Chapter Four:

Iran’s Foreign Policy towards Saudi Arabia:
The Regional and Global Context
With the commencement of Hashemi Rafsanjani's presidency, a new chapter was opened in relations between Iran and Saudi Arabia after almost a decade of confrontation and rivalry in an atmosphere filled with tension and mistrust.

Saudi Arabia as an important Islamic country with strong financial and economic potentials enjoys a special status in the Middle East region and the Islamic world. Establishment of closer ties between the Islamic Republic of Iran and Saudi Arabia in the past years have forged a pivotal axis for relations among other countries of the region as well as Western countries which in turn have attributed to the emergence of new changes in the economic, political and security arrangements in the region.

Such a development has also paved the way for consolidation of economic, commercial and cultural cooperation at the regional level, convergence and consensus within the Organisation of Petroleum Exporting Countries (OPEC) and relative unity as related to oil price hikes, diminishing political and security disputes, reducing the presence and influence of Western and other forces in the region, further rapprochement of stances of the two countries vis-à-vis the direction of the Arab-Israeli peace process, Kuwait crisis and, in general, expansion of relations between the Islamic Republic of Iran and the Arab-Islamic countries and the subsequent elimination of previous misunderstandings.

Such developments, prior to anything else, are the result of the new direction adopted in Hashemi Rafsanjani's foreign policy based on confidence-building principles and measures in bilateral Iran-Saudi relations. The following work of research attempts to analyze the impact of this new foreign policy on further expansion of relations between Iran and Saudi Arabia in various fields, and its influence at regional and international
levels as well as among Arab countries and the Islamic world as a whole. This study further rationalises that there is a close relationship between the pragmatic policy and the establishment of overall relations between Iran and Saudi Arabia on the one hand, and the creation of understanding and promotion of friendly ties between Iran and other regional and Islamic states on the other hand. The continuation of such a policy will aid in eliminating the mistrust and lack of confidence in the region.

The Era of Tension, Mistrust and Lack of Confidence in Relations between Iran and Saudi Arabia

1) Emergence of the Islamic Revolution: the starting point of tensions in bilateral ties

The triumph of the Islamic Revolution and the subsequent establishment of the Islamic Republic of Iran are thought of 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 the country and based on a strong ideological foundation, it conveyed a disturbing message to the leaders and nations of the region. Prior to the revolution, the threat of the influence and infiltration of Soviet communism in the region and its support for the radical Arab regimes had placed the Shah’s regime and the Persian Gulf littoral states, including Saudi Arabia, in a common front, despite their profound disputes and differences in various fields.

However, with the emergence of the Islamic Revolution in Iran and the danger sensed as regards to exporting and promulgation of a politicized 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 prepared the route for new developments to take shape in the region.
Since the rise of the Islamic system in Iran and until the end of the 1980s, several tension-creating factors affected the Iran-Saudi relations. Those factors are:

a) The Islamic Shiite ideology that to some extent prepared the ground for a confrontation-seeking foreign policy. Such a philosophy that sought to overturn the prevailing status quo 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.

b) Iran’s domestic politics and internal issues such as its uncompromising stance towards the West, its campaign aimed at spreading and exporting the revolution, etc., provoked the sensitivity of the Saudis.

c) Iraq’s naked aggression toward Iran during the bloody Iran-Iraq war and Saudi Arabia’s financial, moral and other support for the Iraqis that further intensified hostility between the two countries.

d) The policies practised by the superpowers, including the United States, displaying quite a bit of hostility toward Iran and labelling the country as a major threat in the region, which jeopardized political stability in the Persian Gulf area.\(^1\)

Such an atmosphere of tension, scepticism and mistrust prevailed up to the end of the imposed war.

Between 1988 and 1991, and due to several developments including the passing of the late Imam Khomeini, the end of the Cold War, the Iraqi invasion of Kuwait and the ensuing Gulf War, and finally the collapse of the Soviet Union, some changes occurred in Iran’s foreign policy to the extent that relations between the two countries turned from confrontation and ideological war into what can be dubbed as “expedient peace”.

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\(^1\) Lake, Anthony, 1994: 46-47.
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At this juncture, signs of improving relations between Iran and Saudi Arabia became visible especially when Iran took positive steps towards further rapprochement of ties.

Nevertheless, the new changes had some negative impacts as well. Iran’s objection and opposition to the Persian Gulf Cooperation Council members participating in the Arab-Israeli peace process, the collapse of the former Soviet Union and disruption of the balance of power in the area resulted in the rise in security, territorial and ideological difficulties and challenges in the region. Subsequently, the unprecedented presence of the US military forces in the Middle East and Persian Gulf and the misrepresentation of Iran as a major threat to the region once again intensified the tensions and strains, and undermined the confidence in relations between the two countries.

The concept of exporting the revolution became the overall credo of early post-revolutionary Iranian foreign policy. It was Imam Khomeini, once again, who was outspoken in this regard: “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 the supporter of all the oppressed people of the world. On the other hand, all the superpowers and all the powers have risen to destroy us. If we remain in an enclosed environment we shall definitely face defeat”.

The fact that the Saudis continued to undermine the Islamic Republic in the period following the ceasefire between Iran and Iraq indicated fundamental disagreements between the two regimes over their ideological and cultural orientations.

2 Keddien and Hoagland (eds), *The Iranian R and IR* (Syracuse University, 1986) P.P. 189-209.
In particular, Iran-Saudi rivalry over religious legitimacy proved tenacious and damaging to both sides.\(^3\)

According to Imam Khomeini, Iranian efforts were to change power in Saudi Arabia by using the grievances of the local Shia. While the Islamic Republic considered the Saudi’s Wahhabism as an ‘American brand of Islam, the kingdom was very hostile to the revolutionary spirit of Imam Khomeini’s Islam.

Conflict in the field 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. It should not be forgotten that Imam Khomeini had several times clearly stated that Islam and monarchy were mutually exclusive and that monarchy was foreign to Islam, a deviation from its content and intention. For Khomeini the faith in Saudi Arabia was degenerate and he called it ‘American Islam’.\(^4\)

In 1985 Ayatollah Montazeri, for many years considered Khomeini’s successor, asked rhetorically if the Wahhabis were true Muslims. In a series on Radio Tehran he declared:

"Wahhabism 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 is it; rather it is interested in eliminating Islam and its history. Therefore Shi’ites as well as Sunni’ites are rejecting them."\(^5\)

The Islamic regime in Tehran was also inimical to the Saudis for their close friendship with the US. This relationship was considered unacceptable since the Saudi

\(^3\) Amir Ahmadi, Hooshang, 1993: 147.


\(^5\) Radio Tehran, 3 December 1985.
were de facto guardians of Islam's holiest places, Mecca in particular. In 1987, the New York Times quoted Khomeini as follows: "Mecca is now in the hands of a group of infidels who are grossly unaware of what they should do."6

So, significant cultural and nationalistic differences also divide the two nations. Shiism in Iran is closely identified with Iranian nationalism while the Wahhabi Sunnism provides legitimacy to Saudi's version of Arab nationalism. The Arab culture is predominantly Islamic, while that of Iran is a mixture of its pre-Islamic Zoroastrian and Islamic cultures. The two nations also speak different languages, have different calendar years, and celebrate different holidays. Their food, music and dress are also dissimilar. These and other differences have resulted in differing national identities, and nationalistic purposes and rivalries. Thus, it is no wonder that Iraqi leadership should justify its invasion of Iran in terms of 'Persian racism', 'Persian colonialism' and 'Persian expansionism'.

The Hajj Issue

Since the establishment of the Islamic Republic, the Hajj issue has been a constant source of tension between Tehran and Riyadh. The dispute is due primarily to the interpretation that each country puts on the function of the Hajj, the annual pilgrimage to Mecca. The Saudis argue that the pilgrimage to Mecca is, and should be, simply and purely a religious and spiritual duty; the Iranians argue that in addition to that it is a gathering of Muslims in the House of God to discuss and debate social, political and economic problems affecting the Islamic world. In other words, it is a church/state event. According to Ayatollah Khomeini, a pilgrimage to God's House is an "Islamic Congress ... [where] Muslims must strive not to content themselves with mere observance of form but to

benefit from the political and social aspects of the pilgrimage as well as the devotional aspect”. On numerous occasions he called on all the Hajj pilgrims to “defend fearlessly and unhesitatingly the peoples and countries of Islam against their enemies – America, international Zionism, and the superpowers of East and West …”7 These two different interpretations of what the Hajj is about turned into violence when some 450 pilgrims, mostly Iranians, were killed by Saudi security forces during a political demonstration in Mecca in 1987. the demonstrators, Iranians as well pilgrims from other countries, carried anti-American and anti-Israeli banners and called on the Saudi royal family to abandon its accommodating policy towards Washington and sever ties with it.

As the Saudis saw it, these demonstrations were designed and carried out by the Iranians with the intention of undermining the authority of the government. The Saudis reacted to Iran’s political provocation by severing relations with Iran in April 1988. The rift between them further winded when two explosions near the Grand Mosque in Mecca in 1989 were attributed to a group of Shi’ites. The Saudis said those involved in the bombing of the mosques were encouraged by the Iranians who saw fit to vet their anti-Americanism and anti-Zionism on Saudi soil that is at the expense of someone else. As the dispute over the conduct of Iranian pilgrims was deepening the rift not just between Iran and Saudi Arabia but also between Iran and some other Muslim countries, Iran decided to ease the tension by asking the pilgrims to refrain from activities which the Sunni majority deemed unacceptable. For example, in May 1992, Ayatollah Khamenei, the successor to the Ayatollah Khomeini, issued a fatwa saying that performance of any ritual by the Shi‘ite Hajj which creates a discord among Muslims is ‘haram’, religiously forbidden.8 It should be noted here that the Shi‘ites kiss the holy shrines in Medina or say prayers in that city where the bodies of Shi‘ites Imams, descendants of the Prophet Mohammad, are buried. These ceremonies are regarded as offensive to the Sunni majority. And again in a message read to the Hajj pilgrims gathered in Mecca in June of

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8 Keyhan Hawaii, Tehran, 3 June 1992: 32.
the same year, the Ayatollah Khamenei in a message addressed to the Hajj took a conciliatory position towards the Saudi royal family by refraining to lump together Saudi Arabia and the ‘Great Satan’, America. However, he continued his long standing criticism of the United States saying that the pilgrims should be aware that what the New World Order was aiming to achieve was the de-Islamisation of the ever increasing Islamic movements and to frighten the Islamic governments standing up to the US. ⁹

**Political Confrontation**

The ideological confrontation in the context of cultural differences gradually turned into political confrontation between the two regimes on many fronts. The Islamic Republic attempted to export its revolution to the neighbouring states and begin supporting anti-government and Shia movements in the Arab world, including Saudi Arabia. The Saudis responded by assisting Iraq in its war against Iran and by imposing restrictions on Iranian pilgrims. The two countries also took their struggle to Afghanistan, where they supported rival Mujahedin groups fighting the central government and the Soviet Union.

The Saudis also financed certain Iranian opposition groups and backed at least one coup plan to overthrow the Islamic Republic. Thus, according to Samuel Segev, a former Islami intelligence official, at least four governments were cooperating in the planning of a coup to overthrow the Islamic Republic in 1982. The plan, which aimed at restoring the throne for the Shah’s son, was organized by Israeli arms merchants and then Defence Minister Ariel Sharon, financed by the Saudi Government (estimated at some $800 million), backed by CIA (under the directorship of William Casey), and based in Sudan under the leadership of Jafar Numeiri. The plot was cancelled because of the

change in government in Israel after the massacre at the Sabra and Shatila Palestinian refugee camps.

Indeed, there are hardly any greater differences in Islam than those between Ja’fariy, or Twelve, Shiism, the State religion of Iran since 1561 and Wahhabism which gained virtually the same states in the centre of the Arabian Peninsula with the foundation of the first Saudi State in the mid-eighteenth century. But the contrast between the two forms of Islam did not lead to a permanent enmity.\(^{10}\)

The most important political confrontation between the two states, however, took place on the streets of Mecca. Imam Khomeini had on various occasions called for the Saudi people to rise up against their leadership, but such calls almost always fell on deaf ears, though there was one exception. In November of 1979, a group of several hundred religious people, most allegedly Shia, seized the Grand Mosque in Mecca to force changes on the Saudi King. They were quickly and mercilessly subdued and destroyed by Saudi police and troops. Iran alleged that American troops and advisers had helped in the operation.

Iran then tried to make Hajj (the annual Muslim pilgrimage to Mecca) into a religious-political event and to politicize pilgrimage. Each year the Hajj brings a large number of Muslims to Mecca in order to show solidarity and common purpose. Viewing the ritual as a political religious event, the late Imam Khomeini urged pilgrims to hold anti-American and anti-imperialist political demonstrations in the name of Bara’at az Moshrekeen (liberation from infidels). The Saudi disputed this interpretation and responded by adding new restrictions on Iranian pilgrims, resulting in clashes in several years that left a few Iranians dead. The Hajj confrontation reached its climax on 31 July 1987, when Saudi troops killed some 450 Iranian pilgrims during a political rally. Shocked by the event, the late Imam Khomeini blamed the US and declared that the

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Saudis were Iran's number one enemy. The Saudis had already broken diplomatic relations with Iran in April 1988.

The Arab-Israel Peace Process

No cause has greater symbolic appeal in the Islamic world than the plight of the Palestinians. Iranian leaders see it as an Islamic issue, giving them the right to be involved. Framed as an Islamic, rather than an Arab issue, it offers Iran an entry point into the wider Middle East arena, since Iran can argue that this 'tragedy' stems from the failure to practise true Islamism. Iran offers a prescription for success – religious fervour, dedication and self-reliance by pointing to its own experience and to the relative success of the Islamic resistance groups (such as Hizbollah or Islamic Jihad and Hamas) as opposed to the PLO.11

In October 1991 in Tehran, at a conference of forces opposed to the Madrid Peace process, Iranian radicals called for attacks on the US facilities throughout the world. However, those in office counselled for more diplomacy and public denunciation of the process, while Khomeini's position remained usual midway between the two. Since then Iran has cultivated ties with Hamas and Islamic Jihad, Sunni religious movements opposed to peace negotiations.12 Rafsanjani says, "I believe that Palestine is the most important problem in the world and our history. It is only Iran, out of the 180 countries in the world, which says that it does not accept the negotiations... that are a basic source of pride for the US."13

12 SWB/ ME/1693 A/1-5, 22 March 1993.
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Iran uses its opposition to the peace talks to warn the Arab states, notably Saudi Arabia. In assembling Arab governments around “such a shameful negotiating table, it [the US] is facing its supporters in with the worth of their people. Iran was critical of Israeli participation in talks on the issue of water in Muscat under the auspices of the peace process in March 1994.” The press reported that “the Saudi regime is trying to improve the Zionist regimes image among Middle East Arab States under instructions from the US. Iranian leaders warned Arab leaders against making peace with Israel, claiming that their people would ‘never accept their leaders’ thereon or remain silent. To support this, the Iranian media reported student demonstrations in Saudi Arabia criticising the government’s informal compromise with ‘Zionist regime’. It also criticized Saudi Arabia’s senior mufti for issuing a factor stating that a permanent peace with the ‘Zionist entity’ which is usurping the land of Palestine, is permissible.\(^\text{14}\)

Saudi Arabia has supported the peace process since the Madrid Summer in 1991, but it has continually been preoccupied with the questions of balance between regional allies who may have rejected the peace process with Israel, and its major ally, the US, which promoted it. The danger for the Saudi government was that its own alliance with the US would become an embarrassment in the event of Arab Israeli armed conflict. The choices forced upon Saudi Arabia divided the ruling family. King Fahd, when he was still Crown Prince, was associated with the trend in Saudi royal family politics which advocated recognition of Israel (in the Fahd Plan of 1981) in order to reach a comprehensive settlement.

**Iran’s Reaction towards the Fahd Peace Plan**

Ever since Sadat’s visit to Jerusalem in November 1977 and his subsequent policy of making separate peace with Israel, it had become crystal clear to the Saudis that there was

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\(^{14}\) *Keyhan*, 22 December 1994.
nothing the Arabs could do to defeat Israel or to force it to withdraw from Arab-occupied territories. They recognized the inevitability of a general settlement with Israel sooner or later. Since Egypt, that was boycotted and ostracized by the most of the Arab countries, the mantle of Arab leadership fell on the Saudi Crown Prince Fahd. Therefore, he seized the initiative and came out with a peace plan to resolve the Arab Israel conflict. The Saudis obviously could not come out openly with a call for recognition of Israel as that would have meant playing straight into the hands of Iran and the Arab radical States. The Fahd Plan was the first concrete Arab initiative to resolve the long-standing Arab-Israeli conflict.15

The timing of the plan coincided with the statements on the Iran-Iraq front. The Fahd Plan was vehemently criticized by Iran and denounced as a betrayed of Arab-Palestinian interests. Imam Khomeini declared the Saudi Plan as “consistent” with Islam.16 The official Iranian news agency quoted Khomeini asserting that the Saudi Plan put forward by Crown Prince, Fahd, and would eventually establish Israel as the master of the Arab-Islamic world. Khomeini observed, “There could be nothing more infamous for Muslims, Arabs in particular, than bowing to this wicked plan which is one hundred percent anti-Islam. Even if there are some good points in this Plan, if such a Plan in some form entails the recognition of the regime that occupied Jerusalem it must be rejected.”17

Tehran Radio reported that millions of Tehran citizens had marched on 20 November 1981, in protest against the US-inspired Fahd Plan. A crowd gathered at Tehran University where the Friday Imam Hashemi Rafsanjani, delivered a sermon

16 SWB/ ME/ 6430/ A/ /4, 4 November 1981.
17 Tehran Times, 4 November 1981.
denouncing the Plan. He is reported to have said, “The peace plan contradicts Islam and anyone who approves it is treacherous. There is nothing positive in it.”

The defeat of Iraq, the prostration of the PLO and the emergency of Syria as an ally of the Western powers in the 1991 Persian Gulf War created conditions for an Arab consensus on the need to negotiate peace with Israel. The process itself, in the form of the Washington talks, stalled threatening a return to the status quo ante which had been so uncomfortable for the Saudi government. It was, consequently, not surprising that Saudi Arabia supported the Oslo accords and the Declaration of Principles that followed in 1993. This was justified on the basis of their belief that the Gaza-Jericho agreement represented “a Palestinian-Israeli step towards toward peace which we consider a prelude to endorsing the Palestinian people’s legitimate rights” because “struggle from inside provides better opportunity for independence than resistance from the Diaspora states”. As far as other issues were concerned, the Saudi government generally echoed Syrian demands for a complete Israeli withdrawal from the Golan Heights, and a full and unconditional withdrawal of Israeli forces from Lebanon.

A momentum seemed to be building for a comprehensive peace settlement in the Middle East, thus laying the foundation for reconciliation between Saudi Arabia and Chairman Yasser Arafat, who had blotted his copybook by supporting Iraq during the Persian Gulf crisis and war. In contrast to Iran, Saudi Arabia tended to treat the whole Palestine-Israeli issues as the struggle of the Palestinian people for their national rights and the struggle of the Arab world a large for the restoration of territories occupied in 1967. This was not simply a tactical manoeuvre, but indicated the importance of its regional constituency in the Arab world. Domestically, Saudi Arabia also sought to emphasise the Arab nature of the issue, the danger of presenting it solely as an Islamic issue of the world, but in theory, make it possible for Saudi Islamic radicals to ‘outbid’

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18 Keyhan, 21 November 1981.

their government. As Hamas and the other Palestinian radical Islamist opposition movements have discovered, it is best to be an opposition movement, powerless but also free of the responsibilities of power.

However, the Saudi government could not shy away entirely from the Islamic overtones of the conflict and sought to affirm as own commitment to the Islamic issues stake. It frequently reiterated its support for the return of the holy places of Jerusalem to Islamic, Palestinian control. Its reconciliation with Arafat took place in the context of his performance of the 'Umra, or minor pilgrimage to Mecca.

It also sought and received a fatwa from the senior mufti, Sheikh Bin Baz, stating that peace between Muslims and Jews was compatible with the Shari'a and the example of the prophet. This move was clearing intended to legitimate the growing involvement of Saudi Arabia and its the GCC allies with Israel in 1994 and by hosting some sessions of the multilateral talks in Oman and Qatar. This strategy was deeply aimed at domestic critics of the Saudi government's involvement in the peace process. There may have been some consideration of the impact this would have in the wider Islamic world as well, but Bin Baz' judgement was only likely to carry significant weight within Saudi Arabia itself. The more characteristic Saudi response to Iranian commentary on, or interference in the Arab-Israeli conflict, is encapsulated in the following comment in Al-Nadabtic:

"The Iranian regime went on to bark through its mass media, attacking this virtuous country and the sons of the Persian Gulf region, to the extent that its barking extended to the whole Arab World because everyone has isolated it from the movement and meetings which have taken place in the Arab region. Iran considered that as one of its legitimate rights, as though

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it was an Arab country with a direct or indirect link to this thorny issue which belongs to the Arabs alone”.

Most Iranians probably believe that Iran should be a leader on Islamic issues, and hence in competition with Saudi Arabia, yet there is no national, grassroots consensus on Palestine which forces the regime’s hand. Most likely, the leadership manipulates the issue for its own purposes. Similar considerations prevail on other Islamic issues. Iran likes to take extreme stands, as in its 1993 offer of 10,000 troops to help the Bosnian Muslims. Whether in Central Asia, the occupied Territories or Afghanistan, Iranian activism and the impulse to ‘have a presence’ has pitted Iranian resources and influence against those of Saudi Arabia.

However, although there is a sense of innate rivalry in some areas, the degree to which it is pursued often depends on the state of relations in other areas. Thus on Afghanistan, the signing of the Pakistan-brokered accord between the various Afghan factions in Mecca in March 1993 preceded a visit to Iran by the Pakistani premier and the Afghan leaders. The occasion was used to extol pan-Islamic (including Iranian) cooperation. At the time, relations between Iran and Saudi Arabia were relatively harmonious. However, the tone changed markedly by 1994, when Iran-Saudi suspicion and mistrust resurfaced. The Afghan accord had by then itself unravelled, and Iran was now accused of having kindled the fire in Afghanistan and having come between the jihad brothers, divided them and torn them apart.

Iran no longer concentrated on Shia groups and hoped now to build on ties with opposition Sunni forces. It had difficulty rejecting groups that solicited resources from it or denying some link with groups opposed to governments, as in Egypt or Algeria. It saw the upsurge in Islamic movements in the Middle East as inspired by its own model and as a tribute to its revolution. It claimed more than it could deliver, if only because its

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resources were limited and the Shia/Sunni divide remains. Nevertheless, Iran believes that Islam is a more important factor for cohesion than nationalism or ethnicity.\(^{23}\)

Table: The Links between Iran and Others in the Region Ethnically, Religiously and Linguistically.\(^{24}\)

<table>
<thead>
<tr>
<th>State</th>
<th>Shia</th>
<th>Persian Speakers</th>
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<tbody>
<tr>
<td>Iran</td>
<td>89%</td>
<td>90%</td>
</tr>
<tr>
<td>Afghanistan</td>
<td>20%</td>
<td>60%</td>
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<tr>
<td>Tajikistan</td>
<td>5%</td>
<td>90%</td>
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<tr>
<td>Azerbaijan</td>
<td>95%</td>
<td>-</td>
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<tr>
<td>Saudi Arabia</td>
<td>20%</td>
<td>-</td>
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<tr>
<td>Bahrain</td>
<td>90%</td>
<td>-</td>
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<tr>
<td>Qatar</td>
<td>15%</td>
<td>-</td>
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<tr>
<td>Iranians Kuwait</td>
<td>30%</td>
<td>4%</td>
</tr>
<tr>
<td>Iranians Iraq</td>
<td>70%</td>
<td>-</td>
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<tr>
<td>Lebanon</td>
<td>50%</td>
<td>-</td>
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<tr>
<td>Emirates</td>
<td>20%</td>
<td>-</td>
</tr>
<tr>
<td>Oman</td>
<td>10%</td>
<td>-</td>
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</tbody>
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\(^{23}\) IRNA, 26 April 1995; SWB/ME 12289 MED, 11-12.28 April 1995.

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The Saudis' support of Saddam Hussain's invasion of Iran was the belief that among all the regional countries, Iraq was the only one that could militarily confront Iran and thus stop the spread of 'religious fundamentalism' that was bellowing out from Iran across to the Persian Gulf. It should be noted that even before the Iranian revolution, the Shi'ites in Saudi Arabia had participated in all the strikes and other political demonstrations that had taken place in the kingdom.\(^{25}\) The Saudi Shi'ites, who were further inspired by the success of their co-religious factions in Iran, began with a greater vigour, political agitation for political reforms in the country.

Approximately, 60,000 Shi'ites live in the town of Qatif, which is about forty miles from the main Saudi refinery and the export terminal of Ras Tanura. The most publicised of anti-government demonstrations was the 1969 strike when the Saudi armed forces were called in to quell the demonstrators' anger at the Saudi authorities. There was no suggestion that the Saudi royal family was in danger of facing the same fate that had befallen the Pahlavis, but to the Saudis there was no escaping the fact that their Shi'ite citizens were receptive to Ayatollah Khomeini's notion that Islam and hereditary kingship are incompatible and, therefore the Saudi royal family could claim no legitimacy grounded on Islamic tradition. The Saudis' fear was confirmed when not long after the revolutionaries came to power in Iran, the Shi'ites organised the biggest demonstration ever, protesting at the landing of American jets in Dhahran air base for manoeuvres. The demonstrators spent the evening of 11 November 1979 shouting slogans against the royal family and the Americans. A bloody showdown between the armed forces and the Shi'ites continued until 30 November 1979, in which thousands were arrested, hundreds injured and 24 killed.\(^{26}\)


\(^{26}\) Ibid.
Among other factors influencing the Saudi royal family’s support of Saddam Hussain were America’s inability to save the Shah, America’s initial lack of response to the Soviet invasion of Afghanistan, and the animosity that existed between Cairo and Riyadh over the former’s signing of the Camp David Peace Accord with Tel Aviv. All these had at the time created a great sense of insecurity in Saudi Arabia and brought about a unique convergence of Saudi and Iraqi interests. On the other hand, Iraq seized on the Saudis’ sense of insecurity by projecting a moderate image to gain their confidence and in the process ensure its membership in the Iraqi-led anti-Egypt coalition.

According to Jacob Goldberg, the Saudis were pleased that Iraq had broken off its close ties with South Yemen’s Marxism regime and supported North Yemen instead. They were also pleased that Baghdad had criticized Soviet actions in Afghanistan. And, as has already been pointed out, both Riyadh and Baghdad were alarmed at the prospect of unrest among the Shia communities being wooed by Tehran. So immediately after the Shah’s fall, Iraq’s Interior Minister Izzat Ibrahim went to Riyadh. Goldberg says, “After seven days of extensive discussions on [Iran’s] revolution repercussions, Iraq and Saudi Arabia announced project agreement to cooperate on security that could possibly expand to a large Gulf mutual defence”. On 5 August 1980, Saddam Hussain visited Riyadh for the first time as president and the Saudi reportedly committed them to support Iraq once the war with Iran began. On 22 September Iraq invaded Iran. Thus began the open hostility between the Saudi Arabia and the Islamic Republic. But there were, and are, also some internal factors that made cooperation between Tehran and Riyadh difficult.

As a smaller and militarily much less powerful nation than Iran, the Saudis have shown unwillingness, both before and after the Iranian revolution, to form a partnership

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28 Ibid., p. 123.
with Iran on either bilateral or multilateral security arrangements. Then unwillingness stems from the likelihood that in such arrangements they could be placed in a position where they might have to play a role less than an equal partner with Iran, whereas without Iranian participation in any grouping or security pact the Saudis would almost certainly be in the driver's seat, as they are in the Persian Gulf Cooperation Council (the GCC) formed in 1981. The GCC member states are Bahrain, Qatar, Kuwait, Oman and the United Arab Emirates. A major reason for the formation of the GCC was to defend themselves collectively against the potential enemy (i.e. Iran), and to check any dissident groups at home. For example, at that time Bahrain, which has a Shi'ite majority, was experiencing political and social tension and Iran was accused of providing financial and political support to groups such as the Islamic Front for the Liberation of Bahrain. Although Iran denied the charges, it nevertheless remained suspect because of its propaganda broadcasts beamed at both Bahrain and Saudi Arabia.

**OPEC**

Another bone of contention between Tehran and Riyadh has been over the pricing and level of oil production. According to Jahangir Amuzegar, a US-based oil consultant and specialist on the Organization Petroleum Exporting Countries (OPEC), during the early 1970s, Saudi Arabia, with the largest reserves, was expected to act both as a price leader and a swing producer. But in the two oil conferences held in Tehran in 1971 and 1973, it was Iran that pushed for a steep price increase, much to the Saudis' displeasure. After the Iranian revolution, and particularly after Iraq's invasion of Iran, "Saudi Arabia gradually became OPEC's principle mover and shaker and the organisation's arbiter". During that war the Saudis' adapted a three track oil policy vis-à-vis the warning nations. The first was that Iran blocked Iraq's oil through overland pipelines on Saudi territory and from

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29 For a very interesting discussion about OPEC, see Jahangir Amuzegar, "OPEC's Seventh Life", in *Middle East Policy*, V. 5, N. 3, September 1993: 30.

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there to the world markets. Secondly, Riyadh encouraged other Arab states like Kuwait to invite foreign navies, the US Navy in particular, to protect oil shipping lanes in the Persian Gulf and thus internationalised the Iran-Iraq war. As has already been pointed out, the consequence of the 'internationalisation' of the war was a military confrontation between the US and Iranian naval forces on 1987. Thirdly, during much of the war period Saudi Arabia stepped up oil production which led to a collapse of oil prices and thus reduced Iran’s ability to finance its war efforts. Iran’s frustration with the Saudis’ oil policy led it to view OPEC as an agency of Saudi Arabia “which was acting as an enemy and arch-rival. In 1986-87 Iran’s oil revenues dropped drastically to an estimated $6.9 billion from $21.2 billion in 1982-84.30 The level of oil production continues to be a contentious issue between the two largest producers of the Organisation of Petroleum Exporting Countries (OPEC). For example, when in early 1998 oil prices dropped to as low as $12 barrel, former President, Hashemi Rafsanjani, visited Riyadh to press the Saudis to cut back their OPEC quota in the hope of keeping prices higher. With about 17 million people, Saudi Arabia’s OPEC quota is 8.7 million barrels a day; with more than 60 million people, Iran’s quota is 3.94 million barrels a day.

2) The collapse of the Soviet Union and the role of the US in the establishment of an atmosphere of no-confidence and mistrust between Iran and Saudi Arabia.

The collapse of the Soviet Union, the end of the Cold War and the subsequent new changes in the structure of international order disrupted the security-political equations and the balance of power in the Persian Gulf region. Since the 1970s, the region had become an important scene of rivalry between the two superpowers (the US and the Soviet Union).

But under the new relations and prevailing circumstances and the following the sudden dissolution of the Soviet balance leverage, the security-political equations in the region underwent fundamental transformations to the benefit of the US and its regional allies. Under the new realities, “the United States demonstrated its exclusive supremacy in the Persian Gulf region”.

In fact, for the first time in history, a single international power could essentially and thoroughly dominate the region. Traces of the Soviet Union’s absence in the Persian Gulf regional scene soon came to the surface to the extent that security equations and the balance of power altered drastically. Basically, some countries in the region used the Cold War and Soviet power as leverage for negotiations with the West, while for progressive states in the region, such as Iraq and Syria, the Soviet Union was a direct source of political, economic and military support.

Even for the moderate Arab nations, Moscow was a balance of power that restricted the unmilitary and unilateral freedom of action by the United States. For Iran the collapse of the Soviet Union was tantamount to losing the “winner card” of being in the neighbourhood of the Soviets, used for a long time as leverage for bargaining with the West in an attempt to win expanded political, economic and military privileges.

However, under the new realities, Iran was placed in a position that instead of the Soviet Union, the country itself was viewed as a source of threat jeopardizing the interests of the West. This was a clear reversal of the role Iran played as a buffer state for a decade.

With the end of the Cold War in which the Soviet Union was considered as the main threat against security in the Persian Gulf the earlier US strategy for containing the Soviet Union from moving southward proved ineffective. At the same time, Iraq occupied Kuwait and this alarming event made the US statement realize and reach a consensus that the Persian Gulf littoral states were not sufficiently capable of defending themselves against an invasion or other types of aggression.
A Pentagon official commenting on the issue, said, "With the end of the Soviet threat, the US found the opportunity to transfer its line of defence from Iran to Saudi Arabia and other Arab emirates in the Persian Gulf. This new factor greatly emphasized threats that were not defined or threats generating from within the region".

Under such circumstances, the new US strategy was based on limiting the spread and influence of the said threats, i.e., the revolutionary Iran and the rogue Iraq or, in other words, the "dual-containment strategy" that constituted one of the main pivots of the US security-diplomatic policies during 1993-1997. Iraq had been seriously weakened because of direct conflict with the United States (Gulf War) and also as a result of international sanctions.

But, with the collapse of the bipolar system, the Islamic Iran that had represented itself to the world as a new non-Western lever, especially vis-à-vis the "new world order", was soon dubbed by the United States as a new serious risk, threatening peace, stability and security in the region. In fact, according to the masterminds of the dual-containment policy, its main objective was to neutralize, contain and impose selective pressures in order to make structural changes in those countries that refrained from surrendering to the US demands. Another aim of the strategy was to create a new balance of power in favour of the US and its regional allies in the Persian Gulf region.

Also, based on this new strategy, the balance of power and the order should have been established in such a manner to warrant direct and unilateral the US political and military intervention without the need or reliance on any other country.

Within the framework of such a strategy, countries that needed the US support and assistance for any reason, welcomed the new policy and as a result were assigned new roles to play, especially Saudi Arabia which was designated to dominate minor littoral states in the Persian Gulf, and as a reliable ally, carry out the new programmes and policies of the United States in the region.
This new development generated remarkable changes in the political-security arrangements in the Persian Gulf region and resulted in further expansion of an atmosphere of mistrust and competition between Iran and Saudi Arabia at regional and trans-regional relations between the two countries. This can be seen in the growing ideological, political and economic rivalry between the two countries in regions such as Central Asia and the Caucasus, Afghanistan and the Persian Gulf in a bid to halt and constrain the spread of one another's influence.

In Central Asia and Caucasus region, Saudi Arabia launched a widespread propaganda in favour of Wahhabism within the Sunni sect in an attempt to open a new front against Iran and thus undermine the long-running Iranian culture in that part of the world, and take advantage of the new political realities that had been created along the Iranian borders in the aftermath of the collapse of the Soviet Union, as a kind of pressure lever against Iran. In fact, severe poverty that was being experienced in certain countries of the region paved the way for Saudi Arabia to further expand its influence through providing those who propagated Wahhabism with huge sums of money in order to encourage them to confront Shiite Muslims in those countries. Another excuse was that Saudi Arabia resorted to it as a means to halt Iran's influence in the stance of Turkish-speaking nations against the Persian-speaking republics. The statesmen in those republics believed that through expanding relations with Saudi Arabia, they could both halt the influence of politicised Islam and at the same time, address the demands of their people for establishing ties with the Islamic world.  

Furthermore, Saudi Arabia followed a policy of containment against Iran's influence in Afghanistan as well as, through expansion of Wahhabism that opened a new culture-religious dispute on Iran's eastern borders. The promulgation of Wahhabism, especially in the aftermath of the collapse of the Soviet Union, took a new momentum to the extent that a large number of Arab volunteers flooded into Pakistan and Afghanistan.

Saudi Arabia had spent a considerable amount of money for building hundreds of religious schools for the training of Afghan theology students in Pakistan and moreover paid for their tuition as well.

The measure consummated in the emergence of the extremist “Taliban” militia in Afghanistan that are not only the radical, fanatic and zealot propagators of Wahhabism and the main obstacle on the way to expansion of Iran’s influence in Afghanistan but have been threatening Iranian national interests at various junctures.

However, the most prominent manifestation of the dominance of an atmosphere of mistrust and tension in Iran-Saudi relations in that period can be noticed in the strategic Persian Gulf region.32

As previously mentioned, with the absence of the Soviet Union and elimination of the balance of power in the region, the US and the West were provided with an opportunity to realize their long-awaited interests through the widespread presence in the region under the pretext of potential threats while putting greater emphases on the Islamic Republic of Iran. In the meantime, Saudi Arabia as the leader of less-prominent countries in the Persian Gulf was commissioned to execute new US schemes for creating tensions and generating misunderstandings between Iran and the United Arab Emirates over some Iranian islands in the Persian Gulf.

In fact, the renewed debates over the islands were, on the one hand, a real evidence of political confrontation and prevalence of mistrust in relations between Iran and Saudi Arabia, and on the other, a reaction on the part of the United Arab Emirates that stemmed from vicious propaganda by the US against the Islamic Republic of Iran as the main foreign threat jeopardizing its security. It was also the result of a false feeling of

32 Rugh, Oliver, 1991: 333.
security and safety that was sensed by some rulers in certain regional countries due to the US military presence in the region.

**Need for Review and Fresh Content in Iran's Foreign Policy**

The end of the Iraqi-imposed war against Iran and the financial and moral problems that ensued, such as the issue of displaced refugees, prisoners of war, destruction of economic and social establishments, reduced national assets, economic sanctions, and in general, economic and social disarray in domestic policies, on the one hand, and new changes in the structure of international order emerging in the aftermath of the Soviet disintegration and the end of the Cold War on the other hand, necessitated a review and re-examination in the domain of domestic and foreign policies, and influenced the perspectives of Iranian politicians to a great extent.

Following a decade of passive policies and basic disregard towards international arrangements that failed to address Iran's need to be actively present in the international arena, the country reluctantly began to accept the realities of the new international order, and became cognizant and conscious of its disorderly domestic situation, and therefore set out for economic reform in an effort to rectify its internal situation as well as take steps in rebuilding the country.

In its turn, the urgency for economic reforms necessitated changes of an economy that was basically war-oriented to a mainly open market-focused system. The new realities also entailed new interpretations of political terms, and thus urged the elite and political figures to adopt new policies in order to address demands of the time.

At the international level, too, the decision makers were compelled to demonstrate a certain degree of realism in their foreign relations by respecting regional arrangements and refraining from provocative measures that was somehow the adoption of a "policy of convenience" for preserving national interests.
However, the new internal and international arrangements that were changing rapidly no longer granted passive stances. Therefore, the necessity for bringing about new changes based on a new outlook in both domestic and international policies, seemed inevitable for taking advantage of opportunities and for adopting a prior stance towards developing global issues.

The advent of May 23, 1997 phenomenon and the subsequent presidency of Mr. Khatami was to some extent a response to the call for those changes and for acting in conformity with the new situation. This also demanded some alteration in the structure of the ruling system and called for the presence of new forces in the political scene of the country. These forces could be able to both prepare the ground for further institutionalization of the society and realization of political reforms at the domestic level, and follow a policy of cooperation and participation with members of the international community in foreign relations in an effort to safeguard national interests.

To this end, political and economic development at the domestic level and conformity with global pluralism, equality of cultures and avoiding any provocative measure at the international level quickly became priorities for the new president.

**Easing Tensions and Boosting Economic, Trade and Cultural Cooperation**

The signs of building confidence in relations between the two countries became more visible in economic, trade and communication domains. The visit by Hashemi Rafsanjani to Saudi Arabia in early 1998 was in fact a prelude to a new era of bilateral relations. In the course of the visit, several general agreements for cooperation in commercial, economic, investment, technical, academic, educational, sports and cultural cooperation was reviewed, and an agreement was signed by the foreign ministers of the two countries, during the Saudi foreign minister’s visit to Tehran in April of the same year.
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 furthermore 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, Tehran and Jeddah while Saudi Arabia participated in the Tehran International Trade Fair.

Given the absence of contact between the general public and the people of the 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 the two countries in Saudi and Iranian cities, and thus paved the way for contacts between Iranian and Saudi citizens.

The Islamic Republic of Iran exempted Saudi nationals from obtaining entry visas, 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.33

In the course of the visits by the two countries' different ministers and other high ranking political, economic and cultural officials a number of economic and trade agreements were linked 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 would soon establish reciprocal air-travel between the Saudi cities of Riyadh and Jeddah and the Iranian cities of Tehran, Isfahan, Shiraz and Mashhad. Meanwhile, the two sides also reached an agreement in Hajj-related affairs to the extent that Saudi Arabia increased the ratio for the minor Hajj from 145,000 to 245,000 pilgrims annually.34


34 Ibid.
In the field of religious matters, the two countries put aside major jurisprudence disputes, and theologians in both countries adopted a more moderate attitude helping the creation of a calm religious atmosphere in both countries.

**Bilateral Cooperation in OPEC**

The most important influence of the policy of building confidence in the field of economic issues was felt in close bilateral cooperation of the two countries within the framework of the Organization of Oil Exporting Countries (OPEC) and its subsequent effort in oil price hikes in international markets. As a result of such an intimate cooperation, and given the instability and severe fluctuations in international market prices, for the first time since its commissioning 40 years ago, of the target “price limits” was defined, and a mechanism was forged for guaranteeing such a limit. According to the new agreement, OPEC set the average price of a barrel of oil at US$ 24, with a fluctuation limit of plus and minus US$ 3. That is to say, the minimum price for a barrel of oil was set at US$ 22 and the maximum at US$ 28, by OPEC.

Meanwhile, the supportive mechanism set up for preserving such a limit was plus or minus 500,000 barrels for reducing or increasing the output. In other words, if prices plunged to below US$ 22, automatically 500,000 barrels/day would be reduced from the output, and if it soared higher than US$ 28, on the contrary 500,000 barrels/day would be added to the OPEC production. The time limit for carrying out such a decision was set at 20 consecutive days, i.e., if prices dropped to below US$ 22 or jumped above US$ 28, for 20 consecutive days, the mechanism could be enforced. Such a consequential development within OPEC was first of all the result of putting aside political rivalries within OPEC member countries that used to previously affect the oil market as well as the economies of the member countries.
Chapter Four: Iran’s Foreign policy towards Saudi Arabia: The Regional and Global Context

As a result of abandoning long running rivalries, for the first time a state of closer coordination, commitment and solid understanding towards market control, preserving the balance between supply and demand, creating stability in prices, preventing severe political entanglements and confining the roles of non-OPEC players was forged between the two heavyweights within the organization (Iran and Saudi Arabia) which had a positive effect on other OPEC members.

In fact, the creation of such an understanding and closeness between the two major OPEC members was a result of the new orientation in President Hashemi’s policy that was focused on easing tension and building confidence in relations between the two countries.

Bilateral Cooperation in OIC

After almost two decades of tension and mistrust in relations between Iran and Saudi Arabia, the 8th summit of the heads of states of the Organization of the Islamic Conference (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.

The ceasefire signed on 20 August 1988 by Iran and Iraq ended the eight-year war between them. The end of the bitter fighting resulted, among other things, in a temporary strengthening of pragmatic elements in Tehran. When Saud al Faisal stated on 5 October that his government wanted a normalization of ties with Iran, and that king Fahd had regretted the absence of Iran at the OIC Summit, Rafsanjani felt obliged to reply on 14 October saying that we fell there is no reason for us to quarrel with countries of the southern coast the Persian Gulf with any of them. Five days latter, King Fahd ordered the Saudi Media to stop attacking Iran. Both governments negotiated the many open


questions of the *Hajj*, Riyadh making it clear, however, that a resumption of relations was conditional on Iran's acceptance of the quota decision as well as confirmation that it would not use the pilgrimage for political ends. Rafsanjani nevertheless expressed his belief that diplomatic relations would be restored in the not too distant future.

One of the main objectives that the Islamic Republic of Iran followed in the OIC Summit Conference was to create an atmosphere of confidence and trust in relations with all neighbouring states in the Persian Gulf region, particularly Saudi Arabia.

The Saudi government, which was pleased with the result of the May 23, 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 President Khatami, and evaluated it as an opportune moment for bringing the two countries closer to each other. Therefore, it enthusiastically took greater strides towards further promotion of diplomatic, economic and cultural relations.

The effects of the new developments in Iran's domestic and foreign policies as well as the importance of the new role that the country played in the region can be well traced in the ideologies and outlooks of Saudi heads of state. The Saudi Crown Prince Abdollah's remarks were indicative of the fact that Iran and Saudi Arabia had come a long way towards the goal of rapprochement. He specifically said:

"Given the perpetual achievements 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."

Terming the Tehran summit as a "historic meeting", he said:

"Muslims should open a new chapter in their attitude towards each other and in coexistence with the outside world."
He 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. 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 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, thereby heralding stronger cooperation and further coordination between the two countries."

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 the two countries' bilateral relations.

**Bilateral Political-Security Cooperation**

a) Simultaneously with the enforcement of the policy of confidence-building, leaders and authorities of the Islamic Republic of Iran and Saudi Arabia exchanged views and paid visits to each other's countries. One of the major visits was the one that President Rafsanjani made to Saudi Arabia in 1998 in the course of which, it was determined that the two countries hold similar views on many matters of mutual interest. Also, a joint communiqué was released at the end of the visit, which elaborated on the points of agreement in detail. Common interests 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 of one another, respect for national sovereignty and peaceful coexistence on the one hand, and issues such as the Iraqi crisis, the need for preservation of independence, sovereignty and territorial integrity of the country, Arab-Israel peace process and the 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 board-based government in that country, the fight against the terrorism, etc., on the other hand, were among matters of mutual interest over which the two countries reached a consensus.

Therefore, corresponding with the expansion of economic, trade and cultural relations between Iran and Saudi Arabia, political-security ties and cooperation between the two Muslim states improved as well. The two states reached a common understanding and convergence of views between themselves in many fields: Hajj-related affairs, elimination of consular obstacles, increase in the number of flights, setting up of trade fares, reaching bilateral agreements within OPEC to preserve production ceiling and stability of the oil market, even the issue of the secretary-general as well as bilateral cooperation in political and security fields, including recent consultation between defence ministers of the two countries of the exchange of military information, and even the experimental launching of the long-range "Shahab-3" missile that was viewed by Western analysts as a threat against Saudi Arabia (but the Saudis had a positive reaction and assessment toward it) – all these should all be evaluated as signs of the existing political understanding between the two countries. Such an understanding as a whole will help in further consolidation of the confidence-building efforts between the two sides that, in addition to boosting bilateral cooperation in various fields, will result in easing of tensions in bilateral as well regional ties. 37

b) With the launching of détente in Iran-Saudi relations, the two countries reached the conclusion that they posed no threat against each other. Therefore, they withdrew the long-running hostile outlook and misunderstanding, and instead entered into bilateral cooperation. This implies that the foundation for a confrontation with possible threats were reduced or totally eliminated.

One actual evidence and positive result of the pragmatic policy and rapprochement between Iran and Saudi Arabia that has become evident recently is the issue of the three islands. The prevailing atmosphere of tension and lack of confidence over relations between Iran and Saudi Arabia further provoked the idea. With the easing of tensions and the increase in bilateral cooperation between the two countries that was experienced in the past three years and given its positive effects on the growing friendly ties between Iran and other Arab countries of the region, such as Egypt, Jordan, Kuwait, Qatar, Bahrain, etc., obtained in the light of Iran's new foreign policy, the United Arab Emirates has faced difficulty among other Arab countries in the region.

Even the reasonable stance adopted by Saudi Arabia towards the issue of the three islands marred relations between the Saudis and the United Arab Emirates. Sultan Ibn Abdul Aziz, Saudi defence minister, in response to the criticism by the foreign minister of UAE on the rapprochement between Tehran and Riyadh and putting the United Arab Emirates in isolation, termed the UAE official as “unaware and unrealistic.” Indeed for the first time after the revolution, the heads of the Persian Gulf Cooperation Council member countries refrained from criticizing Iran. Such a development is indicative of the fact that the solution of the misunderstandings in this regard, prior to anything else, lies in the improvement of relations and settlement of disputes with the major powers of the region, i.e. Saudi Arabia.

c) The effects of the confidence-building at trans-regional level showed positive results of close cooperation and convergence between the two countries transcending the Persian Gulf region. The Islamic Republic of Iran as chairman (recently handed to Qatar) of the Organisation of the Islamic Conference (OIC) closely cooperated with Saudi Arabia and other countries neighbouring Afghanistan as well as the United Nations to find a solution to the crisis in the country and for the establishment of a broad-based government there. Had the two countries failed to reach a consensus over the issue of Afghanistan, they could have not taken parallel steps in this direction. In fact, rapprochement of the two countries compelled Saudi Arabia to take a more realistic stance towards the Taliban militia both in the continuation of its expanded relations with the group and in offering
generous financial and moral support, as it had done in the past. The new attitude changed as such from what it had been in September 1998, when Saudi Arabia had summoned its envoy from Kabul and a short while later expelled Taliban's representative from Saudi Arabia.

d) The effects of confidence-building in Arab countries and the Islamic world was the establishment of friendly relations between Iran and Saudi Arabia that laid the foundation for the establishment of similar relations with other Arab and Islamic countries with subsequent positive results. Due to this development, disputes that had emerged as a result of the past misunderstandings in the aftermath of the triumph of the Islamic Revolution in Iran have gradually faded which can be substituted with cooperation and concurrence in the future. The political will of the leaders of the Islamic Republic of Iran and Saudi Arabia has been a serious step towards rapprochement of the two countries for the settlement of problems facing the Islamic world and for putting greater emphasis on the unity of Islamic communities. For example, the Leader of the Islamic Revolution in a meeting with Saudi Defence Minister underlined the role being played by Iran and Saudi Arabia in forging unity and friendship among Muslim states, and stated: “Now Iran and Saudi Arabia through cooperation with each other can better accomplish their grave responsibilities towards their people and the Islamic world as a whole”.

King Fahd of Saudi Arabia in a ceremony marking the third year of the Saudi parliament’s second term pointed to the ties between Iran and Saudi Arabia as well as the improvement of Iran’s relations with the world of Islam, and said:

“Iran and Saudi Arabia, by taking greater strides towards mutual confidence-building and respect and improvement of bilateral relations, can usher in the development of Iran’s relations with the [Persian] Gulf states, the Arab countries and the entire Islamic world”.

Under the status quo, Iran and Saudi Arabia are treading in the path of “the regional confidence-building and security system.” However, the realization of such a
success will not be confined to the region; rather it can be transferred and spread to the neighbouring regions as well. In fact, the establishment of such a system can transcend the Middle East region and demonstrate manifestations of cooperation and convergence among nations of the surrounding territories at a trans-regional level and in the Islamic world. This system can even be spread as far as the Islamic countries in North Africa and the Horn of Africa.

On the other hand, its spectrum can even be expanded to southern and eastern Europe and ultimately to the Muslim states in central Asia and the Caucasus, South and Southeast Asia as well.

Currently, there are signs that point to the realization and success of such a policy, to the extent that relations between the Islamic Republic of Iran and regional countries are expanding in different political, economic, communication and cultural fields, through holding seminars and exchange of views among researchers and experts.

A clear example is the understanding forged between Iran and Egypt and improvement of relations between the two countries. Development of the Iran-Egypt relations as two major countries in the Arab and Islamic world are of paramount importance in the political-security arrangements in the Middle East region. In the past three years and in the light of the efforts for confidence building and establishment of friendly relations with Saudi Arabia, relations between Iran and Egypt have also entered a new phase, and the two countries have taken practical and positive steps towards elimination of misunderstandings and settlement of the prevailing disputes.
The Effects of Kuwait Crisis on Improvement and Development of the Iran-Arab Countries Relations

Rafsanjani's Attempts at Confidence Building

A further escalation of the dispute was prevented only by the Iraqi invasion of Kuwait on 1 August 1990 which dramatically changed political alignments in the region. The *Hajj* issue became unimportant. On 26 March 1991 diplomatic relations between Iran and Saudi Arabia were restored. After the reopening of the Iranian embassy in Riyadh on 1 April, the Saudi government allowed 110,000 Iranians and 5,000 relatives of those pilgrims who had died in the notorious *Hajj* of 1987 to participate. The number was increased in 1993 to 115,000.38

The relation between Saudi Arabia and Iran changed considerably in the aftermath of the Iraqi invasion of Kuwait. Iran's neutrality in the conflict helped to lessen the tensions in the Saudi-Iranian relations. In fact, the relationship between the two countries may have begun to show amicable signs in the post-war period.

On the evening of 2 August, Tehran's Foreign Ministry instantly issued a statement condemning the invasion and calling for the immediate withdrawal of Iraqi troops, the same demands as included in UN Resolution 660: "With regard to Iraq's military invasion of Kuwait, the Ministry of Foreign Affairs of the Islamic Republic of Iran rejects any form of restoring to force as a solution to regional problems. It considers Iraq's military action against Kuwait contrary to stability and security in the sensitive Persian Gulf region and condemns it. Iran considers respect for sovereignty and territorial integrity of other countries and non-interference in their internal affairs as an absolute

38 BBC, SWB, ME/ 0765, 14 May 1990.
principle of inter-governmental relations. Iran calls for the immediate withdrawal of Iraqi troops to recognized international borders and for a peaceful solution the dispute.”

On 6 August, UN Resolution 661 imposed economic sanctions in Iraq, and on 7 August, the US troops were committed to the Persian Gulf, followed by French naval forces, the next day. Being aware of its role in the region and seizing the opportunity, Iran immediately began its diplomatic activity. The Iranian policy of active neutrality was threefold: the condemnation of the Iraqi invasion, opposition to foreign forces in the region and the call for regional co-operation in solving the crisis, and establishing stability.

In the first half of August, Velayati went to Oman, Qatar, the UAE and Syria, where he declared that would not accept any change in Kuwait borders and that the Iraqi aggression against Kuwait had provided the pretext for the presence of foreign powers in the Persian Gulf. Sultan Qabus called for regional cooperation, including Iran, to establish security in the region. Iran immediately gained from its position. Saddam Hussain, probably in a bid to avoid confrontation with Iran and to free his troops from the border and send them to Kuwait, wrote a final letter to Rafsanjani on 14 August, accepting all of Iran’s conditions in implementing Resolution 598, including Paragraph 6, the recognition of the Algiers Accord and the exchange of POWs, starting on 17 August. Rafsanjani accepted (the text of letters exchanged between the Presidents of the Islamic Republic of Iran and the Republic of Iraq 1990). This in addition to meeting Iran’s conditions put him in a position to mediate between Iraq and the GCC as well as the international community, and to plug a more prominent role in the region. Tehran suddenly became a stage for diplomatic visits from Syria, Oman and the Kuwaiti government in exile. Sheikh Sabah, the Kuwaiti Foreign Minister, during his visit

39 FBIS/ NES/ 47, 3 August 1990.

40 FBIS/NES/SO/8 August 1990.

41 Keyhan International, 8 August 1996.
thanked Iran for its stance towards the Iraqi aggression and expressed his desire for greater cooperation between the two countries. He congratulated Iran for having regained the territory lost during the Iran-Iraq war and apologized for Kuwaiti’s attitude then. After that Sheikh Nasser, the Kuwaiti Minister of State for Foreign Affairs, visited in early October. He was convinced that Iran completely supported all UN resolutions. The Kuwaiti Ambassador to the United States, Muhammad Al-Sabah, described the talks:

"During the Persian Gulf Crisis, Kuwait needed to strengthen the alliance against Iraq. Kuwait talked to Iran, mainly about maintaining the sanctions against Iraq. We explained why we had invited the US forces. Iran accepted this."\(^{42}\)

According to the Kuwait Ambassador to Iran, Kuwait had asked the US, the Soviet Union, the UN and the Arab League, to send troops, but only the US accepted, followed by the other allied troops. In fact Rafsanjani, who condemned Iraq, held back fierce attacks on the Western forces, merely pronouncing concern: “The presence of foreign forces has created a crisis in the region and turned it into a powder keg. There is some concern over the future.”\(^{43}\)

### The US Reaction towards Iran’s approach

The US approached Iran soon after the invasion through Turkey and Switzerland to get support for the allied position. In return, they offered to help obtain World Bank and IMF funding for the reconstruction of Iran. In September, it was announced that the US was to return part of the Iranian assets frozen at the time of the revolution. Iran also re-

\(^{42}\) FBIS/ NES/ 52, 15 August 1990:41.

\(^{43}\) FBIS/ NES/ 52/ 15, August 1990: 42.
established diplomatic relations with the UK, regardless of the fact that British ground forces had been committed to the (Persian) Gulf on 11 September. Rafsanjani did, however, declare that foreign troops stationed in the (Persian) Gulf were only there because of Iraq's invasion of Kuwait and had to leave as soon as Kuwait had been liberated. He warned that if they did not leave, Iran would take measure to force them to.\[44\]

There was strong criticism inside Iran of Rafsanjani's policies. Ahmad Khomeini pronounced that if the US wished to build up its troops with the idea of dominating the region, Iran's revolutionary troops would counter that device. Musavi Ardabili in a Friday prayer sermon, whilst supporting the condemnation of the invasion, attacked the US and the ruling families of Kuwait and Saudi Arabia.\[45\] Former Interior Minster, Ali Akbar Mohtashami, called for a jihad against the United States, and so did the leader of the Islamic Republic, Ayatollah Khamenei.

In spite of this, Velayati met with all six the GCC Foreign Ministers and the Secretary General of the GCC, Abdollah Bishare. In this meeting with Prince Saud, Velayati again stressed that the region should cooperate to ensure regional security without the presence of foreign troops and to liberate Kuwait, and he also mentioned the Hajj. Prince Saud al Feisal declared that Saudi Arabia was ready to discuss normalization of diplomatic ties.\[46\] The Director General of the Persian Gulf Department of the Iranian Foreign Ministry, Hossein Sadeghi, described the meeting and its consequences in a slightly different light: "In the meeting at the UN in September 1990, we offered them our help in solving the crisis and in securing the region, but after Kuwait was freed we saw that they did not want our support. Kuwait, Saudi Arabia and the others in the

\[44\] FBIS/ NES/ 15, October, 1990:51.

\[45\] FBIS/ NES/ 59, 9 October 1990: 39.

\[46\] FBIS/ NES/ 57, 1 October 1990: 31.
meeting said they would help us reconstructing our economy, but after Kuwait was liberated they forgot.\textsuperscript{47}

The Soviet Peace Initiative

As well as talking to the GCC, Tehran supported the Soviet peace initiative, since Moscow also opposed the increase of Western military forces in the Persian Gulf. More directly, Iran negotiated with Iraq, calling for its immediate withdrawal from Kuwait. In September, Iraqi Foreign Minister Tariq Aziz visited Rafsanjani for the first time since the revolution, discussing bilateral relations and the Persian Gulf Crisis, and Velayati went to Baghdad in November.\textsuperscript{48}

On 29 November, the UN issued Resolution 678 calling for Iraqi withdrawal before 15 January 1991, and authorizing all necessary means to implement Resolution 660. Velayati again supported the UN call for liberating Kuwait, but opposed the possible use of force by the US. In mid-December, he visited Qatar, Oman, the UAE and Sweden, and Rafsanjani received the Algerian and Sudanese leaders in a bid to prevent the outbreak of war.\textsuperscript{49}

\textsuperscript{47} FBIS/ NES/ 58, 14 November 1990.

\textsuperscript{48} FBIS/ NES/ 50, 10 September 1990.

\textsuperscript{49} FBIS/ NES/ 56, 14 November 1990: 41.
Iranian Diplomatic Efforts

Iranian diplomatic efforts led the GCC, at their summit in Doha on 22 to 24 December, to seek closer ties with Iran, in order to counter the military threat from Iraq. Iran was also discussed as a possible participant in a wider regional security framework. The Qatari Foreign Minister held that Iran should be included in a regional security arrangement by virtue of its geographical location, but Saudi Arabia and Kuwait felt such thinking was premature. Nevertheless, Iran welcomed the positive position. Reportedly, for the first time an Iranian representative was invited to the summit.\(^5^0\)

It the beginning of January, Foreign Minister Velayati met his Turkish and Pakistani counterparts, and called for an emergency summit of the OIC to find a peaceful solution to the crisis. He also received a member of Iraq’s Revolutionary Command Council, Sa’doun Hammadi, in Tehran, and stressed that while opposing the presence of alien forces, the Islamic Republic was against both territorial ambition and military action. He urged Iraq to withdraw by the UN deadline to avoid war.\(^5^1\)

Desert Storm and Iranian Diplomacy

Iraq did not withdraw by the UN deadline and the allied military campaign Desert Storm began shortly before midnight GMT on 16 January. Contrary to Velayati’s above-mentioned statement, Abdul Mohsen Jamal, a member of Kuwait’s National Assembly, said:

“During the invasion, the Iranian policy was very wise. They allowed allied ships and airplanes to use their space, but said that the foreign forces


\(^{51}\) FBIS/NMESI/51,54,10 January 1991.
had to leave after the end of the war. We appreciate this very important support at that time.”

On 17 January, the Supreme National Security Council chaired by President Rafsanjani and members of the Majlis issued a statement describing the shelling of Iraqi Muslims by the Western alliance as ‘painful’, and calling for an immediate ceasefire and the swift departure of the foreign forces from the region.

Rafsanjani stated: “The Persian Gulf region, which after the end of the Iraqi War wanted to see security and stability, has now reached the bottom of insecurity and bloodshed. The military forces, which had imposed themselves on the region during the last war, have now, in order to continue their domination of the region, used the unjustified aggression of Iraq against Kuwait as a pretext for their presence in the region.”52

Without informing Tehran, Saddam Hussain had flown the aircraft to Iran in order to save them from allied attack. Iran has not since returned them and kept them as part of its war reparations. The arrival of the planes led to an intensification of Iran’s diplomatic efforts to bring about a ceasefire. Various talks included the Kuwait government in exile, Iraq, Algeria, Yemen, the Non-Aligned Movement (NAM), Turkey and France.53

**Iran’s Humanitarian Support**

In addition to its diplomatic efforts, Iran also gave humanitarian help to the victims of the conflict. Abiding by all UN resolutions and sanctions, and in accordance with Resolution


53 FBIS/ NES/ 91, 4 February 1991: 35.
Chapter Four: Iran’s Foreign policy towards Saudi Arabia: The Regional and Global Context

666, which allowed humanitarian foodstuff and medical supplies into Iraq and Kuwait, with the UN assistance Iran sent truckloads of food and medicine to Iraq, helping the Muslim population. In addition, thousands of Kuwaiti refugees were given shelter in Iran. Ahmad al-Jassim of the Ministry of Foreign Affairs expressed Kuwait’s gratitude: “Iran was against the Kuwait invasion and they gave our citizens shelter we won’t forget. Iran is a Muslim country like us, a neighbour. We want Iran to be strong and we will continue to co-operate.”

Iran’s Relations with the Persian Gulf Countries

The Iranian stance of neutrality and the efforts to bring about a solution to the Persian Gulf crisis was the lifting of the ban out of its international isolation. For a short while it looked as through Iran had taken up a leading role in Persian Gulf affairs. In addition to regaining its lost territory from Iraq and an increase in oil revenues, it was able to re-establish diplomatic relations with many Arab and Western countries.

Rafsanjani, however, had considerably toned down Iran’s anti-Arab rhetoric since he came to power, and assured the Persian Gulf states that Iran was committed to a peaceful foreign policy to work for the stability of the region. He highlighted the advantages for Iran from its peace overtures to Iraq, especially on Iran’s ties with other countries in the Arab world.

All the GCC states were concerned about the rapid rapprochement between Iran and Iraq. Their strategy appeared not only to halt Iran’s peace process through offer of normalization with Tehran, but also to offer incentives. Bahrain which had taken a strong

54 Amirahmadi, “Iran and the Persian Gulf Crisis”, p. 112.
position on the crisis on 4 September 1990, foresaw "notable change" in the GCC states’ relations with Iran in the near future. This became clear when UAE’s Minister of State for Foreign Affairs arrived in Tehran on September 4, 1990, with a message from the UAE President Sheikh Zayed to Rafsanjani. Oman’s Minister of State for Foreign Affairs visited Tehran on September 18 to deliver a message from Sultan Qabus to Rafsanjani. In this meeting with Iran’s Foreign Minister Ali Akbar Velayati, the Persian Gulf crisis and measures at practical cooperation between Iran and the GCC were discussed in view of the dominant and powerful role of Iran in the region. The next GCC visitor to Iran was Kuwait Minister of State for Foreign Affairs who visited Tehran on September 27 and had talks with Iran’s Deputy Foreign Minister on the Persian Gulf crisis and Iran’s future relationship with the GCC.

To cap it all, on September 29, the GCC Foreign Ministers (including the Saudi Foreign Minister Saud al Faisal) met the Iranian Foreign Minister Velayati in New York, and discussed the developing relations between the GCC and Iran and cooperation among them. The very next day on 30 September 1990, Saud Al Faisal and Velayati had a separate meeting in which the irritants in their relations were ironed out. He opposed the presence of foreign forces. But the GCC states could feed happy because Iran condemned Iraqi invasion of Kuwait and reiterated its decision to honour the UN resolutions on the crisis.⁵⁷

The Iranian President Hashemi Rafsanjani, speaking at the opening of the International Trade Fair on 1 October 1990, spoke of Iran as the "region's axis of stability", with a strong presence in the Persian Gulf safeguarding the region’s political and economic stability.

⁵⁷ SWB/ ME/ 0845/ 1 and A15, 8-10, August 7, 1990: 35.
That the GCC states were going out of their way to normalize and strengthen relations with Iran, which became evident at the Doha Declaration: a separate section was included on relations with Iran, apparently at the instance of Kuwait.\textsuperscript{58} The Kuwaiti Under-Secretary of Foreign Affairs, Sulaiman Majed al Shaheen, declared that Kuwait had a better relationship with Iran.\textsuperscript{59}

Meanwhile, an Iranian Foreign Ministry spokesman welcomed the outcome of the Doha GCC meeting as being positive and a step towards the expansion of current relations with members of the council. He also hoped that this would be the beginning for the Persian Gulf littoral states to begin basic cooperation towards the protection of the Persian Gulf region and the preservation of the Muslim countries situated around that vital waterway, and that it would end the presence of the alien forces as soon as possible.\textsuperscript{60}

Iran, alarmed at the massive presence of outside force in the region, saw danger in the passing of UN Security Council Resolution 678. It viewed it as tantamount to the legislation of the use of force by the big powers. Iran reiterated that all efforts by the Persian Gulf countries should be aimed at paving the way for a solution of the crisis and should avoid steps which would exacerbate it. To defuse the situation, Iran wanted a solution based on the following points: Iraqi forces must leave Kuwait unconditionally and the territorial integrity and independence of that country guaranteed, i.e., current borders and territorial integrity of all states to be preserved; and establishment of collective unity without the presence of intervention of the powerful countries. Thus, Iran


\textsuperscript{59} Ettela’at, 2 October 1990.

\textsuperscript{60} Voice of the IRI in SWB/ ME/ 0956/ i, 28 December 1990.
wanted Iraqi withdrawal from Kuwait, as well as Western forces to be withdrawn from the Persian Gulf region.\textsuperscript{61}

In any case, Iran adhered to its promise of neutrally and “correct” policy towards the area. There was hope that the Iraq-Kuwait crisis would virtually end its diplomatic isolation and earn it a place for itself in the new security structure which was widely discussed soon after the war.

In the Damascus Declaration, Iran’s participation to establish security and stability in the region was mentioned. Saudi Arabia, whose ties with Iran were rapidly improving with high-level visits from both sides, was pleased with Iran’s neutrality in the war. The danger which was perceived by Saudi rulers from revolutionary Iran had subsided as Prince Sultan, Saudi Defence Minister, replied to a question whether Iran constitute a source of danger in the region after the defect of Iraq. He said: “On our part we do not think that Iran, a sisterly Muslim country, would be a source of danger to us.” Dr. Mohammad Javad Larijani, political advisor at the Iranian Foreign Ministry, in a round table discussion on the Persian Gulf crisis highlighted the several blunders and miscalculations and fundamental strategic errors, committed by Saddam Hussain in the crisis, among them Iraq’s conclusion that it had an unrivalled army in the region after its victory over Iran.\textsuperscript{62}

To sum up, for Iran there were great risks in siding with Syria or opting for the pro-Saddam Camp. In the event, Rafsanjani’s decision to remain neutral brought rich dividends and provided to be a boon in advancing Iran’s interest in regional and global affairs. By allowing Iraqi planes to land in Iran during the war and by not allowing them to leave Iran, it pleased Iraq as well as the West and the GCC states. Kuwait was the most

\textsuperscript{61} SWB/ ME/ 0958/ A/ 9, 31 December 1990: 45.

\textsuperscript{62} SWB/ ME/ 1018/ A/ 7, 12 March 1991.
enthusiastic supporter of Iran in the talks for security structure for the area. Although on paper Kuwait supported the Damascus Declaration and inclusion of Egyptian and Syrian troops, its preference for US troops was well known. Egypt was opposed to the inclusion of Iran in any security set-up for a variety of reasons. It was only Oman to a certain extent which supported Iranian participation in the security arrangements. Thus, there was no consensus among the GCC states on the issue of Iran's participation. In fact, the GCC Security-General made it clear that the GCC will not give Iran a direct role in the Persian Gulf security system. This was in sharp contrast to the views expressed during the crisis which called for Iranian participation or direct role in the security arrangement. Nevertheless, the GCC foreign ministers in their 39th Session of the Ministerial Council reiterated their eagerness to find a common platform for constructive cooperation between the GCC and Iran.63

Soon after the war ended, Kuwait, Egypt and Syria were the most enthusiastic supporters of a regional security tie-up with the GCC in the (Persian) Gulf. Egypt and Syria agreed with the GCC states on 6 March 1991, through the Damascus Declaration, to station their troops in GCC states with the objective of defending the latter's territories. Thus, the group of eight was born, which Iran promptly denounced. It was obvious to the Iranians that due to their strained ties with Riyadh, they had been sidelined, even though Kuwait wished to involve Tehran in the security tie-up.

Iran used the good offices of Oman to normalize ties with Saudi Arabia. Iran's Foreign Minister Velayati visited Saudi Arabia on 17 March 1991, and met the Saudi Foreign Minister Saud al Feisal after which the formal diplomatic ties were re-established and the thorny issue of Hajj was resolved. This paved the way for Iranian pilgrims to perform Hajj even when Western soldiers were in the Kingdom.64

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64 A.K. Pasha, 2000: 141.
As early as on 24 August 1991, Kuwait announced that it had completed the final lines of the security agreement to be concluded with the US. Under the agreement, which was signed soon after, the US agreed to protect Kuwait in the event of aggression from Iraq or others. It also allowed the US to hold joint military exercises with Kuwait forces and to pre-position supplies and equipment. Kuwait signed similar agreements with UK, France and Russia which other GCC states like Bahrain and Qatar also followed. In order to allay Iranian fears, Kuwait declared before signing that no one could ignore Iran’s role in any future security arrangement. Iran condemned the agreement. Velayati stated that Iran was ready to broaden its relations with Kuwait in all domains, and Iran offered to sign a non-aggression pact with the GCC.65

Around October 1997, Qatar’s border dispute with Saudi Arabia erupted in which Iran sided with Doha. Iran also got embroiled at this time with the Abu Musa Island controversy. The region for it now looked like an abscess which was about to burst, and saw US hand in both the issues. Now Iran’s concern was to ensure security and tranquillity in the region as their absence of it would affect its oil exports at a good price.66

Even though Iran agreed to discuss with the UAE, the issue of Abu Musa the GCC Defence Ministers, in their meeting on 16 November 1992, denounced Iran’s takeover of the Island. Iran now increasingly blamed Baghdad for its predicament holding Saddam Hussain responsible for the military presence of the US/West and for the signing of the security pacts by the GCC states with them.67


Chapter Four: Iran’s Foreign Policy towards Saudi Arabia: The Regional and Global Context

In May 1993, Velayati toured the GCC states. He termed his visits to Qatar and Bahrain as successful. Doha, in the face of threats from Saudi Arabia, concluded a series of agreements with Iran and also agreed to cooperate on the issue of Western threat, and to increase tax on oil consumption, whereas Bahrain expressed dissatisfaction with lack of cooperation between Iran and the GCC states, and emphasized Iran’s involvement in the discussion over Persian Gulf security.

In September 1991, Kuwait and the United States signed a ten-year defence cooperation agreement which covered joint exercise, the use of Kuwait ports by US forces and the placement of US military hardware in the Emirates. The scenario repeated itself when Kuwait signed a similar defence agreement with Bahrain in February 1992. Despite Iranian opposition to security agreements with the West, Iran also improved its relations with Kuwait further. Kuwait saw Iran as a counter-balance to the Iraq threat. When Velayati visited Kuwait in April 1997, he was assured that the defence agreements with the US and Britain were only for the purpose of self-defence. In July, 1992, Iran returned the Kuwaiti airplanes which had been flown to Iran during the invasion. Kuwait’s interior Minister, on his visit to Tehran in August, called for closer ties between Iran and its Persian Gulf neighbours in view of the common Iraqi enemy. They agreed to cooperation on matters of regional issues, and in the economic, industrial and cultural fields as well as the fight against drug trafficking. In December 1992, Iran offered to assist in freeing the Kuwaitis still held prisoner in Iraq.

Having successfully excluded Iran from regional security, the West highlighted Tehran’s arms acquisition as a threat to the GCC states. They also accused Iran of trying to manufacture atomic weapons. Iran began to reassure the GCC states that it was not against the Damascus Declaration, that it arms purchases were purely for its self-defence and that its defence budget was less than that of Saudi Arabia.


Among all the Persian Gulf States, it was Kuwait which remained concerned about the implications of isolating Iran which explained its periodic interaction with Tehran. Negotiations to include Iran in a regional security arrangement most likely failed because of four reasons: (1) the GCC countries feared Iran's possible aspirations to becoming a dominant regional actor; (2) the active opposition of the US to include Iran in such an arrangement; (3) the different priorities of Persian Gulf states and their disagreement on a common threat made a collective security agreement impossible; and (4) the regional crisis that broke out in 1992 over three small but strategically important islands overlooking the straits of Hormuz.70

Relations with Oman

Relations with Oman remained good. When Foreign Minister Velayati, as part of his Persian Gulf tour, visited Muscat in May 1993, Sultan Qabus offered to mediate between Cairo and Tehran. Velayati and Yusuf bin Alawi regularly exchanged visits after Iran had been unwilling to discuss the Islands issue any further earlier in the year. Velayati visited Oman in September 1994 to call for renewed talks with the UAE. In June 1996 Iranian Deputy Foreign Minister Abbas Maleki visited Muscat. The Sultan's Deputy Fahd bin Mahmud told him that his government was fully convinced that Iran was no threat to Oman and that the Islamic Republic advocated peace in the region.71

As expressed by Amer al-Higry of the Omani Foreign Ministry, despite Muscat's strong support for the UAE, the Abu Musa issue did not affect the Omani-Iranian relationship. Oman's Ambassador to the US, Abdullah, at Dhahab, explained that Oman

70 Interview with Dr Mahmood Sariolghalam, Associated Prof. Beheshti University, 2009.

71 FBIS/ NES/ 14, 17 April 1992.
was telling both sides not to escalate the problem and advised the UAE to keep on good terms with Iran in order not to jeopardize trade relations. H.H. Sayyid Haitham, Secretary-General of the Omani Foreign Ministry, stated, “The Abu Musa issue erupted recently; it has been there since the Shah’s time. It is an unfortunate affair because it sours relations between the GCC and Iran”. 72

**Relations with Bahrain**

Relations with Bahrain also improved until the end of 1996, when the population began to rise against the Bahrain government. The situation deteriorated in 1996 when Bahrain outspokenly implicated Iran in the uprising and withdraw its Ambassador from Tehran. It was only in March 1997, when Velayati visited the Persian Gulf states and when Saudi Arabia had taken up its rapprochement with Iran, that Bahrain showed more serious willingness to improve relations. By December 1997 they announced that they would upgrade diplomatic relations back to ambassadorial level, encouraged by President Rafsanjani. In March 1998, the Amir welcomed former President Rafsanjani on a one-day visit, which had possibly been arranged with Saudi assistance during this stay in Saudi Arabia the same month. As for the Abu Musa issue, a Bahraini journalist maintained that it was upheld mainly for Iranian domestic consumption. He did not think that Iran caused military threat to the Persian Gulf. 73

**Iran’s Relationship with Qatar**

Relations with Qatar improved steadily since early 1992, with regular visits by Qatari politicians to Tehran. In June, on the same day that Doha ratified a draft defence

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72 SWB/ ME/ 2631/ MED/ 3, June 1996.

agreement with the US, Qatar called for including Iran in the Persian Gulf security arrangements. With the escalation of the Qatari-Saudi border dispute in October, Qatar asked Iran for protection against Saudi threats, which coincided with an economic agreement for Iran to build ports, jetties and roads in Qatar.\footnote{FBIS/ NES/ 13, 16 October 1992.}

In April 1994, at the time of deteriorating relations with Saudi Arabia, Rafsanjani called the increasing cooperation with Qatar a good model for the other Persian Gulf States. Amongst the many visits, the one by the Iranian Minister of Defence to his counterpart in May 1996 is particularly interesting as they discussed strengthening relations, especially in the defence sector.

**Iran and the UAE**

During Velayati’s Persian Gulf tour in May 1993, this attitude was confirmed when the UAE Foreign Minister stressed the need to hold fundamental talks with Iran towards removing the existing ambiguities, and Velayati afterwards declared that the visit to Abu Dhabi was of special importance because it eliminated the tension that had occurred. In February 1993, Iranian Defence Minister Ahmad Torkan discussed bilateral ties and regional stability with his UAE counterpart, when he visited Abu Dhabi to attend an international defence fair.\footnote{FBIS/ NES/ 21, 13 May 1993.}

This was particularly clear in the case of the UAE itself. The Director of the UAE Foreign Ministry’s Department of the GCC and (Persian) Gulf States Affairs, Khalifa Shaheen al-Merre, explained the UAE position, clearly stating the US pressure on Abu Dhabi to connect the dispute with the overall relationship: “...our policy towards Iran has
two aspects; first the dispute about the three islands, and second, our overall bilateral relation with Iran. The main feature of our policy is to try and isolate as much as possible the detrimental effects of the dispute from the economic and political relations, because Iran is our neighbour. In certain ways, we would lean towards containing Iran more or less as put by the US, but we cannot be the frontrunners of such a policy. Of course, the US is trying to promote its policies in various ways, but we distinguish between our overall policies and try to contain this dispute within certain limits."

During Velayati's Persian Gulf tour in May 1993, this attitude was confirmed when the UAE Foreign Minister stressed the need to hold fundamental talks with Iran towards remaining the existing ambiguities, and Velayati afterwards declared that the visit to Abu Dhabi was of special importance because it eliminated the tension that occurred. In February 1993, Iranian Defence Minister Ahmad Torkan discussed bilateral ties and regional stability with its UAE counterpart, when he visited Abu Dhabi to attend Idex 93, an international defence fair.

The various UAE emirates differed in their attitude toward Iran. Dubai and Sharjah did not desire any confrontation as they profited from their economic ties, whereas the forces more inclined to confront Iran seemed to be based in Abu Dhabi and Ras-al-Khaimah. In fact, despite the political row over Abu Musa Island, no dispute arose over the oil sharing arrangements between Iran and Sharjah at any time, and from January to 30 September 1992; Iran-bound ear cargo from Sharjah or from other points of origin with a stop over in Sharjah was worth above $100 million. Dubai's trade with Iran did not suffer from the dispute. Dubai was Tehran's main commercial partner in the Persian Gulf. In December 1996, then Interior Minister Besharati wanted to invite Abu Dhabi for the UAE's silver jubilee celebrations. He discussed security matters with the

77 FBIS/NES/ 21, 12 May 1993.
78 Tehran Times, 8 March 1993.
UAE government and they agreed on the need to open a constant channel of dialogue.79 A European diplomat gave the following view on the UAE’s relations with Iran with regard to the islands crisis, “I do not believe that any faction in Iran wants war or to take over part of the southern [Persian] Gulf. But they [US and Saudi Arabia] play up this issue for domestic politics, they want to stress Iran’s role in the Persian Gulf. Dubai is not interested in politics. The UAE is formally in charge of foreign policy, but it is really run by Abu Dubai’s and Sharjah’s interests which are not always the same, and because of their trade and oil links they do not want to upset Iran. Abu Dhabi itself is not interested in Abu Musa as it does not get any financial benefits from it. So if Abu Dhabi makes an issue out of it, it must be forced by parties from outside the UAE.”79

The UAE’s position changed radically after the invasion of Kuwait. It was frightened that Saddam Hussain would attack them next, and they became more pro-Western and particularly pro-US. They also always follow Saudi Arabia in important matters. If Saudi-Iranian relations improved or deteriorated, UAE-Iranian relations would improve or deteriorate.80

In general, both Iran and the Persian Gulf countries kept the islands issue apart from their order political and economic relations. Whenever problems occurred in these fields, Abu Musa and the Tunbs were played up rhetorically. Likewise, they seemed to have more willingness to solve the dispute whenever the relationship was smooth.

79 SWB/ ME/ 2788/ MED/ 11, 6 December 1996.

80 Christian Marschall, 2003, 137.
The U.S. Security Umbrella in the Persian Gulf

The rise of American influence began towards the end of the first year of the revolution, in 1979. In October, the United States admitted the Shah for medical treatment. In November the US Embassy was occupied by the ‘Student of the Imam’s line’. In the same month, Khomeini personally endorsed the move, as he accepted it as the divine will against the oppressor nations, and they remained hostage for 444 days.

The United States in the 1980s (Carter, Reagan and Bush) managed to establish itself in the Persian Gulf. It created a US security umbrella reaching from Oman to Saudi Arabia. In 1980, Oman signed a facilities arrangement for contingency bases with the United States. The US Middle East Force was based in Bahrain since 1949. Kuwait allowed the US to deploy an offshore base in its territorial waters in late 1987. Saudi bases like Dhahran and Hafr al Batin were offered for American use in emergencies. The Saudi deployed E-3A AWACs planes and other American forces on their soil during the war. Further, the Saudi reliance on US equipment led to joint operations with US forces. This military strategy of expanding influence in the region was underlined by security assistance and massive arms sales to the Arab governments. In 1987, President Reagan stated: “The use of the vital sea lanes of the Persian Gulf will not be dictated by the Iranians. These lanes will not be allowed to come under control of the Soviet Union. I will not permit the Middle East to become a choke point for freedom nor a tinderbox of international conflict.”

In the 1990s, after the break-up of the Soviet Union, Iran and Iraq had completely replaced the Soviet threat to American interest in the Persian Gulf, a process which had already begun in 1987.

The Effect of Kuwait Prices in Iran-United States Relations

The (Persian) Gulf crisis of 1990-1991 greatly increased the United States’ permanent presence and Arab dependence upon it in the Persian Gulf. When Saddam Hussain
moved his troops to the border with Kuwait in July 1990, the United Arab Emirates felt threatened and proposed joint military manoeuvres with US forces. On 2 August, Iraq invaded Kuwait. On 7 August, the American-led military build-up named Operation Desert Shield began. By mid-January, the US-led coalition had deployed over 150 ships and 2,000 aircraft. Despite the fact that the debate in Iran about the presence of foreign forces was heated the Iranian government maintained its neutral position and its call for an Iraqi withdrawal. Whilst Ayatollah Khamenei denounced the foreign presence, Foreign Minister Velayati declared: “It is not reasonable to say that the foreigners must not be present in the region in circumstances in which there is no solution for ensuring the security of the region”. 81

During the war, President Rafsanjani, reportedly expressed his concern in a secret meeting of the Supreme National Security Council, and warned the hardliners against their outspoken anti-Americanism: “The huge US military build-up in the region can well be turned against us if we go too far in our denunciation of the Americans and there is no country on earth to come to our rescue.” 82

The US-led military campaign called ‘Desert Storm’ began on 16 January 1991 and lasted until the liberation of Kuwait on 28 February. The US forces did not turn against Iran, but neither did they go all the way to Baghdad to topple Saddam Hussain who was threatening the Persian Gulf. Washington, which was still under the effect of the ‘Vietnam Syndrome’, was concerned about the political ramifications after Saddam Hussain’s fall, besides domestic opposition to toppling him, including opposition by France, Saudi Arabia, Egypt and Turkey. Another important factor, as believed by some observers, was Israeli influence on US policy making. In the 1980s, Israel had been a

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major supporter of balancing Iran with Iraq. The possibility of a Shia’ regime taking over Baghdad would have been detrimental to that policy.

Due to Iran’s neutrality during the Persian crisis and its efforts to help negotiate a solution, there was a short period of rapprochement between Tehran and Washington. President Bush was open to a dialogue and promised economic aid for the reconstruction effort after the Iran-Iraq war. The US imports from Iran had been illegal since 1987, but now the US exports to Iran increased from none in 1989 to around $1 billion in 1993. These included sales of digital computers, radar testing equipment, computer software, etc. Trade between the US and Iran was conducted partly directly, via Abu Dhabi and Dubai. In early 1991, Iran resumed oil sales to US companies. In August 1991, Rafsanjani attacked Washington for still refusing to unfreeze billions of dollars of Iranian assets which the Shah had deposited in the US. Further, the Foreign Operations, Export Financing and related Programs Appropriations Act of 1991 made the US blocking of any loan by international funding bodies, such as the International Bank for Reconstruction and Development or the IMF, to loan obligatory on the grounds that Iran supported international terrorism. The US policy was linked to the development of the Arab-Israeli peace process and the Iranian opposition to it. Besides having direct effects on Iran’s economy, it also affected Iran’s relations with the Persian Gulf states.

In September 1991, the US and Kuwait signed a bilateral treaty according to which Kuwait placed air and sea bases at US disposal. Iran saw itself surrounded by the United States, which had created various bases around the Persian Gulf and the Middle East, and also had substantial military assets in, and a long-term relationship with, Pakistan. American pressure on Iran increased in 1992.

In April, problems arose between Iran and the UAE about the Islands of Abu Musa and the Tunbs, when the Iranian authorities on jointly administered Abu Musa expelled a number of workers. In August, the situation worsened when the Iranian

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officials on the island refused entry to a UEA ship carrying visitors without Iranian visas. The United States used the incident to convince the Arabs of an alleged Iranian threat and Iran's territorial ambitions, and thus the necessity for US protection. The issue was upheld as an Iranian threat to Persian Gulf security under the Clinton administration, when the US responded generally to Iran's policy on Abu Musa and the Tunbs within the framework of its dual containment policy, which will be discussed later. American government officials expressed very particular concerns about Iranian policy on the three islands, especially over the deployment of missiles and troops. Despite this awareness amongst US policy makers, the islands had taken a symbolic significance for the US as relations with Iran deteriorated, as explained by Caldwell: "Although most Americans have never heard of these islands, they are of important symbolic significance to Iran, its Arab neighbours and, as conflict between the United States and Iran heats up, to the United States as well".  

The US Policy about Iran after 1993

As a result more bilateral agreements between the GCC states and the US followed. In addition, the US increased its arms sales and troops in the Persian Gulf States. Former UN Ambassador said Rajaei Khorasani explained one Iranian view on this: "Iran did not feel threatened by the US, but the fact was that if too many troops were concentrated in the region, there was a possibility of military clashes. We thought they were there for three reasons: first, the flow of oil at a price and conditions which the US wanted also in competition with Germany, the United Kingdom, France etc. who might have a say in this; second, Saddam Hussain was a threat; third, US industry was not in a better predicament than the Russian after the end of the Cold War. No one wanted to buy

84 Christin Marschall, 2003:189.
military hardware. They needed some kind of psychological warfare to sell their useless arms. The only region with money and a threat to Saddam Hussain were the Arabs in the Persian Gulf. The Arab states have been manipulated to save the US arms industry.”

In October 1997, the US Congress passed the Iran-Iraq Arms Non-Proliferation Act, barring governmental and commercial arms sales, the transfer of restricted goods and technology as well as nuclear material and technology to these two countries. It included the threat of sanctions against American and foreign governments, companies and individuals. Saudi Arabia, which had been lobbying in the West against Iranian arms acquisitions, supported this act. Riyadh, like the US and Israel, was scared of the overthrow of Saddam Hussain which might bring about a pro-Iranian Shia state in Southern Iraq Clinton and Dual Containment.

When the Clinton administration took over in January 1993, US influence in the Persian Gulf region and oil-rich Arab countries increased further. In May 1993, Martin Indyk of the National Security Council announced the new ‘dual containment’ policy, aimed at containing both Iran and Iraq. It came in the wake of the first Middle East trip, including to Israel, of the new Secretary of State, Warren Christopher. He testified before the Senate Appropriations Committee: “We think that Iran is one of the principle sources of support for terrorist groups around the world. When I was in the Middle East, I found it to be the common judgement among many of the leaders whom I met with, that Iran was greatly feared at the present time because of their support for terrorist groups... that end their determination to acquire weapons of mass destruction, I think, leaves Iran as an international outlaw”. Gary Sick explained that dual containment was actually a policy designed to prevent Iran becoming a second Iraq, and that it was created for domestic consumption, in particular for the parties supporting the peace process. The policy focused mainly on Iran, calling on it to stop its support for international terrorism, for Hamas and its sabotage of the peace talks, subversion in the region through the support of

85 Interview with Said Rajaei Khorasani, Tehran, 17 December 2009.
fundamentalists, the acquisition of conventional weapons and weapons of mass destruction. The US would oppose loans to Iran by the IMF and the World Bank, and try to persuade Europe and Japan not to have normal commercial relations with Iran. The dual containment policy was criticized by many in Europe and the GCC as preventing a dialogue which could lead to more peaceful relations in the area.  

The View of Europe and GCC about Dual Containment Policy

This policy was widely criticized by many in Europe and the GCC as preventing a dialogue which could lead to more peaceful relations in the area. Whilst the Qatari Ambassador to Washington thought that US involvement was very important because it stopped Iraq and Iran from dominating the area, the Omani Ambassador held that the dual containment policy would not improve the situation. There was no evidence for the allegations of Iranian support of terrorism, yet the West pushed Iran to be an outsider. The result was that Iran created problems, such as the continued support for Hezbollah and Hamas. A Saudi source asserted that the US policy was not effective, and that it was only useful for American domestic politics. He stated that Saudi Arabia had suggested to the United States government that the policy was useless and that they should hold firm talks with the Iranians. In July 1997, Saudi Arabia openly offered to mediate between Iran and the US.

Despite much criticism, the US policy did not change. One of the reasons was that many veterans of the Iranian hostage crisis of 1979 were now serving at the highest levels

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of the US state department, including Secretary of State Christopher. Another reason was that many American officials were convinced that the Arabs were pleased with the US policy and their presence in the region. 89

When Saddam Hussain moved his troops towards the Kuwait border in October 1994, the US increased the number of its long-term duty aircraft in the Persian Gulf to 130. In 1995 the US increased economic pressure on Iran. In March Clinton vetoed a deal between the American company Conoco and the Iranian government to develop the offshore Sirri oilfields. The contract was later signed by the French firm Total. In May the US imposed a further trade and investment embargo against Iran. In March 1996 the Iran-Libya sanctions Act, ILSA, was approved which extended sanctions to foreign firms investing more than $40 million in the Iranian oil and gas industry; the amount was later reduced to $20 million. 90

In the meantime, the US continued its military cooperation with Arab countries in the Persian Gulf. In September and October 1995 joint Kuwait-US military manoeuvres lasted forty-five days. Iran condemned the exercises. President Rafsanjani maintained that the area was 'under the occupation of the Americans'. 91 The Iranian government clearly felt threatened in August 1996, when US fighter planes violated Iranian airspace and broke the sound barrier over Bushehr, the effects of which were similar to an explosion breaking windows.

The American act seemed to be simple provocation to which Iran did not respond militarily. Tehran continued calling for the departure of foreign troops and the

89 Amiri, Abdollah, 2005: 78.

90 SWB/ ME/ 2359/ MED, 8, 15 July 1995.

91 Ibid/ 2397/ MED 6, 1 September 1995.
Iran's Foreign Policy towards Saudi Arabia, 1989-1997

establishment of a regional security system. Iran, feeling isolated after the Iran-Iraq war, tried to improve relations with the European Union and Russia.\textsuperscript{92}

Since the discovery of oil, the main interests of Western Europe in the Persian Gulf have been oil and trade. In the 1980s, the European community imported around 40 per cent of its total imports of oil from Iran, Iraq and Arab states in Persian Gulf, whereas Japan imported 60 per cent, and the United States 15 per cent. Financial and commercial relations were equally important, with European exports to the region and Arab investment in Europe. Western European arms manufacturers competed with the Americans and Eastern Europeans. The security of the region was as important as it was to the United States.

After the outbreak of the Iran-Iraq war, Britain and France sent troops to the Persian Gulf region in 1980 as reinforcements for the US presence. British 'Armilla Patrol' was based near the Strait of Hormuz to escort British tankers, and twenty French ships were based in the western Indian Ocean. The French supplied the Iraqi army with weapons such as Exocet anti-ship missiles launched from Super-Etendard planes. The British, even after their withdrawal from East of Suez, provided a major advisory presence in the UAE and Kuwait. In 1984, they joined the US in convoying ships through the strait.

A greater European military involvement in the area came at the height of the tanker war in 1987. When the US reflagged eleven Kuwaiti tankers in July, Iran war discussing economic cooperation with the Soviet Union and submitted ideas for peace and security in the Persian Gulf to the Europeans, trying to persuade them not to join the US forces. By September though, Iran had stepped up laying mines in the Persian Gulf, and naval forces from Britain, France, Italy, the Netherlands and Belgium entered the

\textsuperscript{92} Ibid/ 2686/ MED/ 21, 9 August 1996.
Persian Gulf to help the Americans. Fourteen of the twenty-nine European ships were minesweepers. The Europeans did not develop the same opposition to Iran as the US, despite the war and problems arising from Khomeini’s *fatwa* against Salman Rushdie in 1989. Hence, after the end of the war, Iran sought to develop its trade relation with Europe.  

The US continued to hold a leading role, which can be seen during the second Persian Gulf War when the UK and France placed themselves under US command. The situation was similar during the renewed Iraqi crisis over the weapons inspectors in early 1998, when only Britain supported the US plan for military action and placed its ships alongside the US in the Persian Gulf. Nevertheless, since the Persian Gulf crisis, Iran saw that Europe and Japan strongly objected to the US sanction imposed by the Iran-Iraq Non-Proliferation Act of 1992 and to the Clinton administration’s ‘dual containment’ policy. Since 1996 Europe and Japan have been outspoken critics of the Iran-Libya Sanctions Act. In November 1993, German Foreign Minister Klaus Kinkel stated that Iran was a major economic and political power in the region and should not be isolated.  

Europe was not prepared to support trade sanctions and give up the Iranian market. In a widely held Iranian view, which stems from their historical memory of British influence and their leaning towards the conspiracy theory, Great Britain has remained the most important outside power in the Persian Gulf. ‘If you trip over a stone’, the Iranian believe, ‘the British have put it there’. For many Iranians, the British are the masterminds and they greatly influence the United States’ policy in the Persian Gulf. “At first glance you may think that the US is the main influence in the Persian Gulf. But if

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94 Interview with Prof. Saei, Tehran, 15, December, 2009.

95 FBIS/ NES/ 74, 16 November 1993.
you lock closer, there is Britain as well. They know this region. They have a lot of military advisory and companies here". 96

By the 1980s and 1990s the United States had taken over as the most influential foreign power in the Persian Gulf, and their presence and impact on the Arab littoral states' policies towards Iran were far more important than the British. Britain certainly had vital interests in the Persian Gulf. In the 1980s and 1990s, British interests were mainly related to trade. Persian Gulf oil was not a direct concern because of British North Sea oil. It therefore wanted to keep the oil price stable. Persian Gulf oil mattered indirectly because instability could affect British exports to the rest of the world. The main British interest in the Persian Gulf was the al-Yamama defence project, which marked a new stage with Saudi Arabia where Britain did not have much influence before. Britain also had a significant military presence in Dhahran to support the Southern no-fly zone over Iraq.

As an unresolved power struggle was continuing between Iran, Iraq and Saudi Arabia, and for the time being they had no interest in cooperating to secure the Persian Gulf, in short, there was no viable alternative security system on offer to the United States and the British. The military presence was very expensive and Western deployments were very unpopular with the Arab people. Britain therefore held that the GCC states should work together. As for British cooperation with the United States, Britain had a strategic partnership with the United States, as they had been cooperating since Mosaddeq and the Suez crisis. Though the French were not directly involved during the Second Persian Gulf war, they provided comfort. They were completely opposed to the US action in the 1998 Iraq crisis. In economic terms, however, Britain was in direct competition with the US and had to use its historic links in the Persian Gulf, to back the American policy towards Iran.

Chapter Four: Iran’s Foreign policy towards Saudi Arabia: The Regional and Global Context

The Effects of External Factors

It has been demonstrated that the United States was the most important outside power to shape events in the region through its open support for the states of Persian Gulf against Iran during the Iran-Iraq war and against Iran and Iraq, since the Persian Gulf crisis, underscored by an increasing military presence. A final question is, how much influence did these external factors have on the Iranian policy towards the Saudi Arabian and Arab states in the Persian Gulf?

Whilst the US policy had a direct impact in the course of the Iran-Iraq war, it only indirectly affected the Iranian policy towards the Persian Gulf states. Throughout the war, the Iranian policy was preoccupied with Iraq. Tehran did not develop any strategy of how to deal with its other Persian neighbours. It had friendly ties with countries which were actively neutral, such as Oman and the UAE, and was openly opposed to countries which supported Iraq, like Saudi Arabia and Kuwait. It attacked some of their oil installations and tankers, but never openly declared war on them. This may have been partly an effect of US support for these countries and the fear of US intervention. But it was probably mostly driven by the idea of not wanting to widen the war front. Once the US was militarily involved in the war, however, it was more difficult to punish the Arabs for their support of Iraq.

After the acceptance of the ceasefire in August 1988, the US presence did not seem to stand in the way of a slow rapprochement between Iran and the GCC countries. This was enhanced after President Rafsanjani came to power in 1989, and then as a result of Iran’s neutral stance during the Persian Gulf crisis. Despite internal pressures, Rafsanjani attempted to bring about a rapprochement with the West, and President Bush seemed inclined to do the same, at least in the beginning. He even supported the rapprochement between Iran and the Persian neighbours.

Had the Iran-US rapprochement been successful, this would inevitably have had a positive effect on the Iran-GCC relations. Instead, the situation deteriorated with Iran’s opposition to the Madrid Peace Conference in October 1991, the crisis over Abu Musa
and Tunb islands (which Iran saw as fundamentally driven by the US) and the US presidential election campaign in 1997. Once the new Clinton administration took over, the Iranian policy towards Saudi Arabian and the GCC was largely constrained by the US Middle East policy. The US role in the Persian Gulf, much more than in the 1980s, began to shape the Iranian perception of regional politics. Clinton's policy towards Iran began to take form with the announcement of the Dual Containment policy in May 1993. As mentioned, it was mainly influenced by Iran's opposition to the Arab-Israeli peace process. The policy was a heavy-handed approach that aimed at isolating Iran in the region and the international community until it gave up its opposition to the peace process, its support of groups opposed to the process and its ambitions for nuclear, biological and chemical armament. The US increased its military and economic presence in the Persian Gulf further and opposed any inclusion of Iran into a regional security agreement. Even if the GCC states had, for a short while after the Persian Gulf crisis, contemplated the inclusion of Iran, they now entered into bilateral security arrangements with the US and other outside powers, such as France, Russia and Britain, although by and large, they still voiced open criticism of the Dual Containment policy and the isolation of Iran. They feared its repercussions on the general atmosphere and wanted to avoid confrontation with their bigger neighbours. They were aware that, in case of heightened tension and a military confrontation between the US and Iran, Iran would retaliate against them. The US, however, disregarded Arab opposition to its policy and their call for a dialogue.

This may have contributed to the fact that Iran's hostility towards the US did not generate any corresponding response towards the GCC states. In its dealings with these countries and its efforts to establish good relations, Iran did not criticize them for their relationship with the US. It simply reminded them of the fact that the Persian Gulf could only be made secure by its littoral powers. Iran seemed to have come to realize that the US military presence would remain in the region and that immediate regional security cooperation was impossible. Tehran, in the 1990s, was very cautious in its policy towards
its neighbours and tried not to offend them but to build confidence in fields where it could ignore the US pressure, such as trade and tourism.

In the security field, Iran was equally restrained. It did not sever relations with the Persian Gulf states over their alliance with the United States. Besides the fact that it wanted to avoid getting into another military confrontation, this was possible also out of fear of an American military reaction. The more the US threatened Iran, the more cautious it became in its approach towards its neighbours. It was Rafsanjani’s policy not to challenge the US. President Khatami took this one step further by openly calling for a dialogue and eventual re-establishment of relations. It has been demonstrated in this chapter that Iran welcomed the European presence as a counterbalance to the US in the region even if Tehran was wary of the British influence amongst the GCC governments. As the European countries had good relations with Iran, and were in direct competition to US companies in the GCC, Iran could hope that Europe would have some positive influence amongst the GCC States in supporting rapprochement.

Conclusion

Hashemi’s Presidency and announcement of his new policy based on the principle of confidence-building in relations with the world countries, especially Muslim states in the Middle East and Islamic world, brought Iran’s foreign policy out of its passive state and successful results of this orientation were the establishment of overall close relations between Iran and Saudi Arabia and its effects in the re-institution of relations between the Islamic Republic of Iran and other regional and Islamic countries. Given Saudi Arabia’s pivotal role in the Middle East and in the Islamic world, the creation of an atmosphere of confidence-building and cooperation between the two countries has demonstrated its positive and constructive effects on the creation of tranquility and establishment of political-economic security as regional security in the Middle East region, and in forging stronger consolidation and closer unity among Islamic states.
In fact, there were positive views contrary to the prevailing assumptions that assess relations between the two countries from a negative viewpoint, due to the past fundamental differences between the two nations in different fields. There were beliefs that such close relations between the two countries were temporary and for a limited period of time as the two countries were rivals in the region. However the reality and this work of research is proof that, considering the new developments in Iran’s foreign policy, the creation of an atmosphere of collaboration and removing the walls of mistrust within the framework of the pragmatic principle, the two countries have enjoyed the most positive and productive years of closer cooperation in the history of their political relations. Obviously progressing toward such an environment in future can result in the creation of expanded security and cooperation ties and systems within the region as well as trans-regional levels, and the Islamic world as a whole.

The external factors which had an impact on Iranian policy towards Saudi Arabia and its Persian Gulf neighbours was the US policy in the 1990s, when Tehran felt threatened by the US military presence and had to manoeuvre carefully not to offend the GCC states. Iran’s response to this outside presence was subdued, calling for the withdrawal of the foreign forces, but not actively taking any steps to counter it and at the same time trying to improve links with the Arab governments as far as that was possible.