, especially with Saudi Arabia, towards adopting a foreign policy based on mutual respect from all the competing regional parties to serve the interests, security, and stability of Iran and all countries in the region. So far, Iran has been only able to proselytize and spread Shia doctrine in neighboring countries, which is one of the religious mechanisms, among its other soft tools used to expand its external hegemony by creating social environments that encourage Iranian sectarian thought and loyalty to it. There are still some limitations of religious implementation that combines with Persian nationalism, specifically the principle of juristic guardianship remains a hindrance to its goal of dominating the region or generating enough soft power to achieve this goal without relying on hard power.  

And investing hard power beyond its borders right now would be at a high cost to the IRI’s shaky economy that would make it impossible to rely on it in the long term.

In the past, there were moments that the leadership of Iran successfully employed a religious edict known Fatwa inspired fighters to sacrifice themselves for the revolution. For example, the Iranian government during the Iran-Iraq War, distributed keys, and headbands to Paradise among the soldiers to encourage them to join the military institutions. As reported by New York Times, the worn keys and headbands by Iranian soldiers were “identifying the wearers as divinely designated martyrs who will use their keys to go directly to heaven if killed in the holy war against Iraq declared by their leader, the Ayatollah Ruhollah Khomeini” Even now, the fighters who fight in Syrian to defend the regime, get special documents that qualify them, and guarantee them the Paradise. This type of religious ceremonial organizes by Senior Shiite clerics in the Iranian city of Qom, who usually issue spiritual fatwas for these matters. This encourages other Shia clerics in neighboring countries, such as Ali Sistani in Iraq and

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Hassan Nasrullah in Lebanon to issue similar fatwas to encourage people to join their fights. In return, some Shia militias in Iraq responded to the call to bear arms to fight against ISIS in Iraq or/and send their followers to fight alongside with Syrian regime\textsuperscript{711}.

Finally, what distinguishes Iran from Saudi Arabia is that Iran already possesses a political theory of Islamic governing that centered on the concept of guardianship of the jurist, Wilayat al-Faqih, that is based on Shia doctrine or it is known Twelver Shia Doctrine. At the same time, this has been linked to the principle of exporting the Islamic revolution and considers a true Islamic solution to the problems of the Islamic world.

**The Nature of Political System in The Kingdom of Saudi Arabia**

Article five A and B of the Saudi Constitution stipulates that “The system of government in Saudi Arabia shall be monarchical. The dynasty right shall be confined to the sons of the Founder, King Abdul Aziz bin Abdul Rahman Al Saud (Ibn Saud), and the sons of sons. The most eligible among them shall be invited, through the process of an oath of allegiance [Bayah]\textsuperscript{712}, to rule under the Book of God and the Prophet's Sunnah.”\textsuperscript{713} This article provides unlimited power and authority for Al Saud to rule the kingdom and it also maintains governing among the royal family. Although the political system in KSA consists of a judicial branch, executive branch, and regulatory branch, the kings have the actual authority over these branches.

Moreover, kings in Saudi Arabia usually have the right to retain all the powers and they may even dictate regular diplomatic correspondence. To maintain a safe side, article seven, part two forces the


\textsuperscript{712} Bay'ah is an Islamic term that stands for the process declaring on oath of allegiance with a particular leader to legitimizes the system of governance. This act was practiced during Prophet Muhammad’s era. In addition to Saudi Arabia there are other countries that practice this system; sometimes it is a written statement that maintain that agreement between people and the leader as long as both sides abide to rules of the agreement. For more detail: Ansary, Abdullah F. Combating Extremism: A Brief Overview of Saudi Arabia’s Approach. *Middle East Policy*, vol. 15, no. 2, 2008, pp 111-142. http://dx.doi.org/10.1111/j.1475-4967.2008.00353.x

people of the kingdom to obey to all the rules and the royal family as it stipulated that “Citizens shall pledge allegiance to the King based on the Book of God and the Prophet's Sunnah, as well as on the principle of "hearing is obeying" both in prosperity and adversity, in situations pleasant and unpleasant.”

Despite the existence of a constitution, the Saudi system is classified as an absolute monarchy. At the same time, it is unique because it relies on a large portion of Islamic law, and the tribe rules. Al Saud has been governing since the alliance between Muhammad bin Saud and Sheikh Mohammed bin Abdul Wahab in 1744. Since that agreement and beyond, the royal family has maintained its legitimacy form another alliance with the Islamic fundamentalist scholars and the elders of other tribes in the kingdom.

The ruling system of the Kingdom has several features. First, individual decision-making with all powers concentrated in the hands of the king and shared by some influential elements of the royal family. Second, the role of Saudi elites is limited despite their growing numbers. Third, the Kingdom of Saudi Arabia has not had a colonial history, as the kingdom was not colonized by external powers, which is reflected in their foreign political decision-making.

The structure of governing in KSA completely contradicts the nature of the Islamic regime in Iran. As it indicates that the political system in KSA is a combination of Islamic absolute monarchy combined with the ideology of Wahhabi Salafism, and this engages at the same time with some tribal rules and obligations. This completely incompatible with the Iranian regime’s political system. In contrast, the political system of IRI is an Islamic theocracy headed by a Supreme Leader and the power of Islamic clerics that follow the doctrine of Shiite Twelvers. This difference in ideology created a type of dissonance and divergence between IRI and KSA, which has negatively impacted the nature of Iranian-Saudi relations and led to repercussions that placed their effects on the region.

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714 Ibid. Article Seven.
Hajj and the Religious Status of the Kingdom of Saudi Arabia

The Kingdom of Saudi Arabia is the focus of attention for Muslims from all over the world that consists of Hajj or pilgrimage because it is the holiest city for Muslims. There is the Sacred House of God, the Mosque of the Prophet Muhammad, and the Kaaba. The Kingdom has a prominent religious position; it is the house of the Prophet Muhammad where he was born, received, and reviled Islam, and generated his battles and conquests. In addition, KSA is the location of his grave, and the graves of his companions and the graves of his wives. Muslims from all over the world visit Saudi Arabia every year to perform the Hajj pilgrimage. The religious significance of the kingdom was not the result of the contemporary era, but rather its foundation due to a religious and family alliance dating back to 1744 when Muhammad bin Abdul Wahab allied with the Al Saud family, Muhammad bin Saud.⁷¹⁷ Although this alliance created a firm and concrete religiously protection for the Al Saud to maintain their ruler in the Kingdom, eventually it led to the spread of extremism ideology within the kingdom mainland, and abroad in terms of global jihad.⁷¹⁸ It also led to an “orthodoxy marriage” between the political tribal organization (the Emirate of Al Saud in Diriyah) and a political-religious ideology (Wahhabism).⁷¹⁹ Eventually, this has created a formula for governing in KSA that is based on a principle that affirms authority and primacy of the Sunni community in all matters of religion and state. More particularly, among the Sunni community, the jurisdiction and authority are dominated by Al Saud’s family, but after consulting the Sunni scholars and imams who follow the principle of Wahhabism.⁷²⁰

The philosophies of Sheikh Muhammad bin Abdul Wahhab played a pivotal role in the political history of the Arabian Peninsula in general and gave the Saudi royal family an ideological basis that religiously compound to legitimize their political ambitions of domination and governing. From the

⁷¹⁹ Haj, Samira. Reordering Islamic Orthodoxy: Muhammad Ibn Abdul Wahab.
beginning, the Sheikh and the Prince agreed that the political consequences of the new ideology and alliance that developed between them situate the Saudi princes in general and King Abdelaziz, in particular, to extend their influence over almost all the Arabian Peninsula through an ideological dimension and political legitimacy. This also structured the power of the kingdom in a solid position in the Muslim world too.

The Hajj, which is an Islamic annual pilgrimage to Mecca, is another contribution that has an influential determinant of the nature of Iranian-Saudi rivalry. The Hajj is an extremely important location for KSA that enhances its religious, political, economic position. It is a holy location for Muslims, Sunnis, and Shias, around the world. Khomeini particularly believed that this place should be governed by Muslim Ummah and not the Saudis alone and therefore he invited Iranian pilgrims to use this sacred religious duty for political purposes. Not only Khomeini but also some other Shia prominent Imams and clerics have raised this subject, which has been one of the main problems between the leadership of both countries. For example, “the massacre of Iranian pilgrims during the 1987 Hajj initially resulted in the freezing of Tehran–Riyadh relations and, finally, a complete break in 1988, which lasted for three years.”

Therefore, Khomeini sought to use religion as a determinant of his foreign policy especially towards the Gulf states in general and Saudi Arabia in particular. He used that determinant in an attempt to challenge the Islamic legitimacy of these countries as he called to place the two Islamic holy cities Makkah and Medina under the rule of a joint Islamic mission. For example, in a statement, Khomeini asked his Prime Minister Mousavi in 1984 to send a joint force from all Islamic countries to Mecca and Medina. Then, in 1994 after the Hajj season, the Iranian Vice-President of the Shura Council Hassan

721 Ibid. Pp186-188.
724 Amiri, Reza Ekhtiari, et al. The Hajj and Iran’s Foreign Policy towards Saudi Arabia.
Rouhani issued a statement calling for Islamic countries to manage the Hajj season. This message was translated as a potential challenge that rocked the Saudi government. KSA has accused IRI on a few occasions of smuggling a huge number of explosives during the Hajj season. Particularly in 1987 when clashes occurred between the Iranian pilgrims and the pilgrims of other Islamic countries led to the death of nearly 400 people in Makkah including 275 Iranians, 42 from other countries, and 85 Saudi police.

As the result, Iranians boycotted the Hajj season for two years and suspended their diplomatic ties with KSA. In response, the Saudi authorities reduced the number of Iranian pilgrims to 55,000 pilgrims annually, after the actual number increased by 75,000 pilgrims in 1979, to 157,000 pilgrims in 1987. Finally, during the seventeenth conference of foreign ministers of Islamic countries in 1987, the Kingdom sought to gain the supports to adopted a specific formula according to which the number of pilgrims is determined at a rate of one Hajj per for thousand people of the total population of any Islamic country.

Khomeini wanted to take the advantage of the Hajj issue to provoke the internal tensions against Saudis through Iranian pilgrims and through the plans of exporting the revolution. Even after the death of Khomeini, the Hajj is still one of the main lacunas that impact the nature of relations between both countries. The 2015 crane collapse in Mecca killed almost 2400 hajj, 461 of them where Iranians. After the incident, Iranian supreme leader Ayatollah Khamenei “accused Saudi Arabia of having mismanaged the holy sites and called on the world’s Muslims to reconsider Saudi control of them”.

Although this study does not deal with religious factors, it is being well exploited within the foreign policy of Decision-makers and leadership in both countries. the religious factor has been circulated almost around every element of power due to explicit spiritual capability to protect and justify the leader’s decision. It is a factor that protects the Iranian totalitarian regime in and absolute monarchic

727 Ibid.
728 Amiri, Reza Ekhtiari, et al. *The Hajj and Iran’s Foreign Policy towards Saudi Arabia.*
system of KSA. Moreover, it reveals unresolved questions regarding human rights violations in both countries that remain a crucial matter.

**Does Leadership Matter?**

Regardless of leadership in both countries, the antagonism has not stopped because of the complex and multifaceted nature of the rivalry. Although this rivalry has become a necessary platform for survival for both countries, leadership plays a significant rule in whether to reduce or increase the level of tensions. Therefore, the political and religious leader matters since they have been the key factors in the fluctuation of the conflict. In this case, radical and conservative leadership, reformist and secular leaders, have greatly shaped the direction of the rivalry because their ideology tends to pull both sides farther apart. Some leaders may play a significant role to reduce the tension between IRI and KSA, but it appears the natural/geographical creation or the geopolitics of both countries tend to remain in a state of rivalry.

The Saudi-Iranian relations during the 1970s remained relatively stable even the era had witnessed several events that expected to impact the mutual relations of both countries. In late 1971, for example, IRI occupied all three Arab islands (Greater Tunb, Lesser Tunb, and Abu Musa), while KSA committed itself to be silent and did not oppose the occupation.\(^{731}\) Perhaps this is because of KSA's keenness to maintain its relations with the Shah of Iran and not to harm it. Besides, the same year Iran had abandoned its claims to annex Bahrain to its territories after the British withdrawal from the region and Iran recognized Bahrain as an independent country later.\(^{732}\)

This era also witnessed arms races between the two countries, especially after Britain withdrawal from the eastern Suez region. During that moment, the Shah was keen to obtain recognition from the USA and Western countries of his country's influence in the region as a regional power. And the Shah started building its military capabilities remarkably, which raised concerns among neighboring countries,


especially KSA. Britain declassified documentation to indicate the Saudis fears and anxiety increased greatly after the Iranian interference in the Dhofar region in Amman, which strongly opposed by the Saudis, calling for the necessity of Iranian forces withdrawal from the region.

Following the assassination of King Faisal in 1974, the Saudi-Iranian relations entered a new stage, particularly when King Khalid, 1975-1982, assumed the throne of the Kingdom. In April 1975 Shah of Iran visited KSA and met with King Khalid to pass his condolences to King Khalid over his brother’s assassination, and they both held talks on bilateral relations between the two countries. The two leaders renewed their position on the Palestinian issue and demanded the necessity of an Israeli withdrawal from all lands that were occupied by Israel since the 1967 war. The relations between the two countries witnessed a noticeable development during the following four years, where the Crown Prince of Saudi Arabia, Prince Fahd bin Abdul Aziz visited Iran in 1975, then King Khalid himself visited it in 1976. The Saudis and Iranians exchanged official visits at various levels of the government. The discussions included many fields, to develop cooperation and coordination between both countries.

The Kingdom of Saudi Arabia was expected to be satisfied and relaxed from the Iranian influences due to the fact of the restrictions that the internal crisis produced against the Shah government. And the Saudis believed that this may paralyzes the Shah repeated declarations, that his country is the only capable country of providing the stability, protecting the Gulf, and its keenness to extend Iranian influence over the region. At the same time, Saudis attempted to maintain the Shah in power because of the chances of any upcoming Islamic Shia government to replace the Shah would be hard to deal with. That is why King Khalid appealed to the Arab countries to aid the Shah to be succeeded in resolving

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737 Ramazani, Rouhollah K. Iran’s Search for Regional Cooperation.
Iran’s internal crisis. In a royal statement revealed by Saudi Minister of Defense Prince Sultan bin Abdul Aziz that expressed King Khalid’s support for the Shah, and he blamed Iran’s troubles for “international communism”. Therefore, in the early days of the revolution, the Saudis declared their support for the Shah’s survival.

Iran-Saudi Leadership and Decision-Making During the 1979 Islamic Revolution

The 1979 Islamic revolution in Iran was a significant key point that changed the map and the future of the region. It also shaped the relationship between IRI and KSA ever since and most probably for the foreseeable future. After the success of the Islamic Revolution in Iran, countries in the region started to recognize the legitimacy of the new Islamic Republic of Iran. Therefore, congratulatory telegrams were flown from neighboring countries and from around the world. Despite showing initial support for the Shah’s survival, the Saudi king, Khalid, watched the situation carefully and anxiously especially the situation altered against the Shah when the US and European countries decided to abandon their traditional ally. Therefore, a new course of leadership in Iran came to power that has calibrated concerns and tensions in a new way between IRI and KSA.

Khomeini enjoyed his popular support and his mass followers that was difficult to oppose. Saudi Arabia dealt with the situation through a pragmatic endorsement method. Three reasons convinced the Saudis to accept the reality; first, they understood that the Shah of Iran lost its control to confront demonstrations that took various locations. Second, the Saudis were thinking that Iran’s new regime will not last for a long time based on the intelligence information that passed to Saddam form Iranian opposition leaders Shahpur Bakhtiar and General Gholam Ali Oveissi. This point leads us to the third

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and last reason which is Saddam’s confidence and assurance to King Khalid that Iraq will take the responsibility of an invasion against Khomeini’s regime.

During the first days of the revolution, Saudis showed their confidence over the new Islamic government in Iran. For example, in a response to a question by the editor-in-chief of the Lebanese Ambassador magazine on February 25, 1980, about the relations between the Kingdom and the new regime of Iran, Prince Fahd Abdel Aziz responded that KSA has “no problems with Iran at this time, and we are completely satisfied in this regard, contrary to what we had during the Shah ... What really matters to us is the stability of Iran, which we view it as a Muslim and friendly country.”740 He added, “When the revolution took place in Tehran, Saudi Arabia welcomed the return of Khomeini from his exile in France after the fall of the Shah, and also welcomed the formation of the temporary Iranian government headed by Mahdi Bazarkan.”741

In another interview with Al Hawadith Magazine, a Lebanese magazine, on January 11, 1980, Prince Fahd bin Abdul Aziz was asked about the nature of relations with Iran, he replied “We live in one region with Iran and we have no interest and neither Iran no misunderstanding, especially since the new regime in Iran operates under the Islamic faith, which is our motto in the Kingdom of Saudi Arabia ... We respect Imam Khomeini’s thoughts and ideas and we will not change our view of him.”742 He added that “the Iranian-Saudi relations were never in danger but rather it is based on mutual and bilateral brotherhood relations, as these relations are historical and grow steadily, and there are mutual interests that may create chances of cooperation between both countries.”743

Then shortly after the 1979 Islamic Revolution, the Saudi-Iran relations were strained due to the birth of an Islamic Shia prominent regime in Iran that has since then become a rival to Saudis presence in the region. Not only that but also Khomeini publicly pursued to export its revolution to neighboring

741 Ibid. p 28.
742 Ibid. p 27
743 Ibid.
countries. This highly concerned Saudi Arabia and neighboring countries due to the fact of the presence of Shia minorities within their population. Iraq is one of the countries in the region that Shia consists of 68% of its population. Therefore, the previous Iraqi president Saddam Hussain was the first among other leaders in the region that cautiously warned other Arab leaders about the threat that may spread by the new Iranian regime. During his visit to Saudi Arabia in August 1980, Saddam convinced King Khalid about the threat, therefore, in return, Saddam granted Saudis a blessing on the war against IRI. During the early days of the revolution, the Saudis were skeptical to engage in the war, but then eventually they decided to support Iraq during its war with IRI.

The Saudi decision to support Iraq was based on the fear that Iranian propaganda against Al Saud endangered their authority. This decision was an important shift in the balance of power in the region that changed from Iranian-Saudi to contain Iraq to Iraqi-Saudi Arabia as an attempt to contain the Iranian revolution’s threat. The threat was clear when Iranian officials publicly proclaimed their intention to liberate Iraq from Sunnis. In fact, in his speech, the Iranian President Bani Sadr claimed “he would not be able to stop the Iranian army’s march toward Baghdad since we consider [that] the Islamic nation is one nation and the Imam [Ayatollah Khomeini] is a religious leader for us, as well as for the Iraqi people and all the Islamic people.”

Ayatollah Khomeini played on sensitive tensions regarding his messages to the Gulf monarchies, particularly to the Saudi royal family. Khomeini directed criticism to the Gulf states’ leaders and their ruling regimes within the framework of religious formulation and political critics. Khomeini always accused Saudi Arabia of being out of the Quranic law and he claimed that the Saudis must “repent and

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745 Brands, Hal. Saddam Hussein, The United States, And the Invasion of Iran: Was There A Green Light?
747 Ibid.
return to Islam or face the consequences.” He did not stop there but also galvanized his critics on to Saudi Arabia that they are the primary agent of the US in the region. Khomeini also started to support the Shiite minorities through strengthening its model of revolution. This eventually turned to a direct intervention through establishing anti-government groups and militias in various countries in the region. These groups have granted military and financial supports and eventually involved in various activities against their regimes. In KSA, for example, their activities included but were not limited to attacks on Saudi diplomats inside the kingdom and abroad, as well as some riots and disturbance inside the kingdom.

In fact, because of the 1987 Hajj incident, Khomeini addressed in a remark that “to give up Jerusalem and forgive Saddam and forgive everyone who offended us is easier for us than forgiving Saudi Arabia because Iran’s affairs with Saudi Arabia is of another type of issues.” He added that “this issue is the most important issue we must fight with all our energies and mobilize all Muslims around the world against it.”

Although, decision-makers of the Kingdom of Saudi Arabia and the Islamic Republic of Iran simultaneously debate their legitimacy within the Islamic law or Islamic umbrella, which is supposed to be the factor of friendship rather than a feuded rival and disagreement. Religion becomes one of the elements/factors of rivalry that is invested extensively by the leadership in both countries to provide comprehensive legitimacy for conflict. In other words, despite the religious legitimacy in both countries, which was supposed to be a factor in bringing the two countries closer, it specifically produced the exact opposite effect. Therefore, neither Saudis accept the radical content of the Iranian Islamic Shia model, nor has Iran been satisfied with the monarchic system of Saudi Arabia and their model of Islam.

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Exporting the Revolution

In his article, Thomas L. Friedman, two years after the Islamic revolution argues that the model or the idea of exporting revolutions, such as pan-Arabism or pan-Islamism revolutions, in the Middle East do not seem to be successful because “tribal societies not given to surrendering their identities to distant powers.” Almost three decades after the Friedman piece, it seems that Iran’s exporting revolution ideology position is successful at least to the level of recruiting or targeting the Shia minorities to accept or bind with the Iranian model. This includes almost all the countries in the region that consist of the Shia population such as Iraq, Syria, Lebanon, Yamen, Saudi Arabia. In fact, Iran’s model of ideology currently targets Shia in Africa, Turkey, Afghanistan, and Pakistan.

In response to challenging IRI’s propaganda of spreading the revolution ideology, King Fahd started, since he came to power in 1982, to put astronomic personal and Saudi government wealth and funds in favor of spreading the Wahhabism version of Islam around the world. Inside the kingdom, for example, he determined to implement the Islamic law and protect holy places; in 1986 he issued a decree to use “the Custodian of the Two Holy Mosques” rather than “His Majesty” as a title for the Saudi kings who claim the royal crown.

Internationally, King Fahd specified funds for building Mosques, Islamic institutions, Islamic schools, Islamic universities, and Islamic groups. Data shows the during King Fahd’s authority $75 billion was estimated to have been spent into spreading the Wahabis version of Islam. Ibrahim-al-Ibrahim Mosque, or known the Mosque of the Custodian of the Two Holy Mosques is in Morocco that faces south towards the Strait of Gibraltar is one of the very simple examples of the contribution outside the kingdom’s mainland. He also provided foreign aids to Islamic groups such as aids the Bosnian

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751 Friedman, Th. L. Persian Gulf: Iran Arouses Fear in Arabs.
Muslims during the Yugoslav Wars. In the meantime, King Fahd attempted to be bold to confront Khomeini’s perspective regarding the Palestinian issue, therefore he showed his full cooperation and supports to the Palestinian rights of a sovereign state with all legitimacy.

To challenge the Iranian expanded presence in the region, King Fahd accepted military coordination with the US. In this regard, King Fahd supported the American presence in the Gulf after the deterioration of relations between both countries due to the crisis that occurred between the two countries as a result of the American pressure on KSA to accept the Camp David agreement. The Saudis understood that there is no choice for them, but to accept America’s pressure. This was obvious when Washington relaxed its protection to the Shah of Iran during the Islamic revolution that questioned America’s ability to defend their friends. After the Iran-Iraq war, the Iranian air attack threats across the Gulf increased, therefore, King Fahd asked for American assistance; in response in December 1982 Washington sent civilian aircraft to help and direct Saudi air defense against any possible Iranian attack.

After 1982 the tensions severely increased between the Iranian and Saudi governments especially when media propaganda engaged and attacked from both sides against each other. Also, leaders from both countries delivered various messages of threat. Khomeini, for example, positioned himself to speak on behalf of Muslims all around the globe. He, therefore, organized several arrangements aimed at imposing the Iranian model of revolution through supporting extremist movements, and setting up training camps;

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the establishment of the Organization of the Islamic Revolution in the Arabian Peninsula in 1979 was one of the clear examples within this matter.\textsuperscript{759}

Since 1983, Khomeini and Iranian President Ali Khamenei took a radical stance against Saudis and the Gulf states. They launched a campaign of hostile attacks against the Gulf Arabs as a result of their support for Iraq. Threats, for example, included the extension of the war against Gulf countries. In a Friday prayer ceremony, Khamenei indicated that “we wanted the Gulf Cooperation Council to pressure Iraq to stop the war if they do not want to respond to this request, we urge them to stop their support for Iraq, we did not fight them, but if they helped Iraq, of course, we will not ignore that.”\textsuperscript{760} In return, the former Saudi Foreign Minister, Saud Al-Faisal, during his meeting with a Saudi TV station in 1984 expressed his fears of how dangerous the situation regarding the Iran-Iraq war. He also stressed that his government and the government of Kuwait and Bahrain would help extinguish that war.\textsuperscript{761}

King Fahd expressed his concern, especially after Iran invaded the Al Faw Peninsula at the southern border of Iraq in February 1986.\textsuperscript{762} Therefore, to ease tensions with IRI, King Fahd sent his messages through a visitation by Saud Al-Faisal foreign minister to Tehran. In July 1986, the two parties exchanged views on various issues, including Hajj, the Iraq-Iran war, and OPEC concerns. In contrast, Ali Velayati, the former Iranian foreign minister, visited Riyadh in December 1986.\textsuperscript{763} In return both sides cultivated resolves of disputes, especially ending the war between Iraq and Iran, and preventing the spread of the influence of the Iranian Islamic revolution. Their diplomatic efforts exploded with chaos; therefore, King Fahd adopted a new policy towards IRI, which offered full support to Iraq. Also, the king pledged to share a portion of the Iraqi arms purchases and placed some Saudi ports and airports for Iraq to


\textsuperscript{761} Ibid. p 34.

\textsuperscript{762} Ibid. p 35.

use freely, and they transported goods and military equipment, in addition to providing the necessary intelligence information.\textsuperscript{764}

The relations were severely complicated between both countries after the Saudi security forces killed 400 Iranian pilgrims on July 30, 1987.\textsuperscript{765} In response, the Iranian Revolutionary Guards resorted to seizing the Saudi embassy in Tehran, and the killing of one of the Saudi diplomats, which led to the severance of political and diplomatic relations between them during the years 1988-1989.\textsuperscript{766} This ended finally after Saudi Arabia in the middle of January 1989 expelled all Iranian diplomats from its soil. The mediation of Libya, Algeria, Syria, and Jordan has failed to reach a promise from the Iranian side to desist from exploiting the Hajj season for political purposes.\textsuperscript{767} In return, King Fahd issued a memorandum that asked the Saudi government to decide to hold diplomatic ties and political relations with Iran. The memorandum stated that the kingdom’s patience sparkled, and they accused IRI of smuggling explosive bombs during the 1989 Hajj season that exposed the kingdom’s fundamental interests to threat.\textsuperscript{768} Also, in a statement in February 1989, King Fahd explicitly justified Saudi Arabia’s military and intelligence assistance to Iraq during the war with IRI.\textsuperscript{769}


Although the tensions reached its peak between both countries during the years of the Iran-Iraq war, 1989 is considered a turning point year, a blizzard or storm for the seeds of a new set of relations between IRI and KSA. A few occasions included but not limited to the end of the Iran-Iraq war in August 1988, Rafsanjani held secret talks with King Fahd representative in Geneva on February 1989, the death

\textsuperscript{764} Ibid. p 53.
\textsuperscript{767} Ibid. pp 81-83.
\textsuperscript{769} Ibid. pp 51-52.
of Iran’s supreme leader Death of Ayatollah Khomeini on June 1989, and two months later on August 1989 Rafsanjani became a first reformist president in Iran. In fact, he made his first historical visit to KSA which contemplated starting new relations between both countries.  

Among all the events mentioned earlier, Khomeini’s death on June 3rd, 1989, and a new presidency under the leadership of Ali Akbar Hashemi Rafsanjani from 1989 to 1997 are the main causes of pacification or thawing of relations between IRI and KSA. Khomeini was at the core of the Iranian leaders who believed in the necessity of the overthrow of the Al Saud family and he declared his ideas publicly regarding the legitimacy of KSA authority. In fact, in various occasions he criticized the Al Saudi family’s ruling; after the 1987 Macca incident, for example, in a letter “he lambasted the fanatic Saudis driven by their own misguided beliefs to kill innocent Shia pilgrims”… also he referred to the Saudi rulers as “vile and ungodly Wahhabis” and “like daggers which have always pierced the heart of the Muslims from the back.” He also believed that Macca and Medina should be ruled and governed by “International Islamic Safeguard and Security” after “liberated from the “claws of Al Saud.” While Rafsanjani, who is known as a reformist leader, had different views from Khomeini because he believed in the importance of maintaining the relationship with Gulf countries and KSA.

Therefore, Rafsanjani’s course of presidency raised the indications of a new course of political relations, diplomatic ties, and economic cooperation between Iran and the countries of the Gulf Cooperation Council, especially with the Kingdom of Saudi Arabia. After the secret talks held between the two parties in Geneva in February 1989, Rafsanjani’s representative attended a meeting of the Organization of the Islamic Conference held in Jeddah in March of the same year, in which IRI ended its

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773 Ibid. p 106.
boycott of the Hajj season.\footnote{Alsultan, Fahad M., & Saeid, Pedram. The Development of Saudi-Iranian Relations since the 1990’s between Conflict and Accommodation. Pp 90-91.} Rafsanjani’s two-term presidency revealed his attempt to rebuild Iran’s economy that had been destroyed because of the Iran-Iraq war. Therefore, he attempted to change the Iranian political ideology that consisted of Khomeini’s ideology of exporting Iran’s Islamic revolution to neighboring countries, especially after the death of Khomeini. In other words, “he changed dominant discourse namely radical revolutionary discourse to conservative developmental discourse in the framework of detente and cooperation with the neighbors.”\footnote{Amiri, R. Ek. & Ku Samsu, H. K. Security Cooperation of Iran and Saudi Arabia. International Journal of Business and Social Science. vol. 2, no. 16, September 2011, pp 246-252. https://ijbssnet.com/journals/Vol_2_No_16_Sep 2011/28.pdf Accessed on February 1, 2020.} In fact, as an embodiment of the regional cooperation, Hashemi Rafsanjani’s first formal visit to Saudi Arabia in 1989 represented a growing building of Iranian-Saudi relations.

Some regional and international occasions occurred in the early 1990s such as Iraq’s invasion to Kuwait, the collapse of the Soviet Union, the end of the Cold War, and the US radical presence in the Gulf. These events shifted the world to a new order. Perhaps, Rafsanjani ruled as a realist and pragmatic leader to reposition his country’s strategic goals based on the new regional and global order. First, during Iraq’s invasion of Kuwait, Rafsanjani attempted to persuade the Gulf countries and the West that Iraq poses threat to the region, not Iran. He condiment Iraq’s act and asked Saddam to withdraw his troops from Kuwait and respect Kuwait’s sovereignty.\footnote{Amiri, Reza. Ek., & Soltani, Fakhreddin. Iraqi Invasion of Kuwait as Turning Point in Iran-Saudi Relationship. Journal of Politics and Law, vol. 4, no. 1, March 2011, pp. 188-194. https://heinonline.org/HOL/?h=hein.journals/jpola4&i=190 Accessed on February 1, 2020.} Second, he chose neutrality during the invasion even when there were demands for Jihad from Iranian radical Imams because Khomeini legitimized the confrontation or Jihad with America’s presence in Islamic land for the sake of God.\footnote{Rakel, Eva Patricia. Iranian Foreign Policy since the Iranian Islamic Revolution: 1979-2006.} Third, Rafsanjani did not condemn America’s presence in the region because Saudis were among the main inviters of the American soldiers into the region, particularly King Fahd, who Rafsanjani just started to restore his country’s relationship with.\footnote{Alsultan, Fahad M., & Saeid, Pedram. The Development of Saudi-Iranian Relations since the 1990’s between Conflict and Accommodation. P 82.} At the same time, he believed that the American presence in the region
would ease Iran’s relations with the US which might therefore benefit Iran economically. Rafsanjani illustrated this opportunity to solve the aftermath of the eight years of the Iran-Iraq war that isolated his country that suffered from high inflation, unemployment rate, and damaged education and health system.  

Although the regional events played a significant role in restoring relationships between IRI and KSA, Rafsanjani’s administration considered the Soviet Union collapsed as a juncture point for IRI’s foreign policy. First, the collapse left the US the only superpower to dominate the region and no doubt would submit more challenges to IRI. The presence of the US in the region with the absence of deterrence from the Soviet Union would be the loss of a trump card that had been exploited by IRI during the Cold War to deter the US attempts to impose its political and economic dominance and military in the Persian Gulf. A close relationship with KSA could induce or generate the possibility of better relations with the US. Rafsanjani knew his country was in a position not to be envied; he knew that to take any risks under his helm might be suicidal, instead, he preferred to bypass obstacles to maintain political and diplomatic relations with KSA. Therefore, within the courses of Rafsanjani’s presidency, the relationships between both countries improved, and the solidification of the rapprochement was adopted by his successor Mohammad Khatami as well.

In fact, Rafsanjani’s attempts to restore IRI and KSA’s relations as well as inspired King Fahd to reposition the kingdom's foreign policy towards IRI. For example, in a formal statement in 1991, after Rafsanjani’s visitation to KSA, King Fahd altered the excuses for supporting Iraq during the Iran-Iraq war. Therefore King Fahd claimed that “Kuwait and Saudi Arabia financial assistance to Iraq had not been aimed at an invasion of Iran but Iraq’s defense.” He also added that “he had personally tried to

780 Amiri, R. Ek. & Soltani, F. Iraqi Invasion of Kuwait as Turning Point in Iran-Saudi Relationship. P 191
782 Amiri, R. Ek. & Soltani, F. Iraqi Invasion of Kuwait as Turning Point in Iran-Saudi Relationship. P 192
dissuade Saddam from invading Iran and referred to past events between Iran and Saudi Arabia as aberrations.\textsuperscript{783}

On September 22, 1993, King Fahd personally signed a peace treaty with the Saudi Shiite opposition groups. Based on that agreement, the Saudi Shiite opposition leaders allowed to return from exile, suspend their political activities, close their headquarter offices abroad, and dissolve their military wig, which is known as the Saudi Hizballah of Hejaz.\textsuperscript{784} In exchange, King Fahd promised to release the Shiite political prisoners, improve the conditions of the Shias in the southern region of Al Asha, eliminate insulting terms to the Shias from the educational curricula, and remove forms of racial discrimination between Sunnis and Shiites.\textsuperscript{785}

What complicates the situation is there are sub-state groups and militias, who gain political and sometimes economic benefits from conflicts and rivalries, able to dismantle peace talks and agreements. Even though, the leadership of both countries attempts to prevent:

the deterioration of the relationship between the two countries, the atmosphere of mistrust caused by the incident affected the two countries’ relations. No matter who was behind the incident, the indirect beneficiaries were radical and conservative forces in Iran who were preventing the president from gravitating toward Saudi Arabia.\textsuperscript{786}

For example, tensions again between the two sides increased in 1995, particularly when November 13 of the same year, the armed wing of the Saudi Hezbollah of Hejaz launched a bomb attack on the American training personnel at the Saudi National Guard offices. This led to the killing of 7 people, including five Americans, and wounding about 60 others.\textsuperscript{787} And then, on June 26, 1996, a similar group detonated a bomb in barracks designated for American soldiers in the Saudi port of Khobar, killing 19 Americans and

\textsuperscript{785} Ibid.  
\textsuperscript{786} Alsultan, Fahad M., & Saeid, Pedram. The Development of Saudi-Iranian Relations Since the 1990s: Between Conflict and Accommodation. P 100.  
wounding more than 100.\textsuperscript{788} Sources from the Investigation Committee at the Saudi Ministry of Interior indicated that the two incidents were an Iranian-backed conspiracy in which the Saudi Hizballah group was involved.\textsuperscript{789} In addition to sub-state groups and militias, conservative line decision-making platform usually plays their role to pummel the chances of rapprochement between both countries. This has remained one of the most challenging obstacles currently and perhaps for foreseeable future.

**Mohammad Khatami Role on Iran-Saudi Rapprochement (1997 – 2005)**

Although the ideology of “exporting the revolution” remains one of the top IRI’s foreign policy, both Rafsanjani and Khatami attempted to downplay this strategy. Therefore, similar to his predecessor, Khatami decided to maintain rapprochements between his country and KSA. That is why both terms of the presidency from 1997 to 2005 considers a unique period regarding the Iranian-Saudi relationship. Unlike Samuel P. Huntington’s theory *Clash of Civilizations* that revealed in 1996, a year later Khatami introduced the idea of *Dialogue Among Civilizations*.\textsuperscript{790} Khatami unleashed a moderate tone that depended on the idea of dialogue between countries rather than the idea of interfering with the internal affairs of neighboring countries. President Khatami was a reformist president that pursued a reform project to Iran’s internal and external policy. Internally, he exposed the idea of speech of freedom, economic development, reconstruction of civil society, a policy of tolerance, prosperity, and transparency.\textsuperscript{791} Externally, Khatami advocated the idea of reconstruction of Iran’s diplomatic ties,


political relationship, economic investment with neighboring countries and other countries in the world\textsuperscript{792}; as he named ‘the dialog between the east and the west’\textsuperscript{793}.

Khatami realized that the primary political goals of the Iranian revolution’s identity, more specifically Khomeini’s vision, ‘exporting the revolution’. has become a complicated goal to be pursued. He also believed that destabilizing the political situation in the region will benefit Iranians neither politically nor economically as envisaged by some Iranian decision-makers. Khatami’s implications regarding Iran’s foreign policy were pragmatic and realist based on the necessity of rapprochement and strengthening relationships through reciprocal steps. Therefore, in a statement during the Islamic Summit Conference on December 9, 1997, he declared that:

\begin{quote}
the Islamic Republic of Iran, while emphasizing cooperation among states in the Persian Gulf region for the preservation of regional peace and stability, considers the conclusion of collective defense-security arrangements in the Persian Gulf an assured step towards the establishment of lasting security in the region and towards the defense of the common interests and concerns of all the countries and nations concerned.\textsuperscript{794}
\end{quote}

Mutual meetings took place at the highest authority levels, including a meeting between Rafsanjani, the head of the Expediency Council, and the Saudi Crown Prince Abdullah bin Abdul Aziz on the sidelines of the OIC summit in Islamabad on June 1997.\textsuperscript{795} The second meeting was between the Saudi Crown Prince with the Iranian President Mohammad Khatami during the OIC summit held in Tehran in December 1997, during which the tensions were eliminated and a new stage of cooperation between the two countries began.\textsuperscript{796} In return, the Iranian defense minister General Ali Shamkhani has confirmed that president Khatami expressed appreciation of the Saudis participation in the summit. Shamkhani also confirmed during a telephone conversation with Saudi Defense Minister Prince Sultan bin Abdul Aziz on the eve of the summit, that his country places Riyadh at the highest priority to

\textsuperscript{792} Petito, Fabio. The Global Political Discourse of Dialogue among Civilizations: Mohammad Khatami and Vaclav Havel
\textsuperscript{794} Ibid. p 24.
\textsuperscript{795} Hiro, Dilip. Cold War in the Islamic World: Saudi Arabia, Iran, and the Struggle for Supremacy. P 152.
\textsuperscript{796} Ibid. p153.
developing relations with; in addition to his country’s aim to improve relations with the rest of the Islamic world.  

This page of cooperation was reinforced by mutual visits made by Rafsanjani to Riyadh and Saudi Foreign Minister Saud Al-Faisal to Tehran in February and May 1998, in which they signed bilateral agreements of cooperation for five years 1998-2002 to cooperate in the economic, technical, scientific, and cultural fields. A visit of Iranian President Mohammad Khatami to Riyadh in March 1999 structured more impetus to improve relations, which resulted in a joint final statement that incorporated several actions. First, both countries frame the foundations of strategic cooperation and coordination in common positions on regional and international issues. Second, emphasizing actions to enhance economic and commercial cooperation, and to revitalize the work of the Economic Committee to promote trade and investment exchange. This convergence also furthered to strengthen their relationship within the oil market by eliminating share percentages for each party. Within this agreement, the two countries agreed on a fixed ceiling for production at the same time they started negotiations with Venezuela and Mexico on reducing their production. This finally led to the rise of oil prices that reached almost thirty dollars per barrel.  

After he visited Tehran in May 1999, the Saudi Minister of Defense Prince Sultan bin Abdelaziz expressed his desire on establishing a joint security and defense pact between both countries. He stated that Saudi Arabia views IRI as one of the main partners in the Persian Gulf. He also added that excluding Tehran from a security system is unreasonable because the security and stability of the region is the responsibility of all parties. And the Saudi Foreign Minister also argued that the development of friendly relations based on interests with Iran creates matters in relations for the better and contributes to

799 Ibid. p 168.
800 Kechichian, Joseph A. Saudi Arabia’s Will to Power, Middle East Policy, vol. 7, no. 2, February 2000, pp 47-60.
settling the outstanding issues with Iran.\textsuperscript{801} At the same time, Iranian foreign minister Kamal Kharazi responded to Sultan that the security of the region is crystallizing in the light of cooperation of all its countries, and that needs to establish outstanding security relations with Saudi Arabia, which is an essential factor for reassurance.\textsuperscript{802}

All these positive messages and declaration of the delegation of the leadership in both countries disclosed that there is no alternative but to cooperate. After the Iran-Iraq war, King Fahd comprehended that the destruction of Iraq’s power led to a strategic vacuum of the region, even King Fahd himself was the main financial and military supporter of Saddam during the Iran-Iraq war. Therefore, rapprochement and cooperation with IRI was the best available option in for the Kingdom. The second Gulf War in 1991 showed Iraq may pose a threat to the region’s security and stability whereby Riyadh decided to that face these challenges and build relations with IRI. On his side, the Iranian president Mohammad Khatami promised economic development at home and security restoration abroad which was devastated and collapsed during the Iran-Iraq war.

Therefore, security cooperation with KSA was the only option to redeem IRI’s position within the oil market. Also, Khatami’s pragmatic thinking of maintaining close and healthy relations with KSA followed by his successor, Rafsanjani, that considers the American troops' presence in the region, inside Saudi Arabia in particular, is a possible threat to their country. In return, a close ally with the Saudis means a possible rapprochement with the US in the future. Thus, this new chapter of the relationship galvanized circumstances for a security agreement between IRI and KSA on April 17, 2001.\textsuperscript{803}

King Fahd and President Khatami plaid a fundamental and decisive role in signing the security agreement between their countries. The main intention of this agreement was to reach comprehensive

\textsuperscript{801} Rakel, Eva Patricia. Iranian Foreign Policy since the Iranian Islamic Revolution: 1979-2006.
\textsuperscript{802} Grogan, Michael S. \textit{National Security Imperatives, and the Neorealist State: Iran and Realpolitik}. P 168.
security and regional system to confront the risks and challenges that threatening the entire region. At the same time, the implicit reason behind this agreement was to deter the hegemony or threats that may arise from either side towards each other in the future. The source of the threat in the Middle East to the interests of both IRI and KSA is themselves because both parties are one of the main regional powers in terms of economic and military capabilities. That is why signing this agreement was a conceivable prospect for both parties to at least demonstrate confidence other their relations.

Despite their remarkable role to reduce the tensions between both countries, King Fahd, Rafsanjani, and President Khatami faced crucial internal and external challenges. Internally, in both countries, there was criticism from hardliners, radical preaches, and Imams that remained beyond the leadership’s willingness for rapprochement. For example, a Saudi imam “subjected Rafsanjani to a vitriolic diatribe against Shia”804 he condiment Rafsanjani’s meeting with the Saudi Shia minority during his visit to KSA.

In addition to some terror attacks, for example, on November 13, 1995, an armed Shia militia launched a bomb attack on the office of the American Training Mission for the Saudi National Guard, which killed 7 people including five Americans, and 60 others wounded.805 And then, on June 26, 1996, a similar militia exploded a bomb in barracks intended for American soldiers in the Khobar Saudi port of the Gulf Coast, killing 19 Americans and wounding more than 100. At the same time, sources from the Investigation Committee at the Saudi Ministry of Interior indicated that the two incidents made by Iranian-backed conspiracy in which a Saudi Shia group calling itself Saudi Hizballah.806

While some Iranian hardliner Imams criticized Khatami’s meeting with Saudi leaders and a statement revealed that “Have we forgotten that the Imam [Khomeini] used to say graciously that if we forgive Saddam, we cannot forgive Fahd and his house? What has happened to the crimes of the principal enemies of Islam and the Muslims, the world-devouring America and treacherous House of Saud, to be

806 Ibid.
forgotten, and for some to favor forming relations with Fahd’s mercenary regime? However, IRI’s invitation to King Fahd resulted in internal disputes between the conservatives and the moderates. Iranian students organized a protest march against the Iranian government to direct that invitation. At the same time, some Iranian religious figures began attacking KSA and its leaders in the local Iranian newspapers.

Also, neither king Fahd, who promised to restore relations with the Saudi Shia opposition groups, nor President Khatami, who announced the idea of dialog among civilization, could not at least submit their policies inside their countries. Khatami could not resolve internal challenges such as corruption and dialog among his government and Kurds and the Arab Sunni opposition groups. In total, the situation remained unchanged. Externally, although Khatami’s term of presidency counts as “post-Khomeini polity”, “the expansion of the ‘Islamicate’ and the dissociation from the ‘was toxic’ world order has remained unchanged in important strata of the clerical establishment.”

On the other hand, “by any measure, the 1990s were an enormously difficult decade for Saudi Arabia. Begun with the turmoil of the Gulf War, the decade was witness to the opposition, Islamism, succession struggles, demonstrations, internal challenges, and socioeconomic distress.” Nonetheless, “yet in a time of domestic uncertainty and instability, the regime nurtured a risky and innovative foreign policy.” It was a risky decision for the Saudi leadership to normalize relations with an old enemy that may lead to resort their position, as they consider themselves the legitimate leader of the Islamic world. Therefore, the honeymoon disappeared after Khatami and Fahd departure or at least suspended, and it seemed that disagreement and tensions between both countries remained functional for foreseeable future. Rafsanjani, Khatami, and Fahd’s course of leadership was the only stage known for stability in

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810 Ibid.
811 Ibid.
relationship, rapprochement, and cooperation between IRI and KSA since the Islamic revolution in 1979, which lasted for a decade and a half.

Finally, despite challenges that faced the rapprochement process, Iranian President Mohammad Khatami and King Fahd played a significant role to develop bilateral relations to the highest level through employing internal capabilities, civil society projects, political development, and the good elite relations that brought together both countries together. In addition to employing the external capabilities such as the project of dialogue of civilizations, and the consensual approach, as the way of compatibility and cooperation between the two countries. This not only contributed to improving relations between the two parties, but also exceeded their positive influence in regional issues, the stability of oil prices, and mutual harmony regarding their leadership within the OPEC and OIC.

An important point that should be addressed here is that upon Khomeini’s death in 1989, Ali Khamenei became the new supreme leader of IRI. Both Khomeini and Khamenei are the only two Islamic Shia Ayatollahs who have held the position of a supreme leader since the success of the Islamic revolution in 1979. Rafsanjani and Khatami came to power at a stage that Ali Khamenei just replaced Khomeini and became the new Supreme Leader. Even though the Supreme Leader is the highest authority in IRI, at the beginning of his position Ali Khamenei was not a powerful Supreme Leader because; first, he was new to the position, second, all Iranian leaders at the time were shocked because of Khomeini’s death. Besides, Rafsanjani and Khatami who were known as reformists and pragmatic leaders preferred to practice or submit Iranian political strategy based on the country’s national interests not based on the radical revolution ideology. That is why during their presidency, both Rafsanjani and Khatami faced a lot of challenges and critics from the radical Shia Imams.

**King Abdullah vs. President Ahmadinejad**

During his first press conference after he became the President of IRI in 2005, Ahmadinejad said that his country continues its policy of detente with the Arab countries, especially with KSA and Iraq. Three years after 2003 the US invasion of Iraq, Ahmadinejad was the first Iranian president who visited
Iraq, resume a new set of rapprochements with Iraq, and announced a continuation of new courses of rapprochement policies with the Arab Gulf states. At the same, the Saudis attempted to maintain and consolidate their relations with Iranians, therefore, the late King Fahd, in a congratulatory telegram sent to the Iranian President Ahmadinejad, had expressed his hope for further strengthening and ties between Riyadh and Tehran, wishing Ahmadinejad successes in his new responsibilities.\(^{812}\)

Although the era of Muhammad Khatami represented a great convergence of the nature of Iranian-Saudi relations, the era of Ahmadinejad in 2005 constituted a new stage in the course relations. Somehow the relationship between both countries faced a “reversal of fortunes” which gradually started to escalate towards tension and divergence due to the collision over regional events.\(^{813}\) Ahmadinejad’s mandate was completely different from his predecessor, the reformist President Muhammad Khatami. Muhammad Ahmadinejad was a hard-liner and conservative leader and the believer of exporting the Iranian revolution’s slogans. He also had close ties with the supreme leader, Ayatollah Khamenei. Ahmadinejad presidency coincidence with the beginning of a new phase of ruling in KSA, where prince Abdullah replaced his brother and became the King of Saudi Arabia in 2005. Therefore, this phase of ruling in both countries coincided with the new ruling power that led to the creation of a new phase of relations between the two countries.

King Abdullah, however, became the Custodian of the Two Holy Mosques in the Kingdom of Saudi Arabia, who was known to be a moderate and reformist king and wanted to expand and open bilateral relations with IRI. In addition to the change of the leadership in both countries in 2005, some regional events, such American presence in Iraq, the Iranian nuclear program, and the assassination of Lebanese prime minister-Rafiq Hariri-, diverged the relations and eventually escalated the chances of conflict and competition between the two countries once again, despite Ahmadinejad’s warm welcome In Saudi Arabia by King Abdullah.

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\(^{813}\) Alsultan, Fahad M., & Saeid, Pedram. *The Development of Saudi-Iranian Relations Since the 1990s: Between Conflict and Accommodation*. P 130.
During his first visit in 2005 to the KSA to participate in the Extraordinary Islamic Summit in Riyadh, President Ahmadinejad was warmly welcomed by King Abdullah, but subsequent developments indicated that Ahmadinejad did not appreciate the Saudis willing, but to choose a confrontational approach.814 Throughout his eight-year presidential term, Ahmadinejad pursued a dual and contradictory policy. He believed that the unilateral visits he was making to KSA were sufficient to maintain relations at their highest levels with the Kingdom, regardless of his politics that aimed to achieve and expand Iranian influence at the same time limit the Saudis capability over the region.

Therefore, Ahmadinejad made a major shift in the discourse of Iranian foreign policy towards the Gulf countries, especially KSA. He restored the confrontational discourse that previously emerged during the early days of the revolution, and Ahmadinejad completely abandoned the conciliatory tone that was on move during President Khatami’s era.815 Perhaps Ahmadinejad took advantage of his country’s nuclear program dialogue with the West and positioning Iranian presence in Iraq. Because of Iranian influence in Iraq, for example, the Iraqi cure-Shia leader, Nuri Al Maliki, won two terms of election from 2005 to 2013.816 At the same time, in his speeches and statement, Ahmadinejad reassured time to time that IRI continues its policy of detente with the Arab Gulf states, especially with KSA. In a statement, after his visit to KSA, Ahmadinejad indicated that “Tehran and Riyadh had agreed to curb efforts aimed at creating Shiite-Sunni tensions in the region,” he also added, “he and [king] Abdullah had discussed issues related to the Palestinians and Iraq in detail.”817

Then, a New York Times report shows that Ahmadinejad changed his tune. When he landed in his country, Ahmadinejad made a statement that “Both Iran and Saudi Arabia are aware of the enemies ‘conspiracies,’ … “We decided to take measures to confront such plots,” … “hopefully this will

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strengthen Muslims countries against oppressive pressures by the Imperialist front."\textsuperscript{818} Such allegations, as the \textit{New York Times} shows could not be confirmed by the Saudi officials. In response, the Saudi officials stated that during Ahmadinejad and King Abdullah summit meeting, “Ahmadinejad had expressed support for a Saudi-led land-for-peace initiative that would have Arab states recognize Israel in return for the establishment of a Palestinian state in the lands occupied by Israel since 1967.”\textsuperscript{819} But then as \textit{The New York Times} has shown, the Iranian officials “denied that the initiative was even discussed during the summit meeting [between King Abdullah and Ahmadinejad].”\textsuperscript{820} These statements and the Iranian increased influences in Iraq compounded concerns of the Gulf countries, especially KSA. Moreover, their fears of increasing Iranian influences to exploit and target the Shia communities in the Arab Gulf countries to destabilize their internal stability, were also augmented, especially when this had become visible in Iraq after the 2003 invasion.

Regarding IRI’s nuclear ambitions, Ahmadinejad announced that his country possessed its technology through uranium enrichment. These technologies have given IRI confidence over negotiations with the world powers. This also enhanced IRI’s ability and strengthened its role as a power within the regional system. Ahmadinejad’s administration linked the American presence in the region and the political future of Iraq enabling with its nuclear program. In other words, he wanted to negotiate with the West, in particular with The US as a strong actor that plays a significant role within Iraq’s internal affairs. He believed this would make the Americans more lenient with the Iranian nuclear program by connecting regional stability to depend on the US policies regarding their nuclear issue.

Ahmadinejad’s government lacked to decisions to suspend the nuclear program, which led the Security Council resolution in April 2006 to impose economic and trade sanctions against IRI.\textsuperscript{821} In response, in September of the same year, Iranians conducted some military maneuvers in the Gulf waters;

\begin{flushright}
\textsuperscript{818} Ibid.
\textsuperscript{819} Ibid.
\textsuperscript{820} Ibid.
\textsuperscript{821} Alsultan, Fahad M., & Saeid, Pedram. \textit{The Development of Saudi-Iranian Relations Since the 1990s: Between Conflict and Accommodation}. P 151
\end{flushright}
this action had several implications. First, Ahmadinejad wanted to show the world his country’s military capability of inflicting harm to the US forces and bases in the Gulf region. Second, with advanced weapons such as ballistic missiles, IRI possesses a threat to close the Strait of Hormuz to maritime shipping, which would affect Gulf oil exports, which would lead to a global energy crisis. Third, this was a message to the Gulf states, especially KSA, that they might become victims, if IRI were to face a military attack launched from the regional territories.

Iranian-Saudi relations continued to be unstable, especially after the clarity of Iranian policy during the era of President Ahmadinejad, who continued his strong statements and messages to Western countries and the United States regarding his country’s right to possess nuclear technology. Ahmadinejad’s statements raised concerns for Gulf countries, especially KSA. The escalation in the political rhetoric of Ahmadinejad with the West regarding the Iranian nuclear program and expanded Iranian influence in Iraq rebirthed threats to the exporting the revolution slogan again. This was accompanied by sectarian conflict between Sunnis and Shiites in Iraq that led almost every month to the murder of 3000 innocent people for two years from 2006 to 2007.822

King Abdullah was known as a moderate king and he was a flexible person regarding foreign policy. Although he desired to maintain and strengthen relations with IRI, the US State Department's diplomatic cable leaked by WikiLeaks indicates that King Abdullah has officially requested the US administration to launch a military attack against IRI and destroy the Iranian nuclear program.823 This illustrates King Abdullah feeling of the direct threat posed by the Iranian nuclear program, under the leadership of Ahmadinejad. Also, on different occasions, King Abdullah expressed his ideas on encouraging Iranian reformist protesters, such as the Green Movement, through secret channels to help

them take power. At the same time, the King asked the US for a full protocol of sanctions against IRI. In response, the Ahmadinejad government accused the Saudi government of kidnapping the Iranian nuclear scientist Shahram Amiri, in cooperation with the CIA, in 2009 while he was performing Hajj in Mecca. Iranian Foreign Minister Manouchehr Mottaki indicated in a statement on October 7, 2009, that his country has evidence of the disappearance of the Iranian citizen in KSA.

Thus, it became evident that the KSA cautiously navigated the situation, especially after the US withdrawal from Iraq in 2011. This has become much clear for the Saudis to take steps toward maintaining their national security in the region. Therefore, during the Gulf Conference on December 4, 2011, in Riyadh, the Kingdom illustrated the interest of developing a security formula to protect the Gulf region. As the result, Ahmadinejad harmed the fluctuation and deterioration of relations between both countries due to his government's constant endeavor to accelerate its nuclear program. This action eventually has led to increasing of threats to the kingdom and its implications for the entire region.

**King Salman vs. President Hassan Rouhani**

Hassan Rouhani the Iranian moderate president has been in power for two terms of the presidency since August 2013. While King Salman Abdelaziz has assumed the royal throne since January 2015 is known to be from conservative among the Saudi royals. A combination of events from the early days of their authority has happened that escalated the tensions between IRI and KSA. Especially in 2016, the nuclear agreement between IRI and the West, the Saudi held the execution of the Saudi prominent Shia cleric, Al Nimr Baqr Al Nimr, and in return, Iranian protesters burned the Saudi embassy in Tehran. From the early days of Rouhani’s presidency, researchers believed he may restore the relationship between both

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countries as he is known to be a reformist leader. But the complicity of the rivalry between both countries makes it hard for the leaders and decision-makers to deescalate the tensions and peace.

From the early days of his authority, King Salman has maintained a radical foreign policy against IRI influences in the region. Particularly, the Saudis highly concerned after the JCPAO agreement was signed between IRI and the P5 + 1 on July 14, 2015, and in response, both the UN and the US stated to relieve the economic sanctions against IRI gradually. A few months after the JCPAO, King Salam ordered the execution resolution against the prominent Shia cleric Al Nimr, that therefore reporters and analysts immediately began to predict the possibility of direct military conflicts between IRI and KSA. In a statement, Rouhani condemned the execution, saying it is “a violation of human rights and Islamic values” and accusing KSA of pursuing “sectarian policies which have destabilized the region in recent years.” He also blamed Iranians who attacked the Saudi embassy in Tehran and consulate in the northeastern city of Mashhad in response to the execution, calling them “extremist individuals”.

Some argue that the execution occurred as a reaction or the anger of the Saudi government towards the nuclear deal between IRI and the West, and “to undermine the historic US-Iranian nuclear deal by making Iran’s president, Hassan Rouhani, look weak and his country unpredictable, forced the west publicly to shore up its recently strained alliance with Saudi Arabia.” The conflict between the two countries entered a new stage, and analysts began to emphasize the religious conflict between Sunnis and Shiites throughout the region. Although seemingly complex, this conflict can be explained beyond religious or theological perspectives: it is part of a balance of regional power relations, with both regional

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827 Ibid.
829 Ibid.
and global factors intermingled. This is a significant new chapter that will have a direct impact on the peace processes in Syria and Yemen.

King Salman, therefore, faces pressures and critics due to domestic and foreign events including but not limited to low oil prices, the heavily and increased Iranian engagement of into the regional crises, especially in Yemen and Syria. Another important critic that King Salman was blamed for is replacing his nephew then crown prince Muhammad bin Nayef with his son Mohammed Bin Salman or known as MbS. At the same time, King Salman relieved all of Nayef’s positions by royal decree. MbS has since then become the key power of the kingdom behind his father as he dominates five top positions within the kingdom authority: Crown Prince, Defense Minister, Deputy of Prime Minister, Chairman of the Council for Economic and Development Affairs, and the Chairman of the Council of Political and Security Affairs.

It seems a bit confusing that upon King Salman’s power assumption as he is known as a radical and conservative regarding political reforms and social change. Despite that, his son, MbS, has altered the Kingdom’s internal and external policies with an unprecedented package of political and social decisions. Such as allowing women to drive for the first time in the history of the Kingdom, establishing and allowing women and men to attend cinemas, allowing women into soccer stadiums, limiting the power of the Committee for the Promotion of Virtue and the Prevention of Vice, and approving anti-harassment policies and regulations, and establishing a public entertainment body to improve and expand entertainment facilities in the Kingdom. MbS also decided to head a committee that fights corruption, in this regard in the very early days of its missions, the MbS ordered rules to arrest and detain almost 200

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832 Ibid.
princes from the royal family, elites, and high-profile businessmen in the Kingdom. The detainees were accused of “corruption, taking bribes, and inflating the cost of business projects.”

Regarding the kingdom’s foreign policy, King Salman and MbS have taken radical security and the defense dimension was not surprising in the light of the traditional and non-traditional threats and dangers sweeping the Gulf neighborhood. This exacerbation of the volatile surrounding environment requires KSA, in general, to build deterrence strategies to deal with the repercussions of al Qaeda, ISIS, and Houthi terrorist organizations. It is also helps design a deterrence and a supra-classic strategy to deal with the military and unconventional threat with its Iranian enemy. This guided King Salman at first to send strong messages and take radical measures to allies and friends. In their meeting with US Secretary of Defense Ashton Carter, both King Salman and Crown Prince MbS proposed a radical response policy to the regional security concerns and threats. They also discussed the Iranian economy and military intervention in the region, and ways to develop the joint comprehensive action plan to prevent and deter Iranian threats.

Therefore, King Salman decided to take some serious actions. For example, in March 2015 under the name Operation Decisive Storm within the coalition of ten Sunni Muslim countries, the king ordered military intervention against the Shia Houthis in Yemen. Although as Saudis claimed that the reason behind this action is to restore the stability in Yemen, the Iranians took it as a threat to their interest in the region. Nevertheless, Rouhani has criticized the Saudi-led military intervention in Yemen, and he said: “do not bomb children, elderly men and women in Yemen … Attacking the oppressed will bring

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disgrace.” He also added that its regional rival will face “sooner or later” the response for its airstrikes against Houthis.836

After these exchanges of messages between the leadership of both countries, King Salman decided to cut diplomatic relations with the IRI, and the Saudi Foreign Ministry informed the Iranian diplomatic team to leave the Saudi soil within 48 hours. As a result of the Saudi action, several Arab countries followed the Saudis and they took similar decisions; Qatar and Kuwait summoned their ambassadors, while the UAE reduced its diplomatic representation in Tehran. While Sudan, Djibouti, and Bahrain cut their diplomatic ties with IRI.837

Hassan Rouhani, who is named by the TIME magazine as the 100 Most Influential People in the World,838 still believes in the chances of dialogue as the main power tools of rapprochement with the KSA. During the Khatami’s administration, Rouhani was worked as the secretary-general of the National Security Council of IRI; under his mission, Iranians reached a comprehensive and strategic agreement with the Saudis, but this agreement was not upheld during the Ahmadinejad’s presidency.839 Therefore, Rouhani has an extensive background regarding the possibility of rapprochement with the Saudis, but it seems yet too early to predict collaboration and cooperation for foreseeable future.

In his interview with Faris News Agency, the Iranian government spokesman Ali Rabiei said that on October 4, 2019, Hassan Rouhani delivered a message to King Salman regarding the possibility for stability and peace in the region. Rabiei also added that “We [Iranians] believe that multiple bilateral relations can be found in the region, and American pressure should not lead to alienation between


836 Ibid.


neighboring countries." Within the same subject, the Kuwaiti newspaper, Al-Jarida, quoted the Iranian Foreign Ministry statement that “Tehran had received a positive response from Saudi Arabia and Bahrain after official diplomatic letters from IRI sent to both kingdoms regarding a peace plan with neighbors.”

On the other hand, in a speech before the Saudi Shura Council on November 20, 2019, King Salman called the IRI to “abandon the expansionist and subversive ideology” which he considered a harmful tool for the people of both countries, at a time when Iranians are demonstrating in protest against the increases of the oil, fuel, and food and goods. The King also added that “We hope that the Iranian regime will choose the side of wisdom and realize that there is no way for it to bypass the international commitment that rejects Iranian expansionist and destructive ideology…this is a harmful strategy for its people before people of other regional countries.” Finally King Salman called on the international community to “put an end to the Iranian regime’s nuclear and ballistic program and to take measures to ensure an immediate end on Iranian blatant interference in the internal affairs of other countries … this is time to stop the chaos and destruction caused by IRI.”

MbS, attempts to practice a dual policy, moderate internally and radical externally. Internally, he is willing to moderate Saudi society and reduce the power of the religious institution. While externally his main concerns are to challenge Iranian influences in the region as he states in various interviews. For example, in an interview with the Saudi Al Ekhbariya TV channel on May 2017, MbS stated that “How can I come to terms of agreements with one or a regime that is firmly convinced that its ideology based on

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841 Ibid.
843 Ibid.
844 Ibid.
an extremist, stipulated in its constitution, and stipulated in Khomeini’s will that they must control the
Muslims of the Muslim world and spread their own Twelver Jafari doctrine.\textsuperscript{845}

The young Crown Prince, 32 years old, who is colloquially known as MBS has come to the scene
with some radical questionable policies that some argue this may cost his life. Regarding the nature of the
relationship between the royal family and Wahabis clerics, MbS does not want to get rid of Islamic
Clerics rather he needs them to legitimize his rule and support his religious policy. In another word, the
prince aspires is to develop and reorganize a new framework regarding the relationship between political
power and religious authority. On the sidelines of the Future Investment Initiative, which was launched in
Riyadh on October 2017, MbS said

“We will return to moderate, open, and moderate Islam … we will not waste 30 years of
our lives dealing with any extremist ideas. And we will eliminate the remnants of
extremism in near future, and I do not think this is a challenge … we represent the
tolerant, moderate, and correct values, and the right with us in everything we face, and
we will destroy them today immediately.”\textsuperscript{846}

In the past, clerics played a central and important role in the history of the kingdom in parallel
with political leadership, but MbS does not want these men to retain any political or religious authority.
He attempts to change the role of religious leaders in Saudi Arabia to equivalent to the function of the
mufti of Egypt, where clerics have no authority but derive their power from the authority of the regime.

For example, forcing the Saudi prominent preacher Ayed Al Qarni publicly to apologize for his
radical religious activities within the “Awakening Movement” is one of MbS attempts to implement new
views regarding the kingdom’s internal policy towards the role of the religious institution within the
state’s governing. On the Rotana Khaleej satellite channel, Al Qarni said that he “apologizes to the Saudi
society for the extremism and fatwas he considered contrary to the Qur’an and Sunnah,” and added that
he “supports and adopts the moderate Islam that is open to the world called by Crown Prince Muhammad

\textsuperscript{845} BBC. \textit{Is Mohammed Bin Salman Forced to Accept A Political Settlement with Iran?} [hal yudtaru muhamad bin
\textsuperscript{846} Derhally, Massoud and Khan, Sarmad. Saudi's Mohammed bin Salman promises return to ‘moderate open Islam’.
\textit{The National}. October 27, 2017. https://www.thenational.ae/world/gcc/saudi-s-mohammed-bin-salman-promises-
bin Salman, who embodies moderation in Saudi Arabia.\textsuperscript{847} Regarding his plan to diversify the kingdom’s national budget, MbS decided to sell 2% shares of ARAMCO giant oil industry, which is expected to be 2 trillion dollars. And his 2030 Vision project that estimated to cost 500 billion dollars. Experts believe he has already dominated his father’s power of authority even the King still alive. At the same time, it is believed that he would face internal and external challenges when he pursues the royal position after his father’s death.

Regarding the structure of the Islamic Military Alliance, which is one of the highly questionable bodies that was announced and forced to be built by MbS. MbS’s statement at a press conference regarding the position of the Islamic Military Alliance almost revealed nothing specific other than a “show” made by the MbS. Unless what is essentially different from previous anti-terrorism cooperation, the term “alliance” has no more meaning than a sign. This is as believed is a solidifying move by MbS to his path of succeeding the throne, and to improve his presence at home and abroad.

Finally, despite the official Saudi denial, the CIA believes that MbS ordered the killing of Khashoggi.\textsuperscript{848} In a press interview published on September 29, 2019, with the CBS program “60 Minutes”, MbS “denied any personal involvement in the killing of Jamal Khashoggi but took full responsibility as the country’s leader.” He also indicated that “I take full responsibility as a leader in Saudi Arabia, especially since it was committed by individuals working for the Saudi government.”\textsuperscript{849} The murder of Jamal Khashoggi casts a dark shadow over the ambitions of MbS, and he is overconfident, but at the same time with a lack of professionalism.


Conclusions

There are internal and external factors impacting the decision-making process. External factors include but are not limited to the nature and composition of the global political and economic system, the goals and behavior of the parties within the international political system, the nature of international and regional problems, international law, and global public opinion.\textsuperscript{850} While internal factors are geographical size, population, degree of growth and economic development, the nature of the political system, ideology, political philosophy, public opinion, political parties, interest groups.\textsuperscript{851} In addition to the ideology of decision-making institutions that also include moral and personal considerations, perceptions, values, attitudes, beliefs, principles, and ideologies.\textsuperscript{852}

In addition to the role of the Al-Saudi family to maintain and direct the KSA as one of the strong powers in the Islamic World, Prophet Mohammed and Mohammed Bin Abdul Wahab played a significant role to offer the Saudi land and Al Saud a religious mission in which they have contributed a strong leadership for over 300 years. Although this dissertation does not investigate the old history regarding, as stated in the theoretical framework from the first chapter of this dissertation that the history of most events in the politics of the Middle East has a cyclical nature. In other words, sometimes events reoccur and repeat itself. Therefore, some analysts argue that MbS, as the future King, may alter the position of the kingdom with his radical visions. Yet, it is early to predict the future of leadership and decision-making in both countries. But 2021 IRI’s presidential election and King Salman’s health concerns determine the future of possible rapprochement and bilateral relations between both countries.

One of the recent changes within the geopolitics of the region is on September 15, 2020 “UAE and Bahrain signed agreements for normalizing relations with Israel, becoming the latest Arab states to break a longstanding taboo in a strategic realignment of Middle Eastern countries against Iran.”\textsuperscript{853}

\textsuperscript{850} Holsti, Kalevi J. Pp 252-258.
\textsuperscript{851} Ibid. pp 261-270.
\textsuperscript{852} Ibid. pp 27-282.
Perhaps this normalization is allegedly blessed by the Saudis, although there are not any signs of normalization between both KSA and Israel yet. But it is clear that even though the Saudis have not blessed nor criticized the UAE and Bahrain normalization with Israel, first, they “let the first direct Israeli commercial passenger flight use its air space to reach the UAE.” Secondly, for the first, the prominent Saudi cleric, Abdulrahman Al Sudais, called all Muslims “to avoid passionate emotions and fiery enthusiasm towards Jews.” This is a shifted change of Al Sudais’s tone towards the Jews compared to his previous statements regarding the “plight of the Palestinian people,” and “called invader and aggressive Jews and not to Israel.” It is very important when a Saudi prominent Imam indirectly blesses the normalization with Israel because Al Sudais’s words represent the words of the Al Saud family; even though there is no clarity yet whether KSA normalizes their relationships with Israel. “Bringing Israel, the UAE and Bahrain together reflect their shared concern about Iran’s rising influence in the region and development of ballistic missiles. Iran has been critical of both deals.”

In addition to the role of regional and international actors and circumstances, the leadership of both Rafsanjani and Khatami played a significant role. Looking at the four decades (1979 to 2019) of Iran-Saudi relations, scholars name the period of fifteen years (1989 to 2005) as the only honeymoon of the relationship because it is the only period of rapprochement and stability of relations between Iran and Saudi Arabia. At the same time, that unique period of rapprochement faced exaggerated tensions and pressure from hardliners in both countries. This indicates that although leadership or decision-makers are matter, there is a high demand for maintaining this rivalry between IRI and KSA. This corresponds to the Saudi Arabia To Allow ‘All Countries’ to Fly Over Its Skies. September 2, 2020. https://mumbaimirror.indiatimes.com/news/world/saudi-arabia-to-allow-all-countries-to-fly-over-its-skies/articleshow/77889914.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst Accessed on September 6, 2020.


RUETERS. UAE And Bahrain Join in Signing U.S.-Brokered Deals with Israel, Breaking Longtime Taboo. Ibid.

Ibid.
hypothesis of this chapter that claims decision-makers and leadership in both countries play a significant role in the escalation and de-escalation of the rivalry between IRI and KSA.
CHAPTER 6

CONCLUSIONS

Primary Contributions of This Study

Despite political and social scientists’ positive predictions that the COVID-19 pandemic may convince countries around the world that more solidarity and engagement would be beneficial, during the early days of this outbreak, Riyadh and Tehran were counting the number of missiles and casualties from the ARAMCO terror attack. This reminds the reader of Jamal Khashoggi’s speech when he once said there are always excuses for conflict between Iranians and Saudis due to their similarities to “fire and dynamite in one room”. It seems the longevity of antagonism and the complexity of relations between both IRI and KSA make the rivalry a unique paradox that is complicated to be ended or tempered at least for foreseeable future.

The 1979 Islamic Revolution in Iran considers a tectonic shift in the regional history and into Iranian-Saudi relations. This is because, first, it brought a new hegemonic rival to the region with an imposed message of exporting the revolution to neighboring countries. This was the key turning point that highly concerned the Gulf monarchies, especially the Kingdom of Saudi Arabia. Second, within the early days of the revolution, the Iranian Supreme Leader Ayatollah Khomeini started to attack and criticize the legitimacy of the Gulf monarchies with most focus on the Kingdom of Saudi Arabia. These attaches, then, have become part of the Iranian foreign policy and imposed threats through various stages.

Therefore, through examining four decades of hostility, starting in 1979, this study indicates that the rivalry between IRI and KSA has become a necessary platform of confrontation that challenges each other’s threats throughout the region. After researching the history of the rivalry between IRI and KSA especially since 1979, it seems this rivalry has become a strategy to claim supremacy and leadership to guarantee and assure their national security interests. Therefore, to confront each other, this study argues that several factors or mechanisms play significant roles in maintaining the continuity of the rivalry between the IRI and the KSA. These factors include but are not limited to the role of the historical,
religious, economic, political, strategical, international, regional, and social. To determine the framework of this dissertation, three essential mechanisms were examined:

First, Saudis and Iranian respective roles within the oil market and command of the Organization of the Petroleum Exporting Countries (OPEC) represents a major mechanism. In other words, the role of oil as a strategic and economic resource that provides the financial capability to build the economy and military, thereby to be invested to challenge each other’s capabilities and threats throughout the region. Therefore, the first proposed hypothesis is: Although KSA plays a significant role in countering and challenging IRI within the oil market, it requires extra efforts for Riyadh to meet its internal expenditure and foreign expenses to challenge and deter Tehran’s hegemony in the region. This hypothesis is extensively structured and explained in chapter three.

As explained in chapter three that oil is an important commodity in IRI and KSA because it contributes to almost 80-90% of public revenue and 40-50% of their GDP for both countries. But because the Saudis’ massive oil production capability in addition to their spare capacity, an accumulation of twelve million BPD, highly concerns Tehran because of the possibility that it might replace their position within the global oil market. Moreover, the kingdom’s de facto leadership at OPEC creates some messages of threat and concerns for Tehran especially with heavy imposed economic sanctions from the US on IRI oil marketing. In contrast, there is a very delicate balancing act at play for IRI where depressed oil prices and dwindling revenues pit defense spending and financing of proxies against domestic redistribution, and prioritization of one over another invariably risks backlash from different segments of society.

The second factor is Iranian, and Saudis attempt to recruit and exploit proxy groups throughout the region since 1979. To argue or debate this factor, this study hypothesizes that KSA cannot underestimate IRI’s support toward proxy groups since the success of the 1979 Islamic revolution that is arguably marked by a degree of hubris in some of these countries. To structure this hypothesis, chapter four of this research is devoted to extensively explain the role of proxies within Iranian-Saudi rivalry. It seems their influences not only within the regional state and sub-state actors but also expanded to Africa
and South East Asia. To determine the structure of chapter four, this study only researched Iranian-Saudi influences in five neighboring countries that include Iraq, Syrian, Yemen, Lebanon, and Bahrain.

One of the main reasons behind this factor is the Iranian revolutionary zeal to expand its leadership and maintain power not only within its borders but also to practice its power and influence into neighboring countries. Therefore, proxies are one of the main factors that have been exploited by IRI since the success of the Islamic Revolution. After extensive research, it seems IRI has an effective and gravitational foreign policy that is simply too strong to be resisted by some state and sub-state regional actors. On the other hand, to confront and deter the Iranian influences, the Saudis also have attempted to practice their power to support and empower some Sunni groups and Sunni backed governments throughout the region. Similar to IRI, the Saudis exploits the instability of the region to gravitate these groups of governments to submit its agenda and challenge Iranian presence in the region. There is an indispensable factor that needs to be addressed here which is the failed regimes and weak political system increase the chances of both Iranian and Saudis ambition to dominate the region and interfere with the internal affairs of these countries.

To investigate IRI and KSA’s role of exploiting their proxies to submit their agenda, five countries, Iraq, Syria, Bahrain, Yemen, and Lebanon were presented in chapter four. But as a reminder to the reader, this conclusion reaffirms the Iranian-Saudi position in a country like Iraq as an example. No doubt that in the 2003 Iraq invasion the US successfully overthrew Saddam’s regime, but unsuccessfully the US handed Iraq on a golden plate to Iranians. Therefore, to accept the parliament election results and the nomination for prime ministers, for example, there must be approval and blessing from IRI delegations, who consider Baghdad the second presidential palace after Tehran.

In addition to the role of IRGC to almost interfere with every economic, political, and even social and education sector in Iraq, especially the Quds Forces leader, Qassim Soleimani, who played a significant role in Iraq before his assassination in Baghdad on January 3, 2020. Soleimani, also, through Iranian government approval, empowered the Iraqi Shai militias to shape the Iraqi internal and external policies in favor of IRI. During the recent mass protests in IRI, Iranian people were marching for the
suspension of all financial and military supports that provides by the Iranian government for its proxies, while people inside the country suffer and struggle to for their daily living expenses.

The Saudis, on the other hand, also attempted to recruit some Iraqi Sunni tribes’ leaders and some Sunni politicians from the early days of the invasion. There are documents that alleged funds flew from KSA to Iraqi Sunni tribes to fight the Shias in addition to funds to Al Qaida and other groups who joined the insurgency in Iraq. During different elections, the Saudis also provided financial support to some Iraqi Sunni politicians to finance their campaigns during the election. After ISIS was about to be defeated, the Saudis took another stance towards Iraq and they appointed an ambassador to Iraq in 2016. Thamer Al Sabhan, who was appointed as a new ambassador to Iraq, attempted to support Iraqi Sunni and Shia leaders who oppose Iranian presence in Iraq. At the same time, he criticized the Iranian-backed Shia militia for aggravating tensions with Sunni Muslims in Iraq, but his efforts ended after some Iraq Shia politicians called for Al Sabhan’s withdrawal.

Third, the role of leadership and decision-makers in constructing foreign policy is another factor that is explained in the fifth chapter. This chapter revealed the third hypothesis that indicates decision-makers and leadership is one of the most important variables that play a significant role to escalate and de-escalate the rivalry between IRI and KSA. With a proportional stable relationship between Shah Regime and the Saudis, the 1979 Islamic revolution of Iran was the main key-turning point that shifted the sequence of relations between both countries to an ongoing course of rivalry. Especially after the new Islamic revolution leadership revealed its aggressive message of threat through “exporting the revolution.” This concerned the Gulf countries, especially KSA.

Therefore, the tensions between both countries have always escalated and de-escalated based on leadership performance and decision-makers’ perspectives. In other words, this conflict derives from the perspective of radical, reformist, moderate, and religious decision-makers that shape and evolve the politics in both countries. But this does not mean that the leadership and decision-makers can erase or wipe out the rivalry between IRI and KSA.
Accordingly, chapter five extensively researched four different stages of leadership in both countries, and it seemed moderate leaders such as President Khatami and King Fahd were able to reduce the tensions relatively between both countries. But portions of this rivalry remained unsolved until another administration took power and tensions started to increase again. Therefore, sometimes it would complicate to predict the nature of relations between both countries due to the complicity of knowing the leader’s perspective. For example, the situation right now between both countries remains unclear due to King Selman’s health concern and the young Crown Prince, MbS, who is known to be a radical young leader that may increase the tension between both countries. As stated in chapter five, MbS believes the chances of negotiation with a country like IRI is impossible. In addition to the 2021 Iranian presidential election that leaves the future unclear regarding IRI foreign policy towards KSA.

These mechanisms and others have a continued investment within KSA and IRI’s rivalry since the early days of the Islamic Revolution that brought a new hegemonic rival to the region with an imposed message of exporting the revolution to neighboring countries. Although the nature and level of this rivalry may change based on the effective role of the aforementioned factors, this rivalry is likely to remain conflictual for the foreseeable future. Also, this rivalry has become a rivalry of necessity because it has swiped the trust and imposed fear and threat. Besides, this rivalry has expanded to involve other regional actors at the pan-state, state, and sub-state levels including groups, militias, and Islamic clerics. These actors have engaged in this dilemma and are benefiting financially, politically, militarily, and strategically. Finally, it seems both IRI and KSA have a keen desire for their rivalry to continue since it has long been part of their regional strategic policy and possesses important implications for their national security interests.

Finally, perhaps religious, or sectarian factor have been exploited for political reasons, but the ancient Sunni-Shia division has occurred almost fourteen centuries before the IRI and KSA existence in modern history. Therefore, unlike the existing literature that considers IRI and KSA rivalry is emanating from the ancient Sunni-Shia clash, the primary contribution of this study moves beyond that claim and it argued there are other critical factors drive this rivalry. Therefore, three different domains, i.e., oil
platform, proxy wars, and leadership, which explained in three different chapters compromise KSA and IRI’s position and influences in the region. KSA and IRI are vying for influence in oil pricing to secure revenues for both proxy battles and domestic redistribution. IRI is promoting an anti-monarchial revolutionary movement but is now more focused on maintaining a network of Shia clients, while the KSA is pursuing a strategy of Iranian containment; and that in both countries, national leaders are using the rivalry to bolster their legitimacy, particularly with influential religious conservatives.

**Suggestions for Future Research**

There are other aspects of this subject to be researched through some meta-questions. For example, to what extent the regime change in both IRI and KSA would resolve or temper this rivalry? There have been calls for regime change internally, regionally, and internationally, especially with regard to the Iranian regime after 1979. Iranian people inside the country and in the diaspora have been fighting through various channels of struggle. Internally the Green Movement in 2009, in addition to other wide protests on various occasions has created a salvo in the Iranian struggle for accountable government.

Regionally, after the day one of the Islamic Revolution, some Iranian groups, political leaders, and military generals chose to leave the country and live in the diaspora. Not only that, but they started to campaign for reform, and regime change. Still, Iranian opposition political parties call for regime change. In recent activities, for example, of the National Council of Resistance of Iran (NCRI) rally in Paris in 2018, there were calls for regime change in IRI. Finally, at the international level, this has been a portion of the forging policy strategy of a few US administrations including this current administration. With no doubt that the calls for regime change in Iran have not been stated in any American President’s national strategy agendas formally, but it has been raised on various occasions. For example, President George W. Bush in 2007 and 2008 had raised this subject. And although President Trump denied any allegations for regime change in Iran, his former national advisor, John Bolton, and his lawyer, Rudy Giuliani, addressed this subject in different stages.
Although calls for regime change in KSA are quite invisible compared to IRI, Juhayman’s group, who led the 1979 Grand Mosque’s seizure of Mecca was a call for protest against the Saudi monarchy and the House of Al Saud. In his interview, Juhayman stated that he and his group attempted to take the power in KSA and overthrow the House of Al Saud because they betrayed Islam, inequality, and corruption. Also, in an unprecedented call for regime change by one of the Al Saud’s princes in 2015 how wrote a letter and revealed to the public latter. In his letter, the unnamed prince asked for regime change as he called the king, Selman, to be removed due to the unstable condition of the king and the unprecedented power of his son, MbS, who dominates the power of authority and decision-making in the kingdom. Like the prince in his letter argues that MbS dangerously threatening the future and the reputation of Al Saud internally, and he also damages the position of the kingdom in regionally and internationally.

Perhaps the outcomes of regime change in Tehran or Riyadh raises the question of stability in the region, whether regime change brings stability or nor? Even though, some argue that one of the main reasons for instability is the Persian Gulf is the rivalry between IRI and KSA that crossed the regional boundaries to include many regional countries. Regime change in Iraq in 2003 led to a weak failed state.

Finally, there could be studies done on the role of international factors to increase the chances of cooperation and solidarity, especially between both countries. Therefore, one of the questions that should be addressed in future studies is, whether international factors play a role in reducing the tensions between IRI and KSA? The significant role US, EU, Russia, and China in the Middle East politics no doubt is important to be addressed. It has been seen, in the past, that some of these powers played a positive role in solving some regional issues in the Persian Gulf, such as the nuclear agreement between Iran and P5+1 in 2016. The power vacuum in the Middle East and other parts, that President Trump calls for, is another scope of unrecalled future of the region that might propose uncertainty and instability.

The recent joint Sino-Russian-Iranian naval maneuvers do not mean strengthening military ties with Middle Eastern countries. Also, it does not express the ambition of playing a greater role in regional security and stability at least in the near term. But the military maneuver is accompanied by theoretical support from China for a multilateral approach of security in the Gulf. This suggests that it envisages the
continuity of the leadership of the United States in the Gulf, despite the increasing competition between the two largest economic powers in the world. China still maintains its preference for US leadership in ensuring Gulf security. This view perhaps increased the possibility of participating and engaging in a rapprochement between both IRI and KSA. This is with no doubt important and valuable move with the engagement of the Russians as well.

Closing the Scope

The dramas behind the rivalry between both IRI and KSA and other regional rivalries pushed the regional film industries to speak out and produce two attractive television series for almost the first time in the history of cinema in the region. Very well-known the Middle Eastern television, MBC859, broadcasted two series that have stirred up controversy for promoting normalizing ties with Israel. “Umm Haroun” and “Exit 7” premiered as part of a program line up for the month of Ramadan in 2020. Umm Haroun explores the Jewish history of the Gulf, which is a controversial topic in the Arab World that is not usually promoted in pop culture because there are no diplomatic relations between Gulf Arab states and Israel. While Exit 7 depicted characters taking a stand for Israel and accused Palestinians of attacking KSA and being ungrateful for their support. This is a new move that is important to be considered that media has started to take its part through sending messages of the possibility of resettling the long conflicts in the region. For its unique part, both series aired on one of the Middle Eastern centers of broadcasting, MBC, the Saudi well-known television network in the region.

This move takes stances that are in line with Saudi government positions. As it is clear that most Arab countries officially have denied relations with Israel except Jordan and Egypt, who have signed peace treaties with the country. Some of the viewers in the region have expressed outrage over the use of TV to sway Arabs against the Palestinian cause. And others criticized the network for using Ramadan to promote political change. At the same time, Palestinian rights groups have urged MBC to stop airing the

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859 MBC, Middle East Broadcasting Center, the Arab world’s largest private broadcaster owned by the Saudi state.
show. The head of the government press office in Gaza Strip stated that “the call to establish normal relations with the Israeli occupation is a moral and ethical downfall.” At the same time, other activists and actors in the region called for more similar series in the regional mass media on other regional television stations. Some of them, in various countries, took their twitter accounts to comment on other regional issues that should be brought into media and television; they argued that it is an open world and nothing need to hide. People ask regional governments and politicians to admit their mistakes to learn from history and it is time to surpass the antagonism. The region is tired and cannot hold more. It is time or regional leadership and decision-makers for more engagement and rapprochements.

Months later, in a new move, among the outbreak of COVID-19 and Beirut explosion, the US, Israel, and UAE signed a deal to normalize relations between Israel and UAE. The Emirati Crown Prince Mohammed bin Zayed stated in a tweet that “during a call with President Trump and Prime Minister Netanyahu, an agreement was reached to stop further Israeli annexation of Palestinian territories. The UAE and Israel also agreed to cooperate and setting a roadmap towards establishing a bilateral relationship.” It is yet too early to predict that the deal would normalize the courses of tensions, but the people of the region understand it is a time to end outrages, conflicts, and aggression. Instead more willing for stability, education, and health care. As President Trump stated in his speech that normalizing relations between Israel, UAE, and Bahrain would lead for more peace less blood, as he indicated “the sand was loaded with blood, but now it will be loaded with peace”

Finally, although, the rivalry has become the ruling element in managing relations between IRI and KSA, the calls for rapprochement and chances of cooperation still consider an effective basis in determining the pathway of resolving the disagreement. In his well-written book, *Humankind: A Hopeful History*, Rutger Bregman that published in the middle of COVID-19 argues that the “thin veneer of civilization” is a weak theory, and it is fundamentally wrong. Bregman brings a quit new idea that in the middle of the crises, the chances of solidarity increases, and people gather to help each other. For this idea, he looks at 700 cases from sociologists that proves human solidarity and engagement. Despite some world tragic events such as WWI, WW2, the emergence of Al Qaida, and ISIS, Bregman still believes there are still chances for resilience and friendship. At the same time, Bregman undoubtedly indicates the paradox nature of human beings that consists of two sides. The first side is bright and by evolution, we connect and work together; the second side is dark and leads to immoral and brutal acts. Finally, both IRI and KSA’s behavior might have failed in terms of their working together, but there are still chances of friendship, loyalty, and engagement one day.

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VITA
Aras Syahmanussuri
Graduate Program in International Studies
Batten Arts & Letters
Old Dominion University
Norfolk, VA 23529

Aras is originally from Kurdistan Region of Iraq, where he completed BA in Political Sciences at Slahaddin University and MA in Political Sciences at University of Sulaimani. While he was PhD student, Aras worked as research assistant for three years from 2016 to 2017, and he has been administrative assistant since 2018 at ODUOnline International, Old Dominion University. Aras has previous academic and teaching experience in two different universities in province of Sulaimani; he was Assistant Lecturer at the University of Human Development from 2012 to 2013, and Assistant Lecturer at the University of Sulaimani from 2013 to 2014.

Aras has previous professional experience with various local NGOs in Kurdistan Region of Iraq in areas of human rights, democracy, and corruption. He participated in several international conferences: 2020 Midwest Political Science Association Annual (MPSA) Conference in Chicago, 2019 Annual Conference of Graduate Society of International Studies (GSIS), Norfolk, VA, 2018 Annual Conference of International Studies Association (ISA), North conference, Washington DC, 2017 Annual Conference International Studies Association (ISA), South Conference, Orlando, FL, 14th Annual Graduate Research Conference of International Studies (GSIS) Conference, Norfolk, VA, 2016 Annual Conference ISACISSS-Annual Conference at the University of Notre Dame, Notre Dame, IN, and 2012 1st Conference of The Center of Islamic Study and Democracy in Tunisia, Tunis, Tunisia.