CHAPTER-3

IRAN’S POLICY TOWARDS SAUDI ARABIA: 1997-2005

With the commencement of Khatami’s Presidency, a new chapter was opened in the relationship between Iran and Saudi Arabia after almost two decades of confrontation and rivalry. The relationship between these two countries witnessed an atmosphere of tension and mistrust during earlier periods.

It was during Khatami’s Presidency (1997-2005) that Iran’s policy towards Saudi Arabia became friendly. This period was one of the warmest and most vibrant stages in the seventy years history of the bilateral relations between Iran and Saudi Arabia. Many initiatives were taken and exchange of visits and bilateral activities accelerated.

These positive developments in Iran-Saudi relations were an outcome of the new direction in Iran’s foreign policy initiated by Khatami which was based on détente and confidence-building principles and measures in bilateral relations.

This chapter presents an overview of Iran’s policy towards Saudi Arabia since the Revolution in 1979 till 1989. It focuses on the factors underlying the tension between Tehran and Riyadh. The changes in the relations between the two nations during the Rafsanjani period (1989-1997) are also examined.

Finally, Iran’s policy towards Saudi Arabia during Khatami’s period in the fields of politics, economics, culture and security would be studied.

I. Confrontation Policy

Iran and Saudi Arabia established diplomatic relations in 1928. Throughout the Cold War, these two countries were firmly allied to the United States. Both were commonly concerned about the threat of communism and the expansion of the power of the Soviet Union in the Persian Gulf. And both also, were opposed to the radical Arab nationalism led by Egypt’s Gamal Adbel Nasser. During the seventies, the two
constituted the pillars of the US military doctrine of the “Two Pillar Policy” for the Persian Gulf region. The decades of friendly ties between the two Persian Gulf countries ended soon after the Islamic Revolution (Afrasiabi 2006:1).

The triumph of the Islamic Revolution and the subsequent establishment of the Islamic Republic of Iran was considered as a prelude to a new phase of relations between Iran and Saudi Arabia. Although the event was a significant overhaul in the entire structure of Iran and based on a strong ideological foundation, it conveyed a disturbing message to the governments and the leaders of Persian Gulf. From the outset, the Islamic Revolution of Iran established its independent identity distinct from the dominant value systems of both the West and the East. The Revolution, relying on an authentic Islamic worldview, created new concepts in the arena of relations with other countries (Emami 1995: 129).

However, with the emergence of the Islamic Revolution in Iran and the danger sensed as regards to exporting and promulgation of politicised Islam, disputes between Iran and the Persian Gulf littoral States, especially Saudi Arabia, came to the surface. Such a shift caused a notable amount of distress and disarray in the region and created for new developments in the region (Barzegar 2000: 157).

During the Revolution, Iran left the Central Treaty Organisation (CENTO), a step which effectively paralysed the organisation. The new Iranian government appeared most consistent in its rejection of the pro-American foreign policy of the Shah, which was naturally expected to affect relations with Saudi Arabia. The “Two Pillar Policy” cooperation between these two countries had been a thorn in the side of the Iranian clerical leadership. The Iranian Revolution was by its very nature caused unease among the Arab governments of the Persian Gulf. It was a Revolution which was made in the name of Islam. It encouraged the oppressed Muslim masses to protest against the oppressors and the powerful (Ehteshami 2002: 25). The leader of the Iranian Revolution also was convinced of the incompatibility of an Islamic state with any kind of monarchical rule. This conviction was central to the new Iranian Republic and it became a part of foreign policy. So the monarchy was considered an unIslamic and the Republic was the only form of state which is acceptable to Islam.
Thus it became a challenge to the dynasties of the Arabian Peninsula, including Saudi Arabia (Ehteshami 2002: 26).

Since the rise of the Islamic system in Iran and until the end of 1989, several factors affected Iran-Saudi relations. Those factors are:

1. The Islamic Shia ideology.
2. Exporting the Revolution.
3. The Iran-Iraq war.
4. Issue of Hajj

1. The Islamic Shia Ideology

The Islamic Shia ideology to some extent prepared the ground for a confrontation. Such a ideology that sought to overturn the prevailing conditions, very quickly placed itself in front of and in confrontation with the Sunni ideology led by Saudi Arabia and thus, the two ideologies challenged and questioned each other’s legitimacy (Barzegar 2000: 157).

40 Before the overthrow of the Shah, the mounting opposition to the Shah and his apparent inability to contain the movement was viewed with great alarm by the Saudi leaders. In August 1978, Saudi Arabia’s Crown Prince Fahd praised Iran’s progress, accused international Communists and Leftists of subverting regimes all over the world, and expressed confidence in the Shah’s ability to restore domestic order. He said, “the Arab States will have to support Iran, and the Shah, because the stability of that country is important to the entire region and any radical change will upset its security balance” (Rubing 1983: 130). In the same month, the Saudi Defence Minister, Sultan ibn Abdul Aziz accused the Communists of inciting trouble in Iran. He called on all Arab States to support the Shah against antigovernment violence (Jordan Times 1978: 1-2). In November 1978, Foreign Minister, Prince Saud al-Faisal voiced his support to the Shah when he said, “Iran was of great important to the region and the world, and any problem there was consequently bound to give rise to anxiety”. He hoped the situation in Iran would clam down, thus enabling to resume its important role in the area (Institute for Defence Studies and Analyses 1978: 6-9). At a time when the Shah’s legitimacy at home was strongly challenged, Prince Fahd publicly reaffirmed that the Shah was the legitimate power in Iran (Abidi 1980: 53). These statements amply showed to which side the Saudi sympathies lay and how confident they were of the Shah weathering the storm. But things in Iran were moving differently and the opposition to the Shah had reached its peak. On 16 January 1979 he was forced to leave Iran never to return again. The Pahlavi dynasty’s end came soon and a Republic was proclaimed. In Saudi Arabia’s calculations, the situation in Iran was still in a flux. But beneath this platitudinous gesture towards the new regime, the historic event was seen as a great threat to the stability of the Saudi monarchy.

41 These two Islamic ideologies are usually interpreted as two readings of Islam. One is the “percepts oriented” Islam and the other one is “universality-oriented” Islam. The former is apt to compromise with the West while the latter, prevalent in Iran, cannot compromise with the West. For further reading refer: Mahmoud Sariolgalam, (1995), “Round Table: Understanding U.S. Strategy towards Iran and the Middle East”, *Middle East Journal*, no. 5, pp. 305-306.
Indeed, there are hardly any greater differences in Islam than those between Ja’fariya, or Twelver Shiism, the state religion of Iran since 1501, and Wahabism which gained virtually the same status in the centre of the Arabian Peninsula with the foundation of the first Saudi state in the mid-eighteenth century. Conflict in the name of Islam was a direct challenge to the legitimacy of the Al Saud stemming from the symbiotic relationship claimed for Wahhabism and Guardianship of the Holy places (Mecca and Medina). The Iranian Revolution claimed that they were more committed to Islam than the Arabs. This was a direct attack on Al Saud’s pretensions to power. Saudi Arabia considered it as more dangerous than Nasserist or Hashmite which opposed the Al Saudis earlier (Holly 1988: 12).

Ayatollah Khomeini had several times clearly stated that Islam and monarchy were mutually exclusive and that monarchy is foreign to Islam, a deviation from its content and intention. For Aytollah Khomeini, the faith in Saudi Arabia was degenerate and he called it “American Islam” (al-shaheed 1981:1). This labeling was asymbol of Ayatolah Khomeini’s deep hatred of both superpowers, but especially of the United States.

In fact, Ayatollah Khomeini’s activist Islam was anti-monarchical, anti-Western and pitted Iran against the House of Saudi in the Persian Gulf (Chubin 1996: 14).

In 1985, Ayatollah Montazeri, for many years considered Ayatollah Khomeini’s successor, on Radio Tehran declared: “Wahabism was originally established by mercenaries of foreigners whose main objective was to divert the Muslims and to encourage them to fight each other, this sect is neither committed to Islam nor to the Quran, it is rather interested in eliminating Islam and its history. Therefore the Shia as well as the Sunni is rejecting them” (Radio Tehran 1985).

In 1987, the New York Times quoted Ayatollah Khomeini as follows: “Mecca is now in the hands of a group of infields who are grossly unaware of what they should do” (New York Times 1987). The Iranian leadership tried to project an image of
Wahhabism led by the Al Saud as an isolated sect, whilst the Iranian Revolution represented authentic Islam.

Wahhabi Clerics were naturally not excluded from this criticism. According to Iranian propaganda, they were nothing more than puppets in the hands of the Al Saud. When Sheikh Abd al-Aziz ibn Baz, at that time the most prominent Wahhabi cleric, issued a *Fatwa* in November 1981 rejecting the widespread tradition of celebrating the Prophet Mohammad’s birthday, calling it a “blasphemous and heretic custom”, Ayatollah Khomeini answered, “this Mullah [Ibn Baz] is only a lackey of the Saudi Arabian court, eagerly trying to fulfil the wishes of the king, can it be blasphemy to respect Allah’s prophet? Ibn Baz is taking Islam in an extreme manner” (Ehteshami 2002: 41). However this string of assertions, made without even a hint of proof, was easily refuted by Saudi Arabian counter propaganda.

No more subtle than their Iranian counterparts, the Saudi Arabian media labeled the Iranian leadership a “corrupt bunch of thieves” which had created a “slaughterhouse” in Iran and was now promoting a degenerate Islam. The “Iranian butchers are a mentally distorted and ignorant gang agents of Satan, who behave as if they were, like a fascist regime” (Radio al-Riyadh 1981).

The tone, choice of words and general content of the Saudi Arabian counter propaganda betrayed the deep perplexity and sense of injury felt by the Al Saud regime. They were shaken by the constant assertion by the Iranian regime that the Saudi Court could be compared with the Pahlavi monarchy. Iranian media repeatedly reminded the close alliance between the two monarchies during the preceding decade and their common alliance with the United States (Ehteshami 2002: 44).

In general, it can be concluded that the claim on Islam by Iran and Saudi Arabia and the propaganda increased the tension between these two neighbours.

Another area in which Iran posed a religious challenge to Saudi Arabia was related to the large Shia minority in the Eastern Province of Hasa, which was in close proximity to Iran. Around 30,000 strong Shia communities in Saudi Arabia was not only an ideal conduit for the export of the Revolution but also a direct subversive
instrument which could be used to undermine Saudi authority (Goldberg 1990: 155). The fact that the entire Shia population was concentrated in the oil rich region which was the most crucial part of the kingdom complicated matters even more.

The disturbances that erupted in late November 1979 and early February 1980 in Hasa due to disenfranchisement of the Shia population were sparked by the Iranian Revolution and the propaganda emanating from Tehran. In the summer of 1979, leaflets were issued in Hasa calling on the Shia not to cooperate with the royal family. The cassettes recordings of Ayatollah Khomeini’s religious sermons with strong anti-Saudi political overtones were circulated. It was obvious that the Iranian Revolution had sparked the disturbances. But the Saudis were also aware that the outbreak which reflected the deep rooted Shia grievance arising from their perception of being second class citizens suffering from social and economic discrimination.42

The royal family decided to devise a long-term policy and began to apply a carrot and stick approach. On the one hand, security forces arrested swiftly many of the Shia leaders in a violent manner and on the other hand, immediately after suppressing the second round of riots, the government launched a comprehensive plan aimed at improving the standard of living of the Shia in Hasa. This included an electricity project, schools for boys and girls, hospitals and clinics, better street paving and lighting, water sewage and drawing projects, youth welfare programmes, telephone services and other projects (Kostiner 1987: 173-186).

The Saudis were not only threatened by the Shia resistance in Hasa as there were other dormant opposition groups in the kingdom. The challenge came in the form of the Mecca incident which was largely the work of a small band of religious zealots, led by a few leaders who had tribal and personal reasons for opposing the House of Saud. In this case the leader of the group was a young man named Juhayman-bin-Mohammad-bin Sayf-al-utaib from the powerful Utaiba tribe (Quandt 1981: 93).

42 According to a Saudi Shia, in Sunni eyes first there are Sunnis, below them are Christians, and below the Christians are Jews, we are below the Jews (New York Times 1980). For more information see, William B, Quandt, (1981), “Saudi Arabia in the 1980s: Foreign Policy, Security and Oil”, Washington: Brookings, P. 95.
Juhayman had a chequered but undistinguished past until 1972, when he entered the Medina theological college. Later, he challenged some of the accepted theological interpretations using alternative bodies of tradition (Sunna), to question many aspects of Saudi society, including the compatibility of monarchial rule with Islamic precepts. By the mid 1970s, Juhayman and his group of Salafiyya (reformers) openly preached in mosques for strict adherence to Islam, a repudiation of Western ways and an end to education for women. They could be easily recognised by their long beards, they wore in sharp contrast to typical Saudi style. In June 1978, Juhayaman and ninety eight of his followers were arrested. But after brief detention they were released under pressure from the Ulama. After their release, without much notice from the Saudi authorities, they began to print pamphlets and purchased arms from Kuwait. They also planned for a dramatic act to register their protest which could coincide with the beginning of the new Islamic Year. On 20 November 1979 (1st Moharm of 1400 A.H.) Juhayman and his 225 followers, heavily armed and well provisioned, seized control of the Ground Mosque in Mecca. The Saudi leadership was caught by surprise. For few days, confusion and rumors reigned (Quandt 1981: 94).

This event also signified resurgence of the religious spirit of the old Ikhwan (the term literally means brethren, its members were originally bedouins) against the laxities of the contemporary Saudi society. Some of the followers of Juhayman were the descendants of those Ikhwan, who were put to death by Ibn Saud in 1929 (Mahmudul Haq 1987: 23).

The most worrisome and yet not publicised aspect of this event for the Saudis was that some of the rebels were from the National Guard, a force responsible for the international security of the system and renowned for its loyalty to the royal family (Emami 1995: 134).

As soon as the mosque was seized, the Saudi leadership sought the support of the Ulama for using force to break the siege. The Ulama agreed, but set conditions that the damage to the mosque and the causalities among the hostages should be minimised. With these limitations on their efforts, units of the Saudi police, National
Guard and Regular Armed Forces were put into action. The Saudis were obliged to fight room by room to gain control (Quandt 1981: 95).

In the end, the Mecca incident was a shock to the Saudi establishment, tarnishing its prestige internationally which implied loss of credibility as “protector” of Islamic values. Although it was difficult to say that Iran had a hand in the seizure of Kaaba, the incident brought the question of Saudi government’s legitimacy into the limelight. This incident also, was viewed in retrospect by the Saudi leadership as an isolated incident of little importance.43

2. Exporting the Revolution

The confrontational in the relations between Iran and Saudi Arabia was not just due to ideology, but significantly the international relevance of the Revolution itself. The most notable example was a major speech given by Ayatollah Khomeini to the Iranian people in 1980, as he declared unequivocally, “the Iranian Revolution is not exclusively that of Iran, because Islam does not belong to any particular people. Islam is revealed for mankind and the Muslims, not for Iran. An Islamic movement, therefore, can not limit itself to any particular country, not even to the Islamic countries; it is the continuation of the Revolution by the prophets (Ettela‘at 1979: 1-2).

Time and again, Ayatollah Khomeini emphasised the responsibility of the Iranian Revolution to spread Islam’s message as he said, “the Islamic Republic intends to implement the ordinances of the Quran and those of the messenger of God in all countries. Iran is the starting point. It wants to demonstrate to all countries that Islam is based on equality, brotherhood and unity” (Rajaee 1983: 83).44

44 The struggle for the unity of the Umma therefore became an important part of official Iranian policy as laid down in the Constitution of the Islamic Republic: Based on the ordinances of the Qur’an, that “your community is a united one and I am your Lord, so worship me” (XX: 92) the Islamic Republic of Iran is to base its overall policy on the coalition and unity of the Islamic nation. Furthermore it should exert continuous effort until political, economic and cultural unity is realised in the Islamic world (Constitution of the Islamic Republic of Iran 1979: Principle II).
These statements were summarised in the concept of exporting the Revolution (Sudur-e engelab), which became the overall credo of early post Revolutionary Iranian foreign policy, (Millward 1986: 189-204).

Ayatollah Khomeini, once again, who was most outspoken in this regard, emphasised that “we should try hard to export our Revolution to the world. We should set aside the thought that we do not export our Revolution, because Islam does not regard various Islamic countries differently and is for the purpose of supporting of all the oppressed people of the world. On the other hand, all superpowers and all the powers have risen to destroy us. If we remain in an enclosed environment we shall definitely face defeat” (Ehteshami 2002: 30).

Ayatollah Khomeini felt that the Islamic Revolution was obliged to spread its ideas all over the world, to pave the way for an Islamic world order to be established at the end of time when the Mahdi, the Twelfth Imam, will appear. In this regard, he said, “we will export our Revolution to the four corners of the world because our Revolution is Islamic. There is one God, and Mohammad is his prophet. As long as people are being oppressed anywhere in the world our struggle will be continued” (Guideline of Imam 1979: 28).

Ayatollah Khomeini repeated these ideas several times, to different audiences. For example he asked a group of young Iranians to travel abroad, he said, “today we need to strengthen and export Islam every where. You need to export Islam to other places, and the same version of Islam which is currently in power in our country. Our way of exporting Islam is through the youth, who go to other countries where a large number of people come to see you and your achievements” (Ehteshami 2002: 30).

However, the leader of the Iranian Revolution did not assign this task only to young people but considered it as a duty of every Iranian Muslim and of all Iranian institutions. Therefore it was not the exclusive responsibility of the Ministry of Foreign Affairs to pursue these political aims. In the early days of the Revolution, a so-called Liberation Movements Bureau was assigned in the Ministry to coordinate attempts to export the Revolution. To increase its importance, the Bureau was soon
placed under the authority of the Supreme Command of the *Pasdaran* (Ehteshami 2002: 30). Therefore, Iran saw itself duty-bound to export the Revolution and to support all the peoples struggle for independence and freedom.

Given the impact of Iranian revolutionary influence on other countries, the idea of exporting the Revolution was immediately put forth at the global level and the mass media widely launched an extensive discussion. The Arab states particularly the Persian Gulf states like Saudi Arabia, saw themselves as the most susceptible. Although the actions of some groups and persons suggested the possibility of exporting the Revolution through military means, the official policy of the Islamic Republic of Iran suggested otherwise. In this regard, the late Ayatollah Khomeini stated that “we say Revolution must be exported everywhere, this doesn’t mean that we want to engage in conquest, we want the awakening that occurred in Iran, leading to a distancing from the superpowers and cutting their hands from our resources. Our wish is for all nations and States to awaken and free themselves from this predicament, the dominance they are under, squandering of all their resources and the poverty in which they live” (Bazargan 1983: 94).

Even if Iran officially did not intend to export its Revolution, the nature and intensity of the Revolution created suspicion and caution among Arab Persian Gulf states particularly in Saudi Arabia (Emami 1995: 132).

Saudi leaders were greatly alarmed at this great upheaval. The overthrow of the monarchy and the establishment of an Islamic Republic in Iran was an eye-opener to the Saudi royal family.

3. **Iran-Iraq War**

The image of the Islamic threat or Shia threat led to tensions in Iran-Arab relations, particularly with Iraq and Saudi Arabia. While these Arab states in an unreal and exaggerated manner described Tehran as a centre for the export of Islamic and Shia Revolution, they themselves were preparing for a dangerous confrontation with Iran. Meanwhile, the West, especially the US, was apparently concerned about the Islamic threat to its objectives and strategic interests. These objective
considerations were the Western interest in easy access to oil, the survival of conservative Arab regimes and the existence of Israel in the region (Emami 1995: 138).

Accordingly, the path for the Iraqi invasion of Iran was paved. On 22 September 1980, following the weeks of increasing border incidents, Iraq took the formal step of abrogating the Algiers Agreement (1975) and invaded Iranian territory by mounting a massive attack on the Iranian port of Khorramshar and the area adjacent to Abadan air port (Hiro 1993: 42).

It remains uncertain whether the Iraqi President had informed any foreign government in advance of his plans. But there were strong indications that he did so during his visit to Saudi Arabia in early August of 1980, in the context of the Iraq and Saudi Arabia security cooperation agreement which was signed in February 1979. This was followed by series security meetings during the first half of that year between them (Wright 1980: 259). However this alliance must have seemed strange to uninformed observers.

Since the second take over of power by the Baath party in Baghdad in 1968, relations between Iraq and Saudi Arabia had not been cordial. The Al Saud was afraid of the pan-Arab, nationalist and proto-socialist approach of the Baath leadership, which was trying to gain support in the Arabian Peninsula. Verbal attacks by Baghdad against the Persian Gulf monarchies, and military and logistical assistance

45 In March 1975, Shah and the then Iraqi Vice-President Saddam Hussien signed an agreement. Under this agreement Iran promised to stop support to Kurds in Iraq. In return Iran gained the eastern half of the Shatt-al-Arab, both banks of which had earlier been in possession of Iraq.

46 In the 1980s, concealment was among the most salient aspect of US-Saudi relations. The most expensive joint project between the US and Saudi Arabia was the effort to contain the Iranian Revolution and Saddam Hussain was a vehicle to achieve this goal. In the summer of 1980, the Iraqis interested in gaining US support for their invasion of Iran. They sent their Foreign Minister to Saudi Arabia and Jordan to talk with US officials and receive assurances that the US would not oppose an Iraqi invasion. Naturally, the US did not voice any opposition. On 5 August 1980, Saddam Hussein made an official visit to Saudi Arabia and informed his intentions. Six weeks later, the Iraqi forces invaded Iran. US assessments of Iran's military powers were given to Iraq via Saudi Arabia. According to US officials, these statistics convinced Iraq to invade Iran. The contacts made by the Iraqi leaders with US officials, reactionary governments of the region and the opponents of the Islamic Republic of Iran led them to the conclusion that war with Revolutionary Iran was a military game and that at the outset of the war the Islamic Republic of Iran would immediately collapse (Secret Relations of US and Saudi 1993: 67)
for underground groups in the Persian Gulf region during the first half of the 1970s had not been forgotten. In fact, there had even been an alliance between Saudi Arabia and the Shah against Iraqi *Baath* ambitions during the 1970s. When Saddam Husain assumed the presidency in 1979 he tried to lead Iraq out of its regional isolation. Therefore he adopted new tactics, softening his tone towards the Persian Gulf monarchies, weakening his ties with the Soviet Union even prosecuting Iraqi Communists. But these measures were not sufficient to remove suspicion among the monarchies of the Persian Gulf and in the end only the Iranian Revolution brought a change of attitude. Now that the Iranian policy of exporting the Revolution seemed far more dangerous than the Pan-Arab maneuvers of Iraq, which had been successfully contained during the past decade. For Arab countries, making use of the Iraqi war machine to minimise the chances of Iran exporting the Revolution appeared an attractive option (Ehteshami 2002: 62).

According to *Radio Baghda*, King Khalid took the opportunity to pledge support to Iraq during a telephone conversation with Saddam Husain on 35 September 1980 (Khadduri 1988: 125). *Radio Riyadh* confirmed this, but hastened to announce that King Khalid had only expressed his concern about the outbreak of war between two of his neighbours. Even during the very first days of the war, Saudi Arabia tried to avoid being labeled an ally of Iraq, fearing Iranian retaliation. There was no official statement that the government in Riyadh was formally siding with Iraq and the Saudi media was full of declarations that the war should be brought to an end through negotiation. But unofficially, the Saudi government could not hide its enthusiasm over the benefits of a quick Iraqi victory. A change in the Iranian regime would be warmly welcomed by Saudi Arabia (Ehteshami 2002: 63).

Taking into consideration the reservations that Saudi Arabia had concerning the Iranian Revolution, such a reaction was not surprising. According to J.D. Anthony, the reaction of Saudi Arabia to the Iran-Iraq war differed from those of other Persian Gulf states. He says, "the Riyadh regime has been and remains profoundly disturbed by the Sunni-Shia character of the war. Not only has Saudi Arabia usually aligned itself with the traditionalist side of the Sunni Muslim camp,
but the fundamentalist foundation of its own regime is the repository of a very
different ideology, although in the eyes of many, it is a no less radical interpretation
of Islam. Thus, on the sectarian level, Saudi Arabia is especially concerned about the
potential of the Tehran government to undermine the Kingdom’s regional role”

Testing the limits of formal neutrality, Riyadh granted permission for Iraqi
aircraft to be stationed on Saudi airbases, decreasing their vulnerability which was
still intact, and allowing them to attack Iranian targets from even more directions

The war also provided the Saudi regime with a golden opportunity to improve
its image in the kingdom and in the Arab world, badly tarnished in the late 1970s. In
this respect, the war was welcomed by Riyadh, though it did not relish an overall
victory for Iraq since the result would be an undisputed Iraqi ascendancy in the
Persian Gulf. However, the course of the war ultimately dispelled Saudi concerns

The Iraqi offensive stalled in November 1980, after Khorramshahr and some
one hundred square miles across the border had been conquered. The Iraqi situation in
the Persian Gulf was not much better. Iranian naval control made Iraqi ports unusable
and virtually choked Iraqi oil exports. It became clear that Iraq could lose the war, not
through reversal on the battlefield but because of its faltering economy. At this point,
substantial Saudi help for Iraq began to materialize. Riyadh took the lead in
mobilising Arab financial support for Iraq and contributed the largest share. This
financial assistance was complemented by logistical support. Saudi Arabia made its
Red Sea port available to receive both civilian and military imports destined for Iraq,
and by 1981 Qadimah, a port north of Jeddah, had become the terminus of the single
most important supply route for Iraq. The Saudi media added its share, frequently
denouncing the Iranian war effort and justifying the Iraqi cause (Heller 1984: 14-15).

Nevertheless, it was during this period of stalemate in the Iraq-Iran i.e.,
between November 1980 and September 1981, Saudi Arabia gave substantial help to
Baghdad. The shipment of military as well as civilian supplies amounted to US $6 billion up to April 1981 and another US $ 4 billion between May and December 1981. It was also at this time that Saudi Arabia agreed in principle to construct a crude oil pipeline to the Red Sea to give Iraq a chance to export its oil, despite the blockade of its Persian Gulf ports (Nonneman 1991: 105).

Tension further increased in late 1981 when Iran started a full fledged counter-offensive. By the spring of 1982, Iranian forces had successfully pushed the Iraqi invaders back to the border and beyond. The complete collapse of Iraq seemed a real possibility and would have meant the loss of the Iraqi buffer between Kuwait and Saudi Arabia on the one hand and Iran on the other. So a direct military conflict with Iran would thus become likely. Both countries, therefore, increased their financial support to Iraq, pouring between US$ 20 and 27 billion into the Iraqi war effort by the end of 1982. Also when Iraq’s enemy, Syria, closed the pipeline from Iraq to the port of Banyas on the Mediterranean, the newly constructed pipeline, running from Rumailah in southern Iraq to the Saudi Arabian port of Yanbu on the Red Sea, went into operation transporting two million barrels of crude oil per day (Ehteshami 2002: 65).

When Iranian forces directly threatened Basra and Fao in southern Iraq in the late spring of 1982, a sense of sheer panic was evident in Riyadh. Although support for Iraq had proved very costly, the overall result, a weakening of the Persian Gulf giants Iran and Iraq, had seemed worthwhile. But now the balance had swung in favour of Iran. The Saudi rulers therefore quickly changed their tactics and offered Iran US $ 25 billion in reparations in order to end the war. Saddam Husain also gave in and proposed an immediate ceasefire, but Ayatollah Khomeini refused (Akhavan Kazemi 1994: 30).

Fortunately for Saudi Arabia, the war took a fresh turn after 1982. The Iranians had been successful in regaining control of their own territory but then failed to conquer Iraq. Once again it became clear that the Saudi government’s main objective was to enable Iraq to withstand Iranian attack. From February 1983 onwards, Saudi Arabia and Kuwait began selling 330,000 barrels of oil per day to
Iraq, keeping the Iraqi war economy alive. The inability of either Iraq or Iran to win the war militarily and Iran’s flat refusal to accept less than the complete surrender of its adversary resulted in another stalemate. There were only minor changes in the front line, but the war now became known as the war of the cities and the war of the tankers (Ehteshami 2002: 66). The former meant the bombing of large urban agglomerates in enemy territory with long-range missiles, the latter, blockading enemy trade. Iraq besieged the main Iranian terminal at Khark, whereas Iran tried to prevent any Iraqi tanker, or tankers from other countries allegedly transporting Iraqi oil, from passing through the Straits of Hormuz. The tanker war, which began in earnest on 26 April 1984, also directly affected the economies of the Gulf Arab states, mostly Saudi Arabia (Ehteshami 2002: 66).

The kingdom now became even more involved in the Iraq-Iran war. It was only a matter of time before the first direct military clash between Iran and Saudi Arabia occurred. On 5 June 1984 Saudi air craft ambushed Iranian fighters as they prepared to attack two tankers leaving Saudi Arabian ports. With the aid of an American Airborne Warning and Control System (AWACS) intelligence plane, a Saudi Arabian F-15 fighter shot down an Iranian Phantom jet near the Saudi island of al-Arabiya, about 60 miles north-east of Jubail. Later that day, a second stand-off between eleven Iranian F-4s and eleven Saudi F-15s took place, but the Iranians decided to withdraw. Soon after the Saudi government established an air defence interception zone, the so-called Fahd line that extended beyond the control zone for commercial traffic and 12 mile-zone for territorial waters (Ramazani 1987: 9-10).

These incidences also led to a new wave of Iranian anti-Saudi propaganda. The Iranian media called the Saudi regime reactionary, deceitful, filthy and condemned it for fighting Islam in the robe of Islam. How could a regime pretending to speak on behalf of Islam support the Baathists, who do not believe in religion, in their war against the Islamic Revolution in Iran. Tehran repeatedly threatened to treat Kuwait and Saudi Arabia as parties to the war if they continued supporting Iraq (Ehteshami 2002: 67). Also in the second half of 1986, Saudi approved the US $4 billion loan to Iraq and allowed Iraqi planes to land and refuel.
To conclude, the Saudi’s support to Iraq during the war deepened the hostilities between two countries. This forced Iran to adopt a direct confrontation policy towards Saudi Arabia.

4. Issue of Hajj

It is a matter of pride for the Al Saud to hold the guardianship of the shrines in Mecca and Medina. Taking responsibility for organising the Hajj endows them with prestige as well as legitimacy, not only in their own country, but throughout the Islamic world.

Hundreds and thousands of Muslims go every year to perform Hajj. It is quite natural that Iranians’whether they are Shia or Sunni to perform this holy act. The number of Iranians going for Hajj considerably went up after the Islamic Revolution in Iran. The uniqueness in the organisation of the Iranian hajees was that it was sent under the leadership of an Ayatollah and the hajees shouted slogans against imperialist conspiracies against the Islamic world and Muslims.

For Iran the Hajj thus became an act of immense political significance, whereas the Saudis preferred to view it as a common religious experience uniting all Muslims, not as an occasion for political confrontation. In fact, Saudi Arabia maintained that the Hajj was a strictly personal experience of worship (Okruhlik 2003: 116).

Iran then tried to make Hajj (the annual Muslim pilgrimage to Mecca) into a religious-political event and to politicize the pilgrimage. The late Ayatollah Khomeini urged pilgrims to hold anti-American and anti-imperialist political demonstrations in the name of baraat as moshrekeen (liberation from infidels) (Amirahmadi 1993: 148).47

47 The Saudi Arabian government convinced its Western partners that accusations shouted by millions of Muslims under its authority, albeit temporarily, were not convergent with its own point of view. The Saudi authorities therefore pronounced that attacking the enemies of Islam world be seen as a political gesture that did not belong at a sacred event (The Economist Intelligence Unit (EIU) 1985: 11).
This particular strategy started to emerge as early as in 1979, when Iranian pilgrims demonstrated against the Saudi regime, seeking to influence other pilgrims, to support Ayatollah Khomeini and the Islamic Revolution. These demonstrations were repeated in 1980 when thousands of Iranian pilgrims chanted the slogan: “Allahu akbar va Khomeini rahbar (God is great and Khomeini is the leader)”. The situation escalated tension in 1981, when Iranian pilgrims organised yet more demonstrations attacking the United States and Israel calling for the unity of all Muslim and threatening a merciless revenge on the enemies of this unity. A number of skirmishes took place between Saudi police and Iranian pilgrims (Khadduri 1998: 128).

In 1982 once again Saudi force clashed with large numbers of Iranian pilgrims who stuck revolutionary posters on walls, conducted marches confirming “Islamic unity”, during which portraits of Ayatollah Khomieni were displayed, and accused the Al Saud for collaborating with the United States and Israel. These clashes, during which the Saudi authorities used water cannon and tear gas, resulted in the arrest and expulsion of hundreds of Iranian pilgrims including Khoeniha. Even after this experience, the Saudi Arabian government was afraid of banning the Iranian pilgrims completely and instead limited their number for the Hajj. From 1983, it was reduced to 100000 and prevented an advance party coming from Iran to make especial arrangements for them (Gurdon 1984: 38). Despite the limit on the number of Iranian pilgrims, the clashes and the disruptions continued in 1983 and 1984.

The year of 1985 was characterised by a temporary détente. In May 1985 the Saudi Arabian Foreign Minister, Saud al-Faisal, visited Tehran for discussions with his Iranian counterpart. At the end of the year, the Iranian Foreign Minister, Ali Akbar Velayati, made a return visit to Riyadh. It was expected that the problem of the Hajj could be resolved. However, the tension between Iran and Saudi generated by the Hajj reached its peak in July 1987. Ayatollah Khomeini’s speeches during the preceding weeks had been very provocative. He urged the pilgrims once again to

48 In 1982, Ayatollah Khomeini appointed Hujjat al-Islam Mohammed Musavi Kho’eniha, as his personal representative and coordinator of the Iranian pilgrims.
demonstrate and march with as much ceremony as possible against the apostates of world arrogance headed by the US (Holly 1988:15-16). They demonstrated with remarkable organisational skill provoking clashes with different Saudi Arabian Hajj organisers and security forces. They were also well aware that the capacity of the Saudi authorities to handle the Hajj was stretched to the maximum given the numbers of people involved.

The Hajj confrontation reached its climax on 31 July 1987, when Saudi troops killed 450 Iranian pilgrims during a political rally (Amirahmadi 1993: 148).

Ayatollah Khomeini attacked the Saudi authorities for their “brutal behaviour and “aggression in the House of God”. He declared Saudi Arabia as Iran’s number one enemy, even though Iran was in the midst of its war with Iraq. The leadership in Tehran also began calling Saudi Arabia by its old name, Hijaz, implying that the House of Saud did not have the legitimacy to rule in the birth place of Islam (Emirahnudi 1993: 148). The break came the following year, in 1988, when Riyadh formally cut diplomatic relations with Iran on 22 April 1988 and Iran formally boycotted the Hajj. With the help of the Organisation of Islamic Conference (OIC), the Saudi Arabian government imposed a strict quota on the annual pilgrimage and its representatives in the organisation were successful in implementing a quota of 0.1 percent of the population from each Muslim state. Officially Riyadh declared that urgent repair and reconstruction work in the Holy cities was overdue, and therefore the number of pilgrims had to be limited. Thus only 45,000 Iranian pilgrims per year would be allowed to take part in the Hajj, considerably less than that of 150,000 which the Iranian authorities had calculated as a minimum. Saudi Arabia tried to sell this limited quota by stressing that it would still welcome the quota of Iranian pilgrims that the OIC had set, provided that the Hajj would not be disturbed. However, these declarations influenced Ayatollah Khomeini’s decision to prevent all Iranian pilgrims leaving for Saudi Arabia in 1988 (Okruhlik 2003: 116).

To end, the issue of Hajj provided a base for Iran to follow a hostile policy towards Saudi Arabia.
II. Pragmatist Peace Policy

Confrontation between Iran and Saudi Arabia continued for a while after the Iran-Iraq ceasefire in 1988. From late 1989, however, the Islamic Republic of Iran began to change its confrontational policy in the direction of more cooperation with the states in the region, the Saudis in particular (Emirahmadi 1993: 152). This new move of Iran’s foreign policy can be called as “Expedient Peace” (Barzegar 2000: 157), or pragmatic peace policy” (Ramazani 1998: 131).

This shift occurred for a variety of reasons, most importantly because of the death of Ayatollah Khomeini, the ascent of the pragmatists to power, the end of the Cold War, the Iraqi invasion of Kuwait and the ensuing Gulf War (Barzegar 2000: 157).

In June 1989, Ayatollah Khomeini died. For a decade Ayatollah Khomeini influenced the government’s policy, which isolated Iran internationally. During this period, the population grew rapidly, while the country’s oil revenues declined significantly. Without resorting to foreign borrowing, the government spent much of its scare resource to finance a costly war and to compensate the war victims. At the end of the war, Iranians experienced a 50 percent reduction in their real per capita income. For this reason, the people began to demand the “peace dividend” (Milani 1996: 89). Thus, the government decided to focus on economic reconstruction.

After Ayatollah Khomeini’s death, leadership was passed to Ayatollah Seyyed Ali Khamenei (the then President), who became the Supreme Leader. In his place Refsanjani (the then Speaker of the Parliament) became President. Ali-Akbar Hashemi-Rafsanjani was popularly elected as Iran’s fourth President. They ascended to power only after the Islamic Constitution was amended. The President’s power substantially augmented. The President is now in charge of the Supreme Council of National Security, which coordinates the activities related to defence, intelligence, and foreign policy. In fact, constitutional mandate in 1989 provided for changes that would end confusion over exercise of authority in government and promoted greater pragmatism (Gheissari and Naser 2006: 107-108).
The installation of Ayatollah Khamenei and Rafsanjani as new leaders signaled a novel understanding of the notion of Islamic State. Their alliance moved policy making toward greater pragmatism in politics and management of the economy (Gheissari and Naser 2006. 108). Actually, Rafsanjani’s election brought to power the pragmatic faction of the fundamentalist camp and made economic reconstruction as the top priority.49

He put together a team of technocrats, focused on economic development, launched what he described as the “era of reconstruction” and began to improve Iran’s foreign relations (Garl Brown 2004: 252).

Through these initiatives, Rafsanjani was able to reduce revolutionary fervour and to give the new breed of bureaucratic managers room to develop. He even contemplated following a pragmatic foreign policy for opening Iran to the world (Gheissari and Naser 2006: 117). An earlier adherence to an extremist policy of the Islamic Revolution was based on the export of Revolutionary values and ignoring international regulations and resolutions of the United Nations (UN) and other regional organisations. This position manifestly failed to address Iran’s demands for a reorganisation of the international order. As a result, under new circumstances but in fact reluctantly, the Rafsanjani government accepted the realities dominating the international system and realised the disorderly situation prevailing within the country. In an effort to give order to the undisciplined domestic social and economic circumstances, the government adopted a policy of economic restructuring, the pivotal element of which was in fact pragmatism in the formulation and enforcement of foreign policy principles based on Islamic values (Assadi 2001: 114). Thus in the second decade of the Revolution and in the light of the above mentioned, Iran practically launched good neighbourly relations policy.

49 His first Five Year Development Plan was based on attracting foreign capital, importing modern technologies, increasing oil revenues, and borrowing on the international market. Operating under inhospitable conditions, Rafsanjani was able to invigorate the oil industry. Some of the major refineries and oil platforms repaired and oil production increased. There has been a small shift away from State ownership of the major industries, price regulation, expensive subsidies, and the closing of Iranian markets to foreign products, to a more market regulated economy, privatisation of a few strategic industries, reduced subsidies, and the opening of Iranian markets of foreign products and investments.
Rafsanjani reestablished diplomatic relations with some countries under the cover of the war. He launched a major effort to improve relations with the Arab states of the Persian Gulf (Carl Brown 2004: 2503). Rafsanjani’s new Gulf policy was remarkably pragmatic in nature. This new policy move was based on three considerations. First, Iran cannot change the region’s political map, a fact recognised by some young elements in the foreign policy establishment even before Rafsanjani, and now more widely accepted. Second, Iran tried to adjust itself to a new balance of power in the region. The United States played a major role in creating this new balance of power. During and immediately after the end of the Iran-Iraq war, the objectives of the United States were to keep the Soviet Union out of the region, to contain Iran, and to protect its enormous oil investments. Thus, it pursued a strategy that strengthened Saudi Arabia militarily as a deterrent against both Iran and Iraq. These strategies of US helped the Gulf Cooperation Council (GCC) to prevent the spread of the war and improved relations with Iraq. After the end of the war, both Iraq and Saudi Arabia, which had emerged with the best-equipped armed forces in the region, hoped to impose their hegemony.

Facing these realities, the Rafsanjani administration hoped to achieve containing of Iraq. Iran tried to convince the regional counties that Iraq was expansionist and posed the greatest threat to their rule. As Washington was at the time cuddling up to Saddam Hussian, Iran’s warning about Iraq landed on deaf ears. Also Iran tried to improve relations with the GCC, which required a commitment to regional stability. Rafsanjani said that “Iran must stop making enemies” and refrain from intervening in the internal affairs of others, an unambiguous signal that the export of Revolution was no longer a policy objective. He in fact recognised the legitimacy of the states in the region. So, Iran began a dialogue with Saudi Arabia. Iran’s third consideration was to increase its influence on the region’s oil policy, pushing for lower production levels and higher prices (Milani 1996: 91-92), which convinced Iran for collaboration with its great rival.

At this juncture, the political situation in the region changed with the invasion of Kuwait by Iraq on 2 August 1990 and the stationing of U.S. troops. At the global
level the Cold War came to an end with the collapse of the Soviet Union (Ansari 199:1).

Iran was the first Persian Gulf country to condemn Iraq and to demand its total and unconditional withdrawal from Kuwait. Rafsanjani also opted for an "active neutrality policy", to maximise Iran's national interests (Milani 1996: 92).

The invasion of Kuwait by Iraq, further added the need for cooperation among the countries in the region. At that time, the deployment of foreign forces in the Persian Gulf increased. This provoked an anti-Western sentiment in Iran. The Iranian hardliners were opposed the presence of the US forces in the region, and wanted the government to actually combat it. But the government did not want to side with Iraq. Instead of blaming Saudi Arabia which was responsible for the entry of the foreign forces in the Persian Gulf, it blamed Iraq (Sajedi 1993: 773). Even the collapse of the Soviet Union has meant that Tehran can no longer rely on Moscow to neutralise Washington. This diminished Iran's bargaining position with the West and created instability on its northern borders, specifically with the states of Armenia, Azerbaijan, and Turkmenistan. But in this chaos, Tehran saw unprecedented opportunities to expand its influence in these Muslim states with whom it shares deep cultural, linguistic, and religious ties. The close economic cooperation between Iran and these states and the signing of various protocols in the past few years confirmed Iran's commitment to regional stability (Milani 1996: 93).

Further, in the Persian Gulf, Iran remained committed to regional stability and economic cooperation. Both are intimately linked to its prosperity. Albeit, the vast expansion of the defence capabilities of Saudi Arabia and its back-up by the US military, were considered by the Iranian government as a clear change in balance of power in the region in favour of Saudi Arabia in the future. Iran not only tried to stop the entry of foreign powers into the Persian Gulf but also maintained the military balance in the region by checking the expansion of Saudi forces. Although the Iranian

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50 The radical voices within Iran of Ahmad Khomeini, Ali Akbar Mohtashami and Mehdi Karrubi did give calls for *Jihad* and urge reactivation of terrorist cells to throw the US out of the area (Dietl 1993: 751).
government took a neutral stand during the Gulf crisis, it tried through diplomatic channels, suggesting a coalition of forces of the Persian Gulf states, to force Iraq to withdraw from Kuwait. Iran appealed to the Gulf Cooperation Council (GCC) states to set up a Joint Security System in the region to contain Iraq and curb the entry of foreign powers. It did not get any positive response from them. However, the confrontation of GCC states with Iraq was accompanied by a radical change in Iran’s relations with GCC. This change was evident at the Eleventh Annual Summit of the GCC held in Doha during 22-24 December 1990. The Summit welcomed new trends in Iran to improve and develop its relations with the GCC member states. It also appreciated Iran’s stand on the Persian Gulf crisis (Kessing’s Record of World Event 1990: 37927). In a Press Conference in Doha, the Qatari Foreign Minister indicated that Iran should be included in security arrangements of the region by virtue of its geographical location. The Iranian Foreign Minister, two days after the GCC Summit, stated that Iran “welcomes the positive points in the latest communique and is willing to discuss with the Persian Gulf states, the principles of cooperation, to guarantee the security of the region from any influence of foreign powers” (Mushahid 1990-1991: 40). Saudi Arabia was not enthusiastic about this proposal.

A proposal for a security pact of the region to replace the US led multinational troops after the Gulf war was put forward in early 1991. According to this proposal, eight countries, Egypt, Syria and the GCC states were to be part of this security arrangement, envisioned in the Damascus Declaration. Iran was excluded. The exclusion of Iran was due to many reasons, principally Iran’s relations with the key-power in the area, Saudi Arabia. Another important reason was that due to Iran’s geopolitics and its geo-strategic position in the Persian Gulf, any alliance with Iran would automatically give a de facto recognition to Iran’s predominance in the region. This exclusion naturally led to the decline of Iran’s role as a strong regional power (Sajedi 1993: 774).51

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51 Iran’s declining role as a strong power in the region was due to: (i) the declining influence of the USSR in the region (ii) The successful and strong influence of the military presence of the USA and the Western allies (iii) Increasing influence of the Western powers on the GCC States.
In order to prevent further decline in its position and to play a greater role in the region, the Iranian government decided to improve its relations with Saudi Arabia. In February 1991, the good offices of the Omani government at Muscat were used for this purpose and an understanding was reached between Iran and Saudi Arabia. The Damascus Declaration was announced on the 6 March 1991. To replace Egypt and Syria in the security pact of the region, the Iranian government denounced this security arrangement. At the same time, Iran intensified its diplomatic efforts to reach an understanding with the most influential GCC states- Saudi Arabia- with hope of a new security pact which would include all the littoral countries of this waterway. On 17 March 1991, the Foreign Minister of Iran, Velayati, met his counterpart, Prince Saud al-Faisal in Jeddah (Keeling’s Record of World Event 1991: 3819). During his three day talks, the Iranian Foreign Minister touched upon the question of Hajj assuring the Saudi Foreign Minister that Iranian Pilgrims would abide by the Saudi rules during the Hajj. This move by Iran opened the way for further improvement in the relations between the two countries. The Saudis on their part agreed to increase the previous number (45,000) of Iranian Pilgrims to a quota of 115,000. By the end of their talks, the Iranian Foreign Minister, in an interview, said, “the Kingdom of Saudi Arabia and the Islamic Republic of Iran have reached an understanding on solving all problems between them” (The Hindu 1991).

On 20 March 1991, a joint Iran-Saudi communique announced the restoration of full diplomatic ties between the two states in a few days. A week later diplomatic relations between these two powerful states of the Persian Gulf were renewed, after a break of three years. Both the embassies, in Tehran and Riyadh, started working with a nineteen member delegation from each country (The Times of India 1991). In the context of the cordiality generated between these two countries in the wake of the war in Kuwait, Iranian pilgrims began to perform the Hajj in 1991 (Dietl 1999:9).

Even during the Hajj Congress on 21 May 1991, the Iranian delegates asked for an increase in the number of Iranian pilgrims and lifting the ban on demonstration against “disavowal of Pagans” (Times of India 1991). The Saudis permitted a

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52 For more information see, Financial Times, 2 August 1991.
demonstration to be held in front of the Iranian Hajj headquarters. Ayatollah Khamenei himself issued a Fatwa (religious edict) that “the performance of any ritual by the Shias which create discord among the Muslims or weakened Islam is haram (evil)”. Ayatollah Reyshahri, his representative, led pilgrims from Iran with a message of “friendship, unity, and brotherhood under the banner of monotheism”. Thus after many years, the Hajj season passed off in an atmosphere of cordiality rather than tight security (Dietl 1999:9).

This agreement was followed by a two day visit (5-7 June 1991) of Saudi Foreign Minister, Saud al-Faisal to Tehran. Saud al-Faisal in his talks with his counterpart agreed on several points: the peaceful way of performing Hajj, supporting the UN Secretariat’s efforts in solving Afghanistan’s problems, importance of Iran’s geo-strategic position in the region, and the need for more cooperation between Iran and the GCC states (Abrar 1991: 1-3).

The outcome of this visit and a peaceful pilgrimage by Iranians facilitated Iran and Saudi Arabia to upgrade their diplomatic ties to ambassador level (the Economist Intelligence Unit 1991: 9). The then Iran’s Deputy Foreign Minister for International Affairs, Manucherh Motaki, was invited to Riyadh on 21 October 1991 to discuss the expansion of bilateral relations with his Saudi counterpart, Adb al-Rahaman Mansuri, not only in the fields of economy, commerce, agriculture and oil, but also in shaping a common strategy for the forthcoming OIC Summit in Dakar. In order to achieve this objective, both sides agreed to exchange ambassadors before the Summit (BBC Summary of World Broadcasts 1991).

Later, Gholam Ali Nadjafabadi was appointed as the new Iranian ambassador to Riyadh in June 1992. Presenting his credentials he said, “the Islamic world has two wings, and is not possible to fly without its two wings of the Islamic Republic of Iran and the Kingdom of Saudi Arabia. Both have their weight and place in the Islamic world” (Tehran Times 1992:1-4). The statement marked a 180 degree turn in the

53 Also see, Ettela’at, (Tehran), 8 June 1991.
official Iranian attitude towards Saudi Arabia and went a long way in facilitating the process of reconciliation between the two (Dietl 1999:9).

In November 1992, the Islamic Development Bank, which is financed mainly by Saudi Arabia, held its annual meeting for the first time in Tehran. Although the Bank had been formed in 1975, Iran joined in 1988. Since then, the Bank initiated several projects in Iran totaling more than $130 million. At the Tehran meeting, according to Mohsin Noorbakhash, the then Iranian Minister for Economic Affairs and Finance, it granted a further $8.5 million credit to the Sharif Technical University for the purpose of laboratory equipment (Okruhlik 2003: 119).

Despite the continuing competition between Iran and Saudi Arabia over a wide range of issues, including oil, utilisation of Islam, influence in Central Asia and Africa and relations with the West, both countries tried to keep the working relationship established during the specific circumstances of the Kuwait crisis. Velayati said in an interview in 1993 that the two countries were at the stage of “confidence building”, and hoped that “they would patch up their differences” and he said, “he is not satisfied with the slow pace in this direction.” Although no dates had been fixed as yet, he was optimistic about the Iranian – Saudi Summit, since both heads of states expressed their intention to meet. (Tehran Times 1993).

When the Saudi Minister of Higher Education, Abdul-Aziz Khuwaithir, visited Rafsanjani in January 1994, the official voice of the Islamic Republic of Iran Radio Station concluded, “though Iranian-Saudi Arabian ties have undergone several ups and downs during recent years, the trend of events of recent months speaks for the fact that the two countries’ similarity in views, opened a new phase of bilateral ties with the intention of reinforcing unity among Islamic countries and overcoming the problems of the Muslim world. It is worth noting that during the meeting, President Hashemi Rafsanjani welcomed the strengthening of relations in the areas of mutual interest, stressing the need for the exchange of economic and political delegations between the two countries, for closer co-operation” (BBC Summary of World Broadcasts 1994).
On Bosnia-Hercegovina, the single most pressing Islamic issue, Iran coordinated its policy with that of Saudi Arabia in spite of its occasional outbursts of Saudi inaction (Dietl 1999:9). The year 1997 witnessed number of high level visits between the two countries. Rafsanjani had a cordial meeting with Saudi Crown Prince Abdullah in 1997 in Pakistan on the fringes of an Islamic gathering and was invited to undertake the Hajj pilgrimage in Mecca the following month (Hiro 2007: 1).54

In March, Velayati visited Saudi Arabia to invite its leaders to attend OIC Summit to be held in Tehran at the end of Year (Dietl 1999:1). Iran Air resumed flights to Saudi Arabia in September 1997 (Cordesman 2003: 45).

King Fahd sent Minister of State, Abdul-Aziz Khuwaithir to Tehran with messages responding favourably to Iran’s invitation to send a senior official to the OIC in Tehran in December 1997 (Cordesman 2003: 45-46).

Even though the Rafsanjani’s Presidency was over in early 1997, he laid a strong foundation for Iran’s closer and cordial relations with Saudi Arabia. This in fact facilitated the new leadership to strengthen its co-operation with Saudi Arabia. Mohammad Khatami who became the President of Iran on 3rd August 1997, with his novel idea of his foreign policy opened a new chapter in bilateral relations. The struggle for leadership within OPEC, rivalry over military supremacy in the region and competitions in Central Asia were the major issues which created hostility between Iran and Saudi Arabia. Also, some regional and global changes had negative impacts in bilateral relations. Iran’s objection and opposition to the GCC members participating in the Arab-Israel peace process, presence of U.S. military forces in the West Asia and Persian Gulf, dispute over Abu Musa and Greater and Lesser Tunbs were some of them.

54 This paved the way for Iran to host the triennial Summit of the Organisation of Islamic Conference (OIC), headquartered in Jeddah in December.
III. Détente and Confidence Building Policy

_Hojjatoleslam_ Mohammad Khatami's victory in the seventh Iranian Presidential elections with over 20 million out of a total of 29 million votes polled was widely acclaimed by domestic political figures as well as foreign observers and analysts. They assessed the development as a major socio-political phenomenon. The overwhelming majority in favour of Khatami was in fact a popular assent to the objectives that he outlined for his domestic and foreign policies. The election demonstrated public will and an outstanding political participation. The overwhelming majority of people sought structural changes in the political system of the country within the Islamic national framework (Assadi 2001: 111).

The vision elucidated in Khatami’s presidential campaign underlined the fundamental domestic and foreign policy questions. The domestic issues were based on enforcement of the rule of law, respect for people’s fundamental rights and their basic freedoms, elimination of social discrimination, tolerance and preservation of human dignity. He also addressed the establishment of social security, reformation of the state-run economy, transparency and accountability in government functioning, instituting a culture of critical evaluation, political development and the support for formation of political parties. In the foreign domain, Khatami emphasised détente, confidence building, improvement and expansion of Iran’s political and economic relations with other countries, especially those in the West Asian region. The turning point in the evolution of Iran’s new foreign policy came with the declaration of the notion of “Dialogue among Civilisations”. The global community and international organisations welcomed the idea. The policy of détente and confidence building and the subsequent initiative of “Dialogue among Civilisation” was an indication of the fact that Iran was not seeking tension with its neighbours or the outside world (Assadi 2001: 112).

In fact, in the aftermath of 23 May 1997, the foreign policy of Iran saw positive legitimacy substituted in the place of negative legitimacy, i.e., keeping
distance from provocative measure and slogans (Azghandi 1999: 1044)\textsuperscript{55}. Under these circumstances, the main strategy was détente in relations with other countries and building confidence with them. This was an indication of the president's awareness and understanding of two basic problems in Iran's foreign relations. First Iran's interactions with the outside world were overburdened by tension and continuation of this trend would be harmful for Iran. Second, responsibility for part of this tension was borne by Iran's diplomacy and this had to be eliminated. Khatami proposed détente within the framework of dignity, wisdom and experience. Iran in its foreign policy thus began to seek to remove past misunderstanding while making efforts to end any type of international conflict and dispute. It began focusing on the prevailing realities at the international level in order to preserve its security. Khatami elucidated the major aims of détente as "preservation, consolidation, development and stabilisation of security and national interest", and emphasised that "détente does not connote inattention and indifference towards threats but rather recognises the boundaries of enmity and consolidates friendship and commonalities in standing against threats". It is a policy not only seeking establishment of democracy within the society but is also a "harbinger of universal peace based on justice and equality and elimination of hegemony in international relations" (Khatami 1999). In his meeting with Iranian ambassadors in the Persian Gulf littoral states, Khatami stressed that détente is not tantamount to a retreat from (Revolutionary) principles and criteria. He also pointed out that the present juncture is an era of stablisation of the system and that the principle of détente is in conformity with the stabilisation effort (Islamic Republic News Agency 1998).

According to the Iranian President, "regional and international détente is not a mere tactical policy but a strategy. We believe that our interest as well as that of the (Persian Gulf) region rests in stabilisation and development of détente" (Sobh-e Emrouz 1999: 1-3). This includes the expansion of relations with all states on the basis of mutual respect, common interests, negation of all forms of hegemony, implementation of international law, effort to ease tension at regional and

\textsuperscript{55} For more information see, "Round Table Discussion on Foreign Policy of the Islamic Republic of Iran in the aftermath of 23 May 1997", Middle East Quarterly, 7 (1): 9-10.
international levels and consolidation of unity among Islamic and non-aligned countries. These were the priorities of Iran’s foreign policy during Khatami’s tenure (Assadi 2001: 116).

In fact, by declaring the framework of the country’s foreign policy on the basis of détente and confidence building, Iran’s foreign policy came out of its passive status and moved towards an active and dynamic state. Within the framework of the new foreign policy, a positive image of Iran forged in the international community and its legitimacy and credit further upgraded in the world. Under the prevailing circumstances, countries that were interested in developing relations with Iran took advantage of the occasion by opening new chapters in their bilateral cooperation with Iran.

Towards these goals, Iran sent repeated messages to its southern neighbours, particularly Saudi Arabia, for friendly relations. Saudi Arabia accepted it and expressed its willingness to cooperate with Iran in a number of areas (Amuzegar 1998: 84).

Leaders of the Arab littoral states of the Persian Gulf congratulated Khatami’s landslide victory in the election and in separate messages expressed the hope that bilateral relations between their countries and Iran would be strengthened in future (Islamic Republic News Agency 1997). Only a few days after the elections in Iran, foreign ministers of the regional countries in a meeting in Riyadh studied the outcome of the election and expressed the hope that the new Iranian president would be a harbinger of the improvement of bilateral relations (Central News Bureau of Iran 1997). These countries warmly welcomed the détente and confidence building policy of the new administration in Iran and saw it as a step towards consolidation of bilateral ties (Farazmand 1999: 421-422). Two months after Khatami’s election, the Secretary General of the Gulf Cooperation Council, Sheikh Jamil al-Hojilan a Saudi national said, “Iran is our great neighbour and we are willing to preserve our relations on the basis of bilateral interests”, adding “given the impact of Iran-US relations in the region, member states in the council do not favour seeing those relations
remaining strained. We seek a safe region free of international conflicts” (Islamic Republic News Agency 1997)

1. **OIC Summit: A Prelude to a Détente and Confidence Building Policy:**

Iranian foreign policy was warmly received at the OIC Summit, held in Tehran in December 1997 where representatives of all Muslim states attended (Shah Alam 2000: 164).

Despite the efforts by the United States to discourage the participation by organising a rival economic meeting in Qatar, virtually all the fifty-five members attended the Summit, including Saudi Arabia. Even such regular adversaries of Iran such as Iraq and the Palestine Liberation organisation (PLO) participated (Daneil 2001: 248).

In fact, after almost two decades of tension and mistrust in relations between Iran and Saudi Arabia, the Eighth Summit of OIC held in Tehran in 1997 and the participation of a high-ranking Saudi delegation in the meeting opened a new chapter in bilateral relations.

In a positively worded message to the Summit, the Leader of the Islamic Revolution promised that, “the Islamic Republic of Iran poses no threat to any country” (Ettela’ at 1997: 2). Khatami also delivered an important speech stressing the legitimate rights of the Palestinian people in determining their own fate. This was warmly welcomed by the participants, especially Saudi Arabia (Ettela’ at 1997: 1-3). At the end of Conference, the participants officially announced their readiness and underlined the need for positive interaction, dialogue and convergence among culture and religions (Ettela’ at 1997: 2).

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One of the main objectives that the Islamic Republic of Iran followed in the OIC Summit was to create an atmosphere of confidence and trust in relations with all neighboring states in the Persian Gulf region, particularly Saudi Arabia. The Saudi government, which was pleased with the result of the 23 May 1997 Presidential elections in Iran and assessed it as a turning point in the establishment of new relations, warmly welcomed the détente policy initiated by Khatami and evaluated it as an opportune moment for bringing the two countries closer. Therefore, it enthusiastically took greater strides towards further promotion of diplomatic, economic and cultural relations (Barzegar 2000: 166).

Of course, the unprecedented change in the attitude of the Arab governments in this meeting particularly that of Saudi Arabia was to some extent a sign of the Arabs’ disillusion from the peace process with Israel. The clear defeat of the US in reviving the Arabs-Israel peace process and the displeasure of the Arab nations led by Saudi Arabia made the Arabs distance themselves from Washington and this was a reality which the Khatami government cleverly availed. The clear pro-Israel approach of Clinton administration towards the peace process was as much responsible for the failure of the unique gathering of the officials of the West Asia and North Africa in the Economic Conference of Doha, convened by the US almost simultaneously with the Tehran Conference.

With the victory of Binyamin Netanyahu, leader of the Rightist coalition of Likud, over Shimon Peres, leader of the Labour Party, in Israel’s Prime Ministerial elections in 1996, a new crisis was created in West Asia. Using the deep international and regional developments, Netanyahu brought the peace process, which started in Madrid and passed through Oslo, Washington and a number of other capitals, to a stand still. The policies of the Likud Party in not recognising the Palestinian’s rights in the regions agreed upon and the tough and rigid position of Tel Aviv supported by the US weakened the positions of the Arabs and disappointed them with the West Asian peace process. Even the heads of the conservative Arab states openly announced their opposition to the policies of the Zionist regime and the US. The new government led by Likud not only disappointed the states negotiating with Israel
about the future of the negotiations and the establishment of peace in the region but also paved the way for the Arabs to better understand the position of Iran on the this issue. At the same time, Saudi Arabia, which was compelled to adopt a containment policy vis-à-vis the steps of Netanyahu, established the ground for not only reconstruction of the ties between Iran and Saudi Arabia but also for the better understanding between the leaders of the two countries. This accelerated the process of the improvement of the relations between Iran and Saudi Arabia during the aforementioned period. Though the increase in the power of Prince Abdullah and its impact on Saudi Arabia’s decision making policy should not be ignored. He, without being an anti-US, was more a nationalist and regionalist and attached special importance to the regional ties and therefore wished seriously to improve relations with Iran. Prince Abdullah played a more active role in governing the country in the tangible absence of King Fahd from the scene (Veisi 1998: 1-3).

Signing of an agreement between Turkey and Israel and the efforts of the Zionist regime to reach the Persian Gulf caused security-political concerns for the countries in the region. From the point of view of the Arab nations of the region, such a relationship could seriously endanger the national interests of the Arabs. The concern and the displeasure of the Arabs towards the improvement of the military ties between Ankara and Tel Aviv, stationing of the Israeli airplanes in Turkey’s territory, holding of the US-Turkey-Israel military war games in the Mediterranean Sea, intensification of tension between Turkey and the Arab world due to the signing of an agreement between Turkey and Israel and other certain elements provided a positive environment for the regional convergence and for the fresh experiment in the relations between the Persian Gulf nations particularly those between Saudi Arabia and Iran. Khatami utilised this opportunity in time for strengthening relations with Saudi Arabia (Veisi 1998: 2).

During the Conferences, Khatami held two rounds of private talks with Crown Prince Abdullah, head of Saudi delegation to the Summit, and underlined the need for unity and coordination between Iran and Saudi Arabia as well as the entire Islamic world. He called for the adoption of policies that could forge greater understanding
between the two countries. Iran’s leader noted that, “we should look forward towards the future, a future that could guarantee the elevation of the two nations (Central News Bureau of Islamic Republic of Iran 1997).

The effects of the new developments in Iran’s domestic and foreign policies as well as the importance of new role that the country plays in the region can be well traced in the ideologies and outlooks of the Saudi leadership. The Saudi Crown Prince Abdullah also made some positive remarks towards the goal of rapprochement between Saudi and Iran. He specifically said, “given the perpetual achievements of Iranian Muslims and the valuable part they played in the proud history of Islam, it is not surprising to see Tehran as the host of such a noble Islamic gathering” (Ramazani 1998: 54-55). Terming the Tehran Summit as a “historic meeting”, he added, “Muslims should open a new chapter in their attitude towards each other and in coexistence with the outside world”. Prince Abdullah also underlined the need for the removal of the existing hurdles on the way of cooperation with a hope for the opening of new horizons towards a promising future (Ramazani 1998: 55).

The Saudi Foreign Minister Saud al-Faisal who also spoke on the occasion said, “the huge participation of members in this Summit is an indication of the members respect for the Iranian people and for the role that Iran plays as well as the great hope for better things that is foreseen for the country. We believe that such a trend will result in further improvement of bilateral relations between Tehran and Riyadh and thereby heralding stronger cooperation and further coordination between the two countries” (Barzgar 2000: 167)\(^57\). On the whole, the most positive development resulting from the Tehran Summit was the improvement in relations between Iran and Saudi Arabia, to the extent that following the Summit, the two countries demonstrated their firm determination for putting an end to the period of tension and strain prevalent for so many years in their bilateral relations.

\(^57\) See also, 28. FBIS-NES-97-346, 12 December 1997.
2. **Détente, Confidence Building and Boosting Economic, Trade and Cultural Cooperation:**

The signs of détente in relations between the two countries became more visible in economic, trade and communication domains. The visit by the Chairman of the Expediency Council, Hashemi Rafsanjani to Saudi Arabia in early 1998 was in fact a prelude to a new era of bilateral relations (Islamic Republic 1997:1).

In February 1998, former Iranian President, Hashemi Rafsanjani who was the head of Expediency Council, Iran's powerful policy-making body and the adviser of the Supreme Leader Ayatollah Ali Khamenei visited Saudi Arabia for 10 days. He was warmly welcomed by the Saudi authorities. During the visit, Rafsanjani met Saudi Arabia's King Fahd in Riyadh to discuss regional and bilateral ties and the problem of falling oil prices. During the meeting with Hashemi Rafsanjani King Fahd said, “Iran and Saudi Arabia as two important countries in the region and in the Islamic world should exchange views and have closer consultations on all matters of mutual interest including oil, and bilateral and regional issues”. He also promised that “his country would have closer cooperation with Iran for maintaining oil prices at reasonable rates in the future” (Cordesman 2003: 46). In this meeting Rafsanjani also said, “mutual good understanding between petroleum exporting countries would certainly prevent a downturn in oil prices”, and he observed that “the Muslim world can rely on its own indigenous resources to solve those problems without the involvement of non-Muslim alien powers” (Cordesman 2003: 46-47). Prince Saud al-Faisal in his meeting with Rafsanjani also said, “The Iranians used last December's Islamic Summit in Tehran to give the world a message, not one of shadows but one of substance, that they want to improve relations” (Cordesman 2003: 47).

In April of the same year, the Saudi Foreign Minister visited Tehran. During the course of his visit, several general agreements for cooperation in commercial, economic, investment, technical, academic, educational, sports and cultural

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58 For more information see, Reuters, 9 December 1997, .l.z; Reuters, 28 February 1998, 0725; Reuters 25 March 1998, 0815.
cooperation were reviewed and an agreement was signed by the Foreign Ministers of the two countries. (Monshipouri 1998: 102-103). 59

Subsequently, the two countries reached an understanding for the formation of the first Joint Economic Commission under the co-chairmanship of the two countries' Commerce Ministers and further agreed to hold the first such meeting in Riyadh during late 1998. Also, for the first time, Iran set up exclusive exhibitions in the cities of Riyadh, Dhahran and Jeddah while Saudi Arabia participated in the Tehran International Trade Fair (Farazmand 1999: 423). Given the absence of contact between the people of these two countries during the past two decades, those exhibitions, in addition to their trade and economic impacts, eliminated the restriction for the presence of nationals of these two countries in Saudi and Iranian cities and improved closer contacts between Iranian and Saudi citizens (Farazmand 1999: 424).

The Islamic Republic of Iran exempted Saudi nationals from obtaining entry visa and the two sides expressed willingness for the appointment of a special Iranian team to study the possibilities for closer cooperation between the private sectors of the two countries (Ramazani 1998: 57).

During Khatami’s regime, a number of economic and trade agreements was inked between the two sides. One of the most important contracts sealed between Iran and Saudi Arabia was the “air transportation agreement” according to which, Iran and Saudi Arabia established reciprocal air-travel between the Saudi cities of Riyadh, Jeddah and Dhahran and the Iranian cities of Tehran, Isfahan, Shiraz and Mashad (Akhavan Kazemi 2000: 27-30). Iran and Saudi Arabia also reached upon an agreement on transfer of water to Saudi Arabia and manufacturing of buses (Akhavan Kazemi 2000: 26). And Iran agreed to send doctors, nurses and medical professionals to Saudi Arabia (Akhavan Kazemi 2000: 26-27). Finally, trade went up from $95 million in 1999 to $133 million in 2000 and $248.5 million in 2001 (Dietl 2007: 87). In June 2002, agreements were signed on the environment, flora, fauna, shipping and new agencies. In early 2003, the fifth session of the Joint Iran-Saudi Arabia

Commission was successfully concluded. There were already Saudi-Iranian joint ventures in operation (Akavan Kazemi 2000: 27-132).

Meanwhile, the two sides also reached agreement on Hajj related affairs to the extent that Saudi Arabia increased the ration from 145,000 to 242,000 pilgrims annually (Islamic Republic News Agency 1997). The two governments also took steps to keep any Iranian demonstrations during the pilgrimage peaceful (Cordesman 2003: 47-48).

In the field of religious matters also, the two countries, by putting aside their major jurisprudence disputes and theologies adopted a more moderate attitude and created a calm religious atmosphere between them (Farazmand 1999: 427-428).

The Supreme Assembly of Saudi Ulema in 1998 forbade the excommunication of Shias. Given the fact that such religious verdicts have been normally issued against Iranians, this measure could also constitute a step forwards creation of clam in the religious atmosphere prevailing in both countries (Akhavan Kazemi 2000: 135).

Of course, the fatwas issued by Iranian religious leaders on holding the daily prayers in Mecca and Medina along with the Sunnis and their repeated advice for avoiding the sectarian divisions, also played an important role in strengthening this cordial atmosphere (Salaam 1999: 9). It was exactly following these understandings that a Shia official, for the first time in the diplomacy of Riyadh, was appointed as the Saudi Ambassador to Iran (Al-Ekhtelaan 2004: 5).

3. Détenue, Confidence Building and Growth in Bilateral Political-Security Cooperation:

With the simultaneous enforcement of détente and a policy of confidence-building the leaders and authorities of the Islamic Republic of Iran and Saudi Arabia exchanged views and paid reciprocal visits.

The followings high level visits took place between Iran and Saudi Arabia: visit of Speaker of Saudi Arabia’s Consultative Assembly to Tehran in 1998, visit of
Sultan Abdullah, the second Deputy of Saudi’s Council of Ministers to Tehran in 1998, the reciprocal visits of Iran and Saudi Arabia Foreign Ministers in 1997, 1998 and 1999 and the visit of Saudi Arabia’s Minister in -charge of Defence and Civil Aviation to Tehran in 1999. All these bilateral visits were the indications of improving ties between the two nations.

Saudi Defence Minister visited Tehran in May 1999 when the two countries signed a bilateral agreement on the air transportation (Akhavan Kazemi 2000: 128-134).

The Tehran visit of the Emir Sultan Bin Abdulaziz, the Defence Minister of Saudi Arabia, was an important step towards reducing the tension and building confidence between Iran and Saudi Arabia. The visit took place in response to an invitation from Iran and with an eagerness of the Saudi Arabia.

Due to the position of Emir Sultan in Saudi Arabia, the visit was of special importance. During the visit of Emir Sultan to Tehran, the Saudi Kingdom issued a statement said, “during his meetings with the high-level officials of Iran, Emir Sultan would discuss on the possible ways to strengthen the relations between the two countries in all areas” (Resalat 1999: 16). During a meeting with the Supreme Leader of the Islamic Revolution of Iran, Emir Sultan said, "improvement of ties between Iran and Saudi Arabia had been in the interest of both the nations". He, also, added, Saudi Arabia does not regard the defence activities of Iran a threat to the regional security and believes that Iran is well-wisher of member states of the Persian Gulf Cooperation Council".

Emphasising the need for the cooperation between Iran and Saudi Arabia, the Supreme Leader of the Islamic Revolution of Iran, said, "with the bilateral cooperation, the Islamic Republic and Saudi Arabia would be able to discharge much better their big responsibilities towards the people of the two countries and the Islamic World". During his meeting with Emir Sultan, Khatami, also, said, "the cooperation between Iran and Saudi Arabia could ensure a sustainable security in the
region. We consider the security of the Saudi Arabia and other regional nations as our own security" (Ettela'at 1999: 3).

Khatami also added that “your visit is an important gift which would remove forever any misunderstanding between the two countries” (Ettela’at 1999: 2). Ignoring the protocol norms, Khatami received Emir Sultan in a cordial manner. Emir Sultan, on his part, during his stay in Iran, met the Iranian Minister of Defence and also held talks. The visit, in fact, was a turning point in the relations between the two nations and, according to the Iranian Minister of Defence Ali Shamkhani, the visit was in such a fashion that the relations between the two countries proceeded without any controversy. (Najah 1999: 10).

The Iranian officials made elaborate arrangements in advance for the visit of Emir Sultan. In a recorded T.V. interview two nights before the visit, the Iranian Foreign Minister Kamal Kharrazi spoke on the importance the ties between Iran and Saudi Arabia and said, "strengthening of Iran's relations with Saudi Arabia would lead to improvement of Iran's ties with the other Arab nations in the region." Thereby, he prepared the public opinion to endorse the betterment of the relations between the two counters (Najah 1999: 10).

In a detailed analysis on the improvement of ties between Israel and Turkey and signing of a number of trade agreements between the Zionist regime and regional countries, the Iranian News Agency said that the visit of Emir Sultan to Iran could result in agreements which will prevent the economic influence of the Zionist regime in the Persian Gulf region (Najah, 1999: 13-14).

One of the major visits was the one that Khatami undertook to Saudi Arabia on 15-19 May 1999. This was the first visit to Saudi Arabia by an Iranian head of state since the victory of the Islamic Revolution and received a red carpet welcome by Saudi leaders. This visit showed that two countries have similar views on many matters of mutual interest. In fact, the Saudis extended enough cooperation to make

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60 Saudi Arabia in April 1998 invited Khatami to visit Saudi Arabia for the annual pilgrimage as a further sign of improving relations between the two countries. Khatami declined the invitation to the pilgrimage, which started 6 April, but said that he would come “as soon as possible".
the event as a historical one. It was King Fahd who received Khatami at the airport although he was bound to a wheelchair (Akhavan Kazemi 2000: 134-135).

Khatami termed this visit as the continuation of the policies of the Islamic Republic of Iran to strengthen mutual understanding, cooperation and respect and said that “this visit is in the line with the tension-reduction policy which the leadership and the administration of the Islamic Republic of Iran adopted as a main policy (Ettela’at 1999: 3).

In his meeting with Fahd, Khatami pointed out that the year (1999) witnessed the creation of a most suitable atmosphere in bilateral relations among countries in this region. He added, “closer Tehran-Riyadh ties will guarantee stronger security for the region”. Fahd also said that “Tehran Riyadh relations were at the highest and most outstanding level”, adding that the two countries were firm on the expansion of bilateral relations (Islamic Republic News Agency 1999).

In the course of the visit, the two sides held talks and reached agreements on speeding up the positive trend of bilateral relations and further expansion of cooperation within OPEC and OIC as stipulated in Tehran-Riyadh joint communique (Farazmand 1999: 433).

A joint communique was released at the end of the visit, which elaborated on the points of agreement in detail. Common interest of the Islamic Ummah, the role that OIC played in further consolidation of Islamic countries, common religious bonds and heritage, good neighbourly relations, non-interference in internal affairs, respect for national sovereignty and territorial integrity and peaceful coexistence on the one hand and issues such as the Iraqi crisis, Arab-Israeli peace process and need to take a serious stance vis-à-vis Israel, the non-proliferation of weapons of mass destruction, the civil war in Afghanistan and the urgency for the formation of a broad-based government in that country and the fight against terrorism over which, the two countries reached a consensus (Barzgar 2000: 170).

To further deepen the relations between Iran and Saudi Arabia, Khatami invited King Fahd to visit the Islamic Republic, a step, which was accepted and
appreciated by the Saudi King (Farazmand 1999: 433-434). A few days after Khatami’s visit, Saudi Foreign Minister Saud Al-Faisal said, “the visit of Iran’s president to Saudi Arabia has consolidated confidence between the two countries” (Resalat 1999: 2-3).

King Fahd in his meeting with the Iranian Foreign Minister Kamal Kharrazi in Riyadh expressed satisfaction over the progress in Tehran-Riyadh relations and called for broader cooperation between the two countries in regional and international fields (Iran 1998: 1-2). Khatami in a meeting with Saudi Foreign Minister said, “I am confident that the new chapter that has been opened in relations between the two countries and will bring about remarkable achievements for the world of Islam as well as bilateral relations.” In reply Saud Al-Faisal observed, “you have chosen the right path and thus your Saudi brethren stretch their hands towards you and welcome your position on regional issues” (Islami Republic News Agency 1998). Saudi Crown Prince Abduallah in an interview with the London-based Al-Shargh al-Awsat noted that, “Saudi Arabia will never allow Iran’s interests to be damaged” (Akhavan Kazemi 2000: 135).

In addition to the visits of Khatami to Saudi Arabia, other visits and meetings also were held between the authorities of the two countries during the same period. The visit of Kamal Kharrazi, the Foreign Minister of Iran to Saudi Arabia, the visit of the Oil Minister of Saudi Arabia to Tehran on November 1999 and the visit of Defence Minister of Iran to Saudi Arabia on May 1999, were other developments which showed the improvements of bilateral political relations. (Tawakkoli 1999: 127)

The growing extensive and deep relations between Iran and Saudi Arabia reflected in the Saudi King’s invitations to Iranian spiritual leader, Ayatollah Khamenei, for Hajj pilgrimage to Saudi Arabia. The Saudi King’s special envoy, Abdul-Aziz Khuwaithir met Ayatollah Khamenei on 19 February 2000, and submitted an invitation from King Fahd to Aytollah Khamenei to visit Saudi Arabia for Hajj pilgrimage. Ayatollah Khamenei thanked King Fahd and expressed the desire to visit Saudi Arabia for pilgrimage and stated that “the strong and growing ties
between Iran and Saudi Arabia would not only serve mutual interest but would benefit the Muslim world”. He further told King Fahd’s special envoy, “the threat posed by Israel is growing. You see in the midst of the so-called peace-talks, what happened to Lebanon. Therefore the Muslim world needs to develop strong relations” (BBC, SWB, Third Series 2000).

Iran and Saudi Arabia also agreed on cooperation in internal security measures and mutual non-interference in the other state’s internal affairs. On 18 April 2001, the Saudi Minister of the Interior Prince Nayef, and his Iranian counterpart, Adbulvahad Mousavi-Lari, signed an agreement in Tehran on internal security cooperation. The general framework of this agreement was to ensure the completion and consolidation of the confidence building trends and its main points were as the followings:

1. Campaign against narcotics, terrorism and crime.

2. Prevention of the illegal migration and campaign against the illegal wealth.

3. The issues of the internal security of the two countries and the matters such as fight against organised crime, information sharing on security and policing, cooperation on criminology, cooperation in rescue operations in the seas, controlling the activities of the opposition groups, cooperation in the sea borders and prevention of illegal movements.

4. Fight against the cultural invasion on Islamic rules and the smuggling of art works.

5. Campaign against faking of official documents and using each others experience in the fields of security and education.

Mousavi-Lavi stated during a press conference that “this agreement promises peace and friendship and Iran has always reached out a hand of friendship to its neighbours” (Cordesman 2003: 49).

This agreement was termed as a major progress in its own kind for the two governments which was, finally, signed after many ups and downs, which has had a
number of outcomes for both the sides (Doresti Khaledi 2001:11). The security cooperation and agreements between the two nations were, in fact, meant that the two countries were not threatening each other and they put aside the mistrust and aggressive policies and opened an era of bilateral cooperation.

To this end, Khatami, during his meeting with the Interior Minister of Saudi Arabia, emphasising on the need for improvement of the relations between the two countries, said, “these relations would leave an impressive impact on the Persian Gulf as well as the West Asian regions.” He, also, added, “this visit is a sign of the strong and ever expanding ties between the two sides” (Tarjomaan-e-Siyasi 2001: 2).

During their meetings with the Saudi Interior Minister, the other officials of Iran also spoke in friendly manner and emphasised on the need closer cooperation between the two countries.

Expressing pleasure over the Tehran visit of Emir Nayef, Rafsanjani, the Chairman of the Expediency Council of Iran, emphasised the need for further strengthening of cooperation between Iran and Saudi Arabia. He added, “strengthening of the relations between the two countries could help expansion of the regional cooperation and those among the Islamic nations facilitating better understanding between the two sides on the issues pertained to the Arabic and Islamic issues. This will enable to reach a just solution to the Palestine issue which will ensure peace and security and the legitimate rights for the Palestinian people”. In view of the significant position of the two countries in the region, he, also, emphasised the need for the strengthening of the roles Iran and the Saudi Arabia in resolving the regional and the Islamic problems (Tarjomaan-e-Siyasi 2001: 2-3).

Following up the same pattern, Mehdi Karrubi, the then Speaker of the Islamic Consultative Assembly, also emphasised the importance of Saudi Arabia's role in the Persian Gulf region and also in the Arab and Islamic world and termed the cooperation between Tehran and Riyadh as an important factor to strengthen the stability and security in the region. During his meeting with Nayef, he said that all
officials of Iran were unanimous on improving cooperation between Tehran and Riyadh (Tarjomaan-e-Siyasi, 2001: 3).

During the meetings, Emir Nayef Bin Abdulaziz, while appreciating the warm welcome extended to him by Tehran, said that he and all other Saudi leaders particularly King Fahd Bin Abdulaziz, the Saudi King and his Crown Prince Emir Abdullah Bin Abdulaziz, wished to expand cooperation between Tehran and Riyadh in all possible areas to fulfil the common interest of the two sides. The Interior Minister of Saudi Arabia added, "on the basis of the common interests, the leaders of Iran and Saudi Arabia reached a conclusion that establishment of strong ties and all-out cooperation between the two nations was a must for taking a suitable step on the Islamic World and the countries in the Persian Gulf region (Tarjomaan-e-Siyasi 2001: 3).

Even the issue of the exchange of military information and the experimental launching of the Iran’s long-range "Shahab-3" missile that was viewed by Western analysts as a threat against Saudi Arabia, the Saudis had a positive reaction and assessment toward it. This reaction was considered as signs of the existing cordial political understanding between the two countries (Okruhlik 2003: 118).  

There were feeble moves even in the political arena as the parliamentary delegations exchanged visits. In December 2001, the Speaker of Iranian Majlis Mehdi Karrubi led a group of Majlis members to Riyadh and met the members of the Saudi Shura Council. At the end of the visit, there was a joint Shura-Majlis statement: “the two countries condemned the vicious media campaign against the lofty principles, and values of Islam and considered it a conspiracy to deface the image of Islam and to weaken the Islamic and Arab nations” (Dietl 2007: 88). The statement also referred to Fahd as the Custodian of the Holy Mosques rather than the usual “Shah Fahd” (Doresty Khaledi 2002: 11).

Finally, such understanding as a whole helped for further consolidation of the confidence-building efforts between the two sides. In addition, bilateral co-operation between Iran and Saudi Arabia improved in various fields. Both countries reached an understanding on various regional and global issues. This will be examined in the next chapter.

Conclusion

From 1979, Iran’s policy towards Saudi was based on confrontationalist and idealistic principles. This was shaped by the Islamic Shia ideology, Iran’s policy of exporting the Revolution, the Iran-Iraq war and the issue of Hajj.

Rafsanjani’s policies were based more on national interests and pragmatism than on ideological consideration. Tehran recognised its inability to radically alter the region’s political map or to export its Revolution. The Islamic Republic began to rebuild Iran’s war-shattered economy. Toward this goal, it sought to contribute to regional stability to improve political relations, and to expand commercial activities through dialogue with Saudi Arabia.

The election of Mohammad Khatami on 3 August 1997, as Iranian President acted as a catalyst in Iranian-Saudi relations. His pursuit of a foreign policy aimed at tension reduction and improving ties with other countries facilitated the way for a rapid expansion of cooperation between Iran and southern Arab neighbours. In particular, it put Iranian-Saudi relations on a stable and friendly path.

By declaring the framework of the country’s foreign policy on the basis of détente and confidence building, Iran’s foreign policy promoted an active and dynamic state. Adhering to such a policy, relations between the two major countries developed on various economic, social, cultural, political and security tracks.