Iran and Saudi Arabia,  
And the Perfect Storm in the Persian Gulf  

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1. INTRODUCTION

One of concepts that been frequently used in International Relation is Regional Power. While there is no consensus among scholars in the field about the definition of this concept, a number of common features of regional powers been mentioned in the IR literature to distinct them from Global and middle powers. The first difficulty is finding a general accepted definition of Region and or sub-region. As Buzan states ”the concept of region is widely used and seldom very clearly defined”. But Region can basically defined as a certain geographic area that is interconnected by cultural, economical or political issues. By narrowing the definition of region one may define the regional powers as states that poses a considerable political, economical and military power within a certain geographic region but not in a global scale, their power and their impact on the region is recognized by neighboring countries and other great powers, they strive for hegemony in their region, and finally, they share the self-conception of being a regional power. In order to understand the nature of crises that have a global impact, it could be useful to understand the dynamic of regional powers interaction with neighboring states or with other regional or global powers. It is important to find answers to questions like: why some regions like Middle East are suffering from harmful competitions and severe conflicts while the others, like South East Asia enjoys a flourishing economy and near cooperation between neighboring states? Or why these actors indicate mistrusting behavior instead of trust-building and why they chose to compete and not cooperate? This paper will examine the potential connections between quality of relationship between regional power and influence from global powers and challenges that leaders of these states have to handle with both inside and outside their countries.
2. Background

Middle East is one of the most conflicted-laden regions in the world that faces new sources of treat and fear at regular intervals. Sectarianism is latest feature of this region and Saudi Arabia and Iran represents two opposite blocs of the new sectarianized Middle East. For those who had been following media coverage of what happening in the Middle East in the past few years, it would be easy to understand why it is generally believed that these two countries are behind much of the proxy wars in the region. Arab spring was one of the elements that changed the political map of Middle East and contributed to increased sectarianism. Another important element that had contributed to the current situation may be the consequences of a decline in United States interest in region and the internal and external security dilemma that both counties are finding themselves in by the overall shifts in the balance of power in the region.

Iran and Saudi Arabia have criticized each other about a number of issues such as threatening the other’s national interests, involvement in the other’s internal affairs, training and giving support to rebel groups and encouragement of minorities, striving to destabilize the region, etc.

What can be done to avoid a war? It is necessary to understand each parties legitimate concern to make a distinction between those activities that are cover for an expansionist and illicit policy and those that are reasonable, in order to bring about some kind of clarity about intentions and reduce the tensions. A distinction by this character can provide a platform for a comprehensive settlement, not only between Saudi Arabia and Iran, but also in the entire Persian Gulf region.

3. Aim

This paper will try to contribute to the IR studies in region level by finding answer to the researchs question which is: **How does domestic leadership and relations to a global power affect the relationship between regional powers?**
4. Theory

The research question of this paper is: **How does domestic leadership and relations to a global power affect the relationship between regional powers?** By applying the literature that have been used in this research, two hypotheses can be developed:

1. Strong and charismatic leaders that benefit from a major domestic support are likely to establish trustful relationships toward the other regional power.
2. A balanced relationship with United States as a global power can decrease the competition and contribute to cooperation between regional powers.

The reason that these two hypotheses were developed in order to answer the research question was the fact that variations in relationship to United States along with variations in leaders position inside their countries was two main elements that characterizes the chosen periods of time.

4.1. Independent and dependent variables

The quality of relationship between Iran and Saudi Arabia is the dependent variable in this paper. As mentioned before this paper will try to find the dynamics and underlying factors that push some regions toward cooperation between neighboring states while in other regions it is not the option and actors and neighboring states choose to move toward harmful competition and confrontations.

Regional powers have the capability to dictate their own conditions or set courses for cooperation or destructive competitions for the entire region to a certain extent.

The chosen region in this paper is Middle East that has been a conflict-laden zone since decades and Iran and Saudi Arabia are to regional powers with clear distinction in their behavior and relation to their neighbors.

The quality of the relationship between these two countries can be evaluated by examining how much confidence they have in relation to the other one and to what degree they are keen to cooperate or compete with each other in regions important issues.

There are two independent variables in this research. The first one is domestic leaders strength and weakness and challenges that they meet domestically and abroad. The second independent variable is their relation to a certain global power, which is the United States of America. In order to find out the degree of trust or mistrust in theirs relationship, this research will sum up the extent of internal and external security dilemma that each of these countries are facing in the region.
4.2. Relationship between Iran and Saudi Arabia and its quality

Iran and Saudi Arabia has moved from a very close cooperation and warm relationship toward competition and unfriendly relationship. This research will compare shifts in their relationship in two different periods of time to identify changes that pushed parties to this position.

4.3. Domestic leaders weakness and their internal and external challenges

Domestic leaders role is always crucial in states behavior but domestic challenges can drive decision makers in certain direction or influence their conduct in the international system. A weaken leader with serious challenges at home, cannot perform trustworthy and confidence giving outside the country.

4.4. Relationship to U.S.A

Relation to world’s greatest economic and military power, USA, has always had huge impact, not only in the Middle East region but also every where else in other regions. During the cold war U.S. and U.S.S.R. had their own sphere of interests and compete over hegemony in a global scale and many countries could benefit of their competition in order to secure their own national interests. Saudi Arabia and Iran were both receiver of USA’ support in war against communism in the first period (1964-1975) but during the next period, and after 1979, Saudi Arabia turned to be the United States nearest ally in the region and Iran tried to address this change in balance by moving nearer to U.S.S.R. and then after 1990, to Russia. The hostilities between Iran and Saudi Arabia is in some extent related to Iran’s unfriendly relationship to U.S.

4.5. Security dilemma

Security dilemma has been defined by many scholars in the IR field in different ways but the most common definition of this term can be formulated as one states uncertainty about other states intension, which results in some defense measures that at the end can perceive as offensive by its neighbors, an vicious circle that can create destructive arm races and creating new alliances. The common situation in these cases is that in the end all parts are less secure and more concerned. Security dilemma can be external and internal. Both Iran and Saudi Arabia are subject to huge domestic security dilemma in form of ethnic, religious, and in Iran’s case, economic conflicts.
According to Donnelly, due to uncertainly about the intentions of other states, measures that one state takes in order to increase its own security perceived by others as threatening and lead to measures that the others take to protect themselves against this perceived threat, then these measures are interpreted by the first state as signs that confirms its initial assumption that the others are dangerous and take further steps in order to protect itself and in the end both sides are more unsecure (Donnelly, 2000:17).

This mutual misunderstanding is the consequence of communication failure between adversaries and can lead to a spiral of unwanted events that neither of parties can control, something that often been used as an explanation to why the First World War happened. According to Peter Wallensteen “peace research theories often assumed that decision makers did not want war but were drawn into it because of uncontrolled escalation and conflict mechanism” but in fact, he acknowledges, “the political leaders were, indeed, more Machiavellian than the critics expected” (Höglund and Öberg, 2011:37)

4.6. Realism Theory

Realism theory will be used as the research guide because author believes that this theory has the required potential to explain the dynamics of the international system and underlying elements that shape the states behavior. Realist scholars believe that states behavior, as the most important actors in the international system, had been the same through humankinds history, and their search for power, are the main drive in the international relation.

According to Jack Donnelly realism focuses on the impact of human nature and the absence of international government on politic and believes that the international relations is dominated by power and interest. Realists even stress the effect of international anarchy, and absence of an international government in states behavior (anarchy refers to absence of hegemony, rule and government). According to Donnelly theses assumptions leads to following realities: since “anarchy not only allows but also encourages the worst aspects of human nature to be expressed”, states must act proper to protect their national interests, and because there is no international government, “the law of the jungle still prevails” (Donnelly, 2000:5).

The overriding role of power in international relations is the result of interaction between these two features: egoism (self-help) and anarchy. That means that states are in an endless struggle for power and they rarely can trust other states and must rely on their own capabilities. In this theory interests are vital and the moral concerns are not crucial and as Thomas Hobbes puts it “the notion of Right and Wrong, Justice and Injustice have there no place” (Donnelly, 2000:9).
Hans Morgenthau is one of the most important realists and his book: Politics Among Nations, from 1954, has been used as a guideline for principles in realism. He formulated the principals of realism as follows:

1. ‘Political realism believes that politics, like society in general, is governed by objective laws that have their roots in human nature” (Morgenthau 1954:4).
2. “The main signpost that helps political realism to find its way through the landscape of international politics is the concept of interest defined in terms of power” (Morgenthau 1954:5).
3. Power and interests are variable in content across space and time (Morgenthau 1954:8-9).
4. “Realism maintains that universal moral principles cannot be applied to the actions of states” (Morgenthau 1954:9).
5. “Political realism refuses to identify the moral aspirations of a particular nation with the moral laws that govern the universe” (Morgenthau 1954:10).

Kenneth Waltz is another influential scholar in the filed of international relation. His works came to be associated with Neorealism. Waltz means that International Relation is domain of anarchic political structures and he defines the political structures by theirs ordering principle: these units/political actors “either are or are not arranged in hierarchical relations of authority and subordination”. (Waltz, 1979:88/89). According to Donnelly this order “arises from the interaction of formally equal political actors not by a higher authority” (Donnelly, 2000:12). Since the order is anarchic, Waltz argues “each state is a separate, autonomous, and formally equal political unit that must count ultimately on its own resources to realize its interests”. (Donnelly, 2000:12).

Another feature of a political structure according to Waltz is distribution of capabilities among actors in the international order. This means “international orders vary according to the number of great powers” (Donnelly, 2000:12). Waltz believes that “balance of power” can explain how states, as concentrations of power, compete with each other in an anarchic environment and this theory can prevail how “two or more states coexist” in an anarchic order “with no superior agent to come to the aid of states tat may be weakening or to deny to any of them the use of whatever instruments they think will serve their purposes”. (Donnelly, 2000:12).

States tries to attain balance of power through alliance or as Waltz puts it: “jump on the bandwagon” of a greater power, because according to him “a state must always be concerned with its relative
power. The power of others – especially great power – is always a threat, never a lure”. (Donnelly, 2000:13).
5. Research design and method

The research question for this paper is: **How does domestic leadership and relations to a global power affect the relationship between regional powers?**

The connection between weak/strong leaders of a state which suffers/ benefits from domestic challenges and the states behaviour in international system has been observed in many studies. The impact of interventions from external powers, and particularly global powers, has been subject to a number of reasearches too. But this paper will state that the previous studies are not covering the combination of these issues properly and on the other hand competitions and quest for hegemony in Middle East, has some special features that requires more substantial studies in order to undrestand the dynamic of region powers interaction and behaviour in this area. Iran and Saudi Arabia are two regional powers that had moved from coperation and trust toward misstrust and competiotion. There ar many features in their destructive behaviour toward the other one that can be considered as characteristic and useful for this papers aim.

In order to undrestand the nature of their divergences, this paper will first go through a period of time when Iran and Saudi Arabia had a more stable relaitionship together, which begins from 1964 and ends 1975, in order to find trustbuilding behaviour and patterns to follow, and then will compare this period to another period, which begins 1979 untill the present. The aim of the reserch is identifyning the elements that have changed during this span of time and try to understand the underlynig cause and structure of this conflict. In next step this paper will examine if and how they can move from pure hostility toward some kind of co-operatation and mutual undrestanding for the other´s national intrestes.

Leaders that have been chosen in the first period are Mohammad Reza Shah Pahlavi in Iran and king Faisal bin Abdul Aziz in Saudi Arabia. The resaon for chosing these periods of time are clear distinctions that can be fund by comparing the quality of relationships between these countries that can be measured in term of high level of trust and near cooperation between these two regional powers and these leaders was chosen because they had power in their countires during the chosen period. In the next period, several kings ruled in Saudi Arabia during short times and Iran rulled first by Ayatullah Khomeini and then by his successor, Ayatullah Khameni.

5.1 Structured Focused Comparison
The method that will be used in this research is Structured Focused Comparison. This method is structured, which means that in order to guide data collection, some questions that reflect the research objective will be written and answered of each case and then a systematic comparison of the findings will be possible. By Focused, means that only certain aspects of the historical cases will be treated (George, A. L. and Bennet, A, 2004:1).

According to Kristine Höglund, comparative qualitative research can be used to find contrasts in two or more entities, or between different regimes in a state over time (Höglund and Öberg, 2011:128). She means that identification of the variation in the outcome that is to be explained is the first step. This variation can be the level of violence in post-war societies or variation in the achievements of a reconciliation process. Then in second step the researcher most identify the case that are in fact comparable. And finally, researcher should be assured that comparable information about the case is available (Höglund and Öberg, 2011:129).

In order to operationalize the Structured Focused Comparison, this research will use following operational indicator questions:

1. How established is/was the authority of leaders of these two countries both inside and outside the country?
2. In what way one can/could characterize the relationship between the United States and these countries?
3. How the Saudi and Iranian Security Dilemma can/could be define?

Focus will be put on quality of relationships between Iran and Saudi Arabia, leaders and their domestic challenges and internal and international security dilemma that they meet, and their relationship to USA. In order to figure out the main sources of divergencies between these countries this research will examine if chosen variables can explain the dynamic of the conflict. In conclusion part will this paper use the results to discus how they can move from pure hostility toward some kind of co-operatation and mutual undrestanding for eath country´ s national intrestes.

The sources that will be used in this research in order to collect data are written narratives. Written narratives are among other things memories, historic accounts, reports or stories of events, experiences and the like narrated by an events direct participants and observers or by scholars. Written narrative have some features that make them more practical; they are selected and structured presentations, focusing on what the authors view as the most important or interesting aspects of an
event or behavior. Written narrative provide insight into the motivations and reasoning of actors and give a deeper understanding of the case been studied (Höglund and Öberg, 2011, 87/88).

This paper will use a book and several articles which suits the purpose of research in order to examine other aspects of the issues that will be debated here. All internet sources downloaded from internet in 2017-04-15. In order to find related sources author has used Uppsala University’s databases and by choosing different combinations of words: Middle East, Competition, Iran, Saudi Arabia, Regional power, and then chose suited articles.

This research will use two book written by two female scholars, each from one of these countries. Banafsheh Keynoush and Ghadah Alghunaim. Banafsheh Keynoush is an Iranian scholar with a background in World bank and the Asia Founding. She works as university assistant and adjunct professor at Princeton University. Keynoush received PhD in International Law and Diplomacy from Tufts University in Medford, Massachusetts. Her book: “Saudi Arabia and Iran, friends or foes?” is one of two pillars that this paper are based on. The other work that will be used in this paper is a doctoral dissertation ”Conflict between Saudi Arabia and Iran, An Examination of Critical Factors Inhibiting their Positive Roles in the Middle East” by Dr. Ghadah Ghunaim Rashid Alghunaim, a Saudi female Conflict Analysis Specialist which received her PhD from Nova Southeastern University. She works as Senior Consultant in her homeland. These works gives a balanced description of the relationship between these countries from beginning of 20th century up to period of publishing their works (2014/2015).
6. Research Question

The research question for this paper is:

**How does domestic leadership and relations to a global power affect the relationship between regional powers?**

7. Period 1: 1964-1975

The period of trust and cooperation

During this period, 1964-1975, Faisal bin Abd Al-Aziz ibn Abd ar-rahman Al-Saud (1906-1975) was the king of Saudi Arabia and Mohammad Reza Shah Pahlavi, (1919-1980), was king of Iran.

King Faisal, took power in 1964 and from the beginning he had a clear vision for his country and himself: he wanted to use Islam as a unifying factor against spreading of Communism, and at the same time he wanted to make Saudi Arabia as the center of Islamic world in order to make himself in charge for all major changes in the region. He tried to counter two other political waves in the Middle East that could endanger his plans: Naserism and Pan Arabic Movements that both originated from Egypt.

Faisal was host for two conferences for unity in the Islamic World in 1964 and 1965 and his efforts that was supported by Shah of Iran, resulted in establishment of the Muslim World League and the Organisation for the Islamic Conference (OIC) in 1969 (Keynoush, 2015:93).

Mohammad Reza Shah of Iran shared the same concerns about Communism, Naserism and Pan Arabic movement and was struggling with a strong pro-Soviet opposition inside his country. He had no plans to play any major religious role in the region, something that Saudis was aware of. Shah gave full support to King Faisal’s efforts and was a close ally to him. This period was characterized by a mutual understanding for the cooperation in the Persian Gulf region and respect for other parties national interests. A major feature of this situation was this fact that each side could be sure about the others intentions. King Faisal was aware of Shah’s plan for transforming his country by introducing Western ideas and lifestyle and importing new technology and at the same time he wanted to limit the power of traditional religious leaders that always played as obstacles in relationship to Saudi Arabia and he was serious in his camp against Communism. In return could Shah be sure that the ideology of Wahhabis cannot have any impact on Iran’s internal affairs, because majority of Iranian were Shiite Muslims and he was sure about stability of his country and he didn’t identified Saudis as threat to his plans.
The close relation between these two leaders began when Faisal send a special envoy to Iran to introduce his plans and asking for support from regions other major power. Shah answered him by sending his foreign minister and assuring him that Iran will give him full support. In the next move Faisal visited Iran in December 1965 and then he traveled to several other Islamic countries in order to start the preparations needed for establishing of OIC. When Shah paid a visit to Saudi Arabia in November 1968, he addressed king Faisal in a public speech as Amir Al-Mumenin, which means “leader of believers”, a title that is reserved to Ali Ibn Abitaleb, Shia Muslims first Imam. He added that the King Faisal has responsibility to mobilize the Islamic world. In 1969 these actions resulted in first OIC meeting in Morocco that was inaugurated by both Faisal and Shah (Keynoush, 2015:93/94).

Between 1964 and 1966, volume of trade between these two countries raised by 300%. In order to improve the image of Saudi Arabia in Iran and erase the previous records of this country as an anti-Shia government, both countries signed agreement that facilitate transport of pilgrims from Iran to Saudi Arabia and provided more service to them. On the other side Iran signed an agreement to offer full scholarship for Saudi students in Pahlavi Medical University in Iran and offered help to establish a school of medicine in Riyadh (Keynoush, 2015:95).

According to Keynoush, in 1969, Faisal faced some severe difficulties with its neighbor in south, the Peoples Democratic Republic of Yemen (PDRY) that was a coalition between socialist and communist movements in that country. Saudis needed modern weapons to counter attacks from their neighbor and Faisal turned to Shah and asked him for help to face this crises. Shah had a close relationship to the president Johnson at that point and could assist Faisal to obtain the arms he requested. What happened then shows how close these two countries were during that period. As Keynoush puts it, in 48 hours, Iran ordered nonstop flights to deliver requested military equipment to Saudi Arabia. Shah, that was aware of difficulties that Saudis had to receive arms from USA at that moment, urged USA to assist Saudis.

In another move, Shah sent its troops into Oman to protect King Qaboos against communist rebels that was inspired by Yemenis and received support from Soviet and China. Iranian troops crushed the rebel forces and pushed them back to South Yemen. These efforts from Shah created a special relationship between Oman and Iran that still remains. (Keynoush, 2015:97).
7.1. Domestic leader’s challenges

7.1.1 Iran

Mohammad Reza Shah Pahlavi, (born in 1919 and died in 1980), according to Encyclopaedia Britannica, was the eldest son of Reza Shah Pahlavi, and shah of Iran from 1941 to 1979. He maintained a pro-Western foreign policy and promoted modernization and economic development in Iran. He was educated in Switzerland and returned to Iran in 1935. In 1941 the Soviet Union and Great Britain occupied Iran and Reza Shah forced into exile because of his alleged collaboration with Nazi Germany, and Mohammad Reza took his place. The new king maintained his fathers effort in order to develop the country and during his time Iran moved toward a wealthy and modern country. In 1953 he was forced to leave country because of a nationalist movement that demanded nationalization of oil industry and saw him as the opponent of this issue. Shah came back to power several days later with the support of the United States and initialized a number of reforms. At the same time increasing revenues from oil helped him to accomplish his economic plans and reforms during 1960s and 1970s. But an increasing dissatisfaction from Shia clergy, that blame him for hostile actions against Islam, and left-winged activists that opposed his anti Soviet position, began to spread over the country. In 1979 Ayatollah Khomeini, a religious leader in exile, had established a broad support and acceptance inside Iran that forced Shah to left the country. He died in Cairo in 1980.

7.1.2 Saudi Arabia

According to Encyclopaedia britannica King Faisal, the third son of the Kingdom’s founder was born in 1906. He was foregin minister of Hejaz in 1926 and later in 1945, he reperesented Saudi Arabia at the United nation conference and served as UN ambassador after this event. He became Crown prince and foregin minister in 1953 and at the same time he received full executive power of state during that period. He became king after his brothers accesion in November 1964. He was much more active than his brother both in domestic and international affairs. He took active part in several important wars abroad, among others in Yemen war and in Arab-Israeli war of 1967.

King Faisal assassinated by his half-brother’s son in March 1975, and Iran declared a week of mourning, following by Shah’s visit to Saudi Arabia to offer his condolences to the successor, king Khalid. At that moment, the special relationship between two countries was over. King Khalid and other successors of Faisal never gained his legitimacy and power and this issue came to play a major role in the future of this country and whole region.
After assassination of King Faisal, the country was thorn into a turbulence period. Islamists that was unsatisfied with modernizing process over the country, partnership with U.S. and reluctance of the Al-Saud to intervene in Palestine-Israel question, blamed the Royal Family for ignorance of Islamic basic rules of government and several significant events, among others occupation of the holy mosque in Mecca in 1979, undermined the legitimacy of Al-Saud.

7.2 Relationship to the United States of America

7.2.1 Iran

Relation to world’s greatest economic and military power, USA, is an issue that has a huge impact over the relationship between these two countries. Iran had a close relationship to the United States until 1979 and Mohammad Reza Shah, king of Iran was called the USA’s gendarme in Persian Gulf region. President Carter coined the phrase “the Island of Security” to address Iran under the leadership of Shah. Spreading of communism was the main fear for the US during this period and Iran had an unlimited access to military and technical support to act as a buffer zone between its northern neighbor, USSR, and the Persian Gulf region.

7.2.2 Saudi Arabia

Saudi Arabia and USA have enjoyed a special relationship since WWII and been allied based on USA’s need to secure its access to oil and Saud Arabia’s need for a powerful ally and guaranties against internal and external treats to its existence. This special relationship was combined with a near relationship between USA and Iran until the Islamic revolution in Iran in 1979, contributing to a power balance between these two countries based on United States fear for spreading of communism, in order to use them as its ally in the war against spreading of communism in the region. During this period, both countries could equally obtain US military arms and support and application of Nixon Doctrine in 1971, resulted in a huge fueling in selling sophisticated arms to both Iran and Saudi Arabia as so called: Twin Pillars of stability in the Middle East. (Keynoush, 2015:98-112).
8  Period 2: 1979-present
The period of mistrust and competition

In 1979 the Islamic Revolution in Iran resulted in overthrow of the king of Iran, Mohammad Reza Pahlavi, and collapse of the balance of power that Twin Pillars policy had contributing to establish in the region (Keynoush, 2015, 21). What happened after was emerging of a theocratic state in Iran with a aggressive ideology: political Islam, that was based on Shia branch of Islam and centered on a hostile relationship with USA and its allies in the region which came to challenge the traditional Kingdoms in Persian Gulf region. Here began a new period in relationship between Iran and its neighbors, particularly Saudi Arabia and rivalry between these countries changed focus. According to Paul Salem, the new revolutionary Iran challenged the regional order at several levels: by proclaiming itself as a pan-Islamic movement that its goals goes beyond the Iranian borders and want to overthrow conservative Gulf monarchies and other states in the region that are aligned with the USA, and highlight the Islamic causes, particularly the Palestine question, in order to unify the Islamic world against Israel (Salem, 2016:6). This huge turn in Iran’s goals and visions began to treat the regions stability. Iran’s shift into Islamic world, challenged Saudi Arabia’s role despite the fact that these two countries advocate two different branches of Islam that divides the Islamic World: Sunni and Shia Islam.

8.1 Islam and striving for hegemony in the Islamic world

Saudi Arabia and Iran advocate two different branches of Islam that divides the Islamic World: Sunni and Shia Islam. In Middle East, such as other parts of world, religion had been used as a tool by different actors in order to gain political aims or take advantages of the rivals. Saudi Arabia rules according to Wahhabi ideology which some identifies as a radical version of Islam. This country has custodianship of holiest sites of Islam that makes this country to the center of Islamic World. Iran is the only Islamic country that challenges this position since the Islamic Revolution 1979, by presenting the Political Islam that some identifies as another radical version of Islam.

Iran is a major center of Shia Islam and since 1979 its ideology has been a source of concern in the region and, at the same time, a source of inspiration for Shia Muslims across the Islamic World. About 10% of Saudi Arabia’s population are Shia Muslims and they traditionally lives in eastern provinces there much of this country’s oil fields are located. This minority has been subject to different sorts of discrimination by state and majority of the country. Iran has been blamed to not only giving them a voice and a vision for equal rights, but also offering practical help like logistic
and military aids in their struggle.

Shia Muslims are spread over the Middle East where Saudis identify it as their own sphere of interests. Lebanon, Bahrain, Kuwait, Iraq and Yemen are some of these countries. In the next section presents brief information about Islam and different branches of this religion in order to understand the structure of Iranian and Saudi ideological differences.

According to Encyclopedia Britannica, shortly after death of Muhammad, Muslim community divided in two factions: Sunnis, the majority branch of Islam, that shares this opinion that Muhammad elected no successor and they accept the choice of Muslims at Medina that chose Abu Bakr, Muhammad’s father-in-law, and Shia, the other branch of this religion that believes that Muhammad has nominated his son-in-law, Ali ibn Abi Talib as his successor. Shia Muslims shares therefore this opinion that Ali’s right of succession has been violated and they believes that Ali’s family (the holy family, because he was married to Muhammad’s doter) and has the divine right to rule the Islamic society. Shia Muslims recognize 12 Imams, which are descendants of prophet including Ali, and they believe that last one of them, that is disappeared and “will return toward the end of time to fill the world with truth and justice”. The follower of Islam is about 1.5 billion around he world and the Shia Muslims are about 130 million. Encyclopedia Britannica describes Muhammad ibn al-Wahab, the founder of Wahhabi ideology, as son of a Hanbali jurist, (Hanbali is one of the four main branches of Sunni Islam) who began to spread his teachings about 1740 in Najd region. This region on that period was under role of Mohammad ibn Saud, the founder of Saud dynasty. Since then, this ideology became a close ally to Al-Saud dynasty and a source of unity for furtur expansions of Al-Saud in the future Saudi Arabia. Wahabist movement and it’s ally had all Najd and holy cities of Mecca and Medina under control by end of the 18th century and attacked Karbala, a holy city for Shia Muslims in the nexxt move but the first Wahhabi empire crushed ut by Ottoman sultan in 1818. This sect survived several backlashes and eventually in 20th century gained the status as the states ideology when Abd al-Aziz Ibn Saud founded the Saudi Arabia in 1932. Wahabbism is a movement, that rejects every acts that can be considered as act of polytheism, such as visiting shrines, tombs and holy sites or praying to saints and advocate return to origin of Islam and only legitim source of it, which is Quran and Hadith (traditions of Muhammad), rejecting all kind of ideas that in their sight identifies as innovations in Islam, like Shia branch of Islam.

Both Iran and Saudi Arabia claims hegemony in the Persian Gulf region. According to Morgenthau states are rational actors. Their pursuit of interests, which best can be defined as power, is the main
driving factor within IR. Waltz means security preserves through a balance of power and states counter threats against their existence/national interests by facing them and a weaker states gains balance of power by alliance with stronger states.

As mentioned above both Iran and Saudi Arabia acts in pursuit of power and they use religion and other tools in order to gain more power. Power according to Nye can be divided in two categories: hard and soft power. Joseph Nye defines the power “as the ability to affect others to obtain the outcomes you want and the soft power is to do so through attraction rather than coercion or payment. He means that a country’s soft power rests on its resources of culture, values, and policies” (Nye, 2008, 2). He believes that intangible assets like culture, political values and institutions and legitimate policies that can be identified as moral has the potential to generate Soft power and shape the preferences of others. Governments use public diplomacy as a tool to mobilize their cultural and political resources in order to communicate with and attract the publics of other countries, specially usual people, and they do that among other ways by drawing attention to these resources through broadcasting and cultural arrangements. Nye argues that states material and military power stops exactly at their borders but their soft power rules over entire world (Nye, 2008:9).

Iran has been under weapon embargo and sanctions since 1979 and when it comes to hard power cannot be defined as a country with major military capacities. Its air force is several generation behind the Saudi’s and has no capacity to challenge its neighbors. In order to protect itself from another invasion, like what happened during Iran-Iraq war, Iran has developed a domestic arm industry to match up with it’s limitation and among other things has followed a missile program that can fill this vacuum. Iran has a larger population with a high level of educated and skilled workforces and an industrial base that along with it’s oil and natural gas reserves gives this country favorable conditions for an economic grow if this country can solve its problem with international community.

When it comes to soft power, Iran poses a significant soft power within Shia Muslims inside Saudi Arabia and other countries inside Saudi Arabia’s sphere of interests.

Saudi Arabia has spent huge resources in order to increase its soft power. It’s estimated that this country had expend more than $100 billion to spread the Wahhabi ideology around the world. According to James Russell, the fact that 15 out of 19 attackers on 9/11 was citizens of Saudi Arabia gave rise to what many suspected for decades that Saudi Arabia have been the financial supporter for al-Qaeda and other extreme Islamic groups, through the funding of Madrasas (religious schools), around the world and specially in Pakistan, has sponsored the religious extremism, preaching Wahhabi fundamentalist version of Islam (Russell, 2005:3).
Beside this negative aspect, the holiest sites in Islam, Mecca and Medina are situated in Saudi Arabia, giving this country a huge soft power within Muslims around the world.

Both Saudi Arabia and Iran rules based on Islamic laws and clerics have a powerful position in shaping the internal and even foreign policies in these countries. These countries represent two completely different versions of Islam and spend huge resources to spread its own interpretation across the Islamic world. It goes without saying that much of the actions from clergies in both sides are out of governments control but both sides have occasionally hide themselves behind the hatred speeches and sectarian literature that comes from different religious groups or been used as political tools to put pressure on the other side.

8.2 Domestic leader’s challenges

8.2.1 Iran

Iran’s Islamic revolution in 1979 resulted in replacement of a secular and western friendly government to a religious government with a hostile relation to the west, and it had a huge impact on every single feature of Iranian people. Women were the first victims and even the first challenge for the new government. They were forced to use veil in public and this task was not easy to accomplish and even now after four decades, still is a major challenge for the regime. Economical embargo and sanctions from United States and many other countries was another major challenge that the new leaders of Iran had to get used to and gave rise to more frustration among Iranian people. Political struggles between supporters of the new government and others political parties resulted in many violent conflicts across the country resulting in increasingly weaken and distrusted rulers. Another major issue that was an external feature but radically changed leaders behavior, both internally and internationally, was the eight years long war with Iraq that almost ruined both countries economy and infrastructure. The government had to prioritize the war and use its already strained resource to maintain its war machine. Iranians every day life were affected drastically and unpopularity of leaders was at its high.

The impact of war on the leaders international behavior came to affect the domestic policy in many directions. USA was among them who gave support to Iraq during the war and in the last phase of war USA began to intervene direct in order to put an end to it. Even Saudi Arabia and Kuwait along with some other Gulf states, fully supported Iraq during the war in form of economic aids but these countries turned to be Saddam Hussein’s next target when they tried to force him to pay back its
loans. According to Alghunaim, “Saudis sold 280,000 barrels of oil to Iraq on a daily basis, partially paid for Iraqi military equipment, allowed Iraqi to benefit from using Saudis ports to transfer their equipment, and provided intelligence data to the Iraqi government” (Alghunaim, 2014:78).

In 1990, when Iraq invaded Kuwait, Iran fully supported Kuwait and the Gulf states and condemned Saddam’s actions, despite of these state’s previous position during the Iran-Iraq war. First and second Gulf War (1990 resp. 2003) occurred as a result of Iraqi leaders policy in the region and those wars significantly changed the political map of Persian Gulf region. As a consequence of the new order in the region, Iran felt threatened and began to prepare itself for a possible U.S. invasion by building its own domestic missile program, seeking new allies and finally by chasing a Uranium enrichment program. These actions that stemmed from the intimidations against its existence and the security dilemma that Iran found itself in, developed more suspicion and alienation among other states in the region and resulted in new alliance-buildings and sever sanctions against this country. Once again USA was the driving force, not only by imposing its own, but also by encouraging UN and EU to impose heavy sanctions on Iran.

Iran and Saudi Arabia are two major oil producers that their rivalry in this field goes beyond religion and ideological divergences. There have been periods when both sides have used oil as a political tool. For example during the Iran-Iraq war, by overproduction of oil, Saudis lowered the prices to put Iran under economic pressure. It goes without saying that both countries compete over customers and a leading role in the oil market.

8.2.2 Iranian security dilemma

Much of the Iran’s struggle for power can be connected to its post-1979 aggressive revolutionary ideas that mentioned in this paper before. But still there are some geopolitical features of the region and historical patterns that can be identified as contributing factors to shape this policy. The last time Iran invaded a country was about 300 years ago. But this couldn’t protect this country from being subject for foreign interventions and invasions. According to Salem much of the Iranian leadership’s actions might be described as paranoia, but the truth is that when Iraq invaded Iran the Gulf States backed Iraq and supported the invader by sending weapon and finance an eight years long war and it is not easy to ask Iranian to wipe out this record and not to prepare themselves against further attempt to invade their country. Salem means that recently leaked documents by WikiLeaks revealed
that still some Gulf leaders in private asked US to cut the head of the snake and bomb Iran. According to Salem while even Washington and Moscow backed Baghdad during the Iran-Iraq war and in most of times USA have been clear about its intentions to assist a regime change in Iran, the threats against this country cannot be ignored. He means that the Bush administration declared Iran as part of the “Axis of Evil” and invaded two neighbors of this country and all indications showed that Iran might be the next (Salem, 2016:6/8).

8.2.3 Iran’s internal security dilemma

Almost all states in the region are vulnerable to internal insurgencies. According to Salem, the root of this weakness is undemocratic nature of these states. Iran has a young demanding population that challenge the Islamic system and struggle for more openness to the world and a democratic country. Revolts in 2009 shacked the regime in its ground and according to Salem it might do so again (Salem, 2016:7). Iran’s economy is another source of concern for the regime because this country has to deal with several serious problems. As a direct result of international sanctions, Iran’s economy growth halted and in recent cases experienced a negative growth. According to Alghunaim, inflation is about 30% and unemployment rate is about 20% and these are indications of unhealthy economy and huge issues to deal with. While there are about 700,000 new jobseekers, this country can create 300,000 to 500,000 job opportunities every year. Iran’s main source of income, about 50-60%, derives from the oil revenues and other petrochemical products that been targeted for sanctions in recent years (Alghunaim, 2014:54).

8.2.4 Ethnical tensions

Iran is home to several ethnic groups. According to The World Factbook, 51% of the population of Iran are Persian, and 24% Azerbaijani, 8% Gilaki and Mazanarani, 7% Kurd, 3% Arab 3, 2% Lur, 2% Balouch 2% Turkmen and 1% have other ethnic identity. Among the ethnic minorities of Iran, Gilaki, Mazandarani and lurs are related to Persians but there had been conflicts in the regions where some minorities like Kurds, Azerbaijanis and Arabs are in majority. They demand equal wrights to use their language and criticize the government for discriminating. Balouch minority that are concentrated in the Eastern part of Iran are in addition Sunni Muslims and Iran has blamed Saudis to arm and train rebellious groups inside this region.
8.3 Saudi Arabia

As mentioned in previous sections, Iran after 1979, began to challenge Saudi Arabia in a different way. War between Iran and Iraq couldn’t stop Iranians aggressive ideology and undertakings in the Saudi Arabia’s sphere of interests. Invasion of Kuwait and US intervention in Iraq and Afghanistan vanished two major source of threats against Iran, Taliban regime in Afghanistan and Saddam Hussein’s regime in Iraq, replacing them with friendly or in Iraq’s case, a close ally to Iran. It had other impacts on the region too: there were Islamist groups across the Islamic World and even inside Saudi Arabia that didn’t liked presence of US troops inside the holy land. According to Alghunaim, many clerics, among them some members of the Ulema (a powerful council of Wahhabi clerics) and Islamic preachers began to attack the royal family and their decision to let infidels in to the country. The critical voices not only came from extremists but also from the liberals and intellectuals and also from the middle class Saudis. This led to radicalizing of young Muslims and rise of radical Islamic groups that declared war against Royal Family. According to Alghunaim, a wave of terrorist actions pulsed over the country and in one of them against Al-Khobar airbase in 1996, nineteen U.S. soldiers were killed. This changes in sum severed the domestic security dilemma in Saudi Arabia (Alghunaim, 2014: 56). Arab Spring and the chain reactions all around the Middle East was another issue that forced both Saudi Arabia and Iran into different blocs. Iran and its allies’ role in the war in Syria and Saudis intervention in Yemen and Bahrain, had a very strong impact on the situation and pushed them more than ever to edge of a direct war.

8.3.1 Saudi Arabia’s security dilemma

Saudi Arabia is home for a Shia minority that is mainly concentrated in the Eastern province of the country. According to Wahhabi teaches they are not real Muslim and they have to be vanished from the holy land. Iran, as a Shia Muslim center has been politically involved in the Saudi Shia minority’s cause during the whole 20th century and the situation of them has been concerned the Shia priesthood inside Iran and Iraq, two major center of this branch of Islam. During the golden age of relations between Iran and Saudi Arabia, both countries agreed upon some basic changes in the way Saudi kingdom treated this minority and even Iranian pilgrims that yearly testified about poor treatment of them and other Shia pilgrims during the Hajj ceremonies. Those talks resulted in some improvements but still the Shia minority was target for discrimination in job opportunities and other
civil causes. After establishment of Islamic republic in Iran, offering support to all oppressed around the world was a main policy for the new system and Shia minorities in the region according to Alghunaim, “began to have a voice and to demand political reform and direct participation” (Alghunaim, 2014:25).

As Alghunaim explains Alghatif, the Eastern Province in Saudi Arabia which is home of the Saudi Shia Muslims, has been place for a number of serious riots against the government in 1970, 1978 and 1979. What differed the insurgences in 1979 according to Alghunaim was the fact that rioters carried pictures of Ayatollah Khomeini. This was an alarming sign that made Saudi government to find ways to improve the living conditions of this minority. When the second demonstration occurred in 1980, the government adopted and executed several projects to develop the region. Since then there been riots and violence clashes between Shiites and government. In 1993, the leaders of Shia minority reached a settlement with King Fahd and as a result the government offered an amnesty to all Shia political exiles and promised to improve Shia treatment and carry out a number of project to develop the Eastern province and in return the leaders of Shia community promised to discontinue all anti-regime activity inside the country and overseas. (Alghunaim, 2014:55).

After the death of Ayatollah Khomeini in 1989, Iran changed it’s foreign relations in the region according to Alghunaim and for a short period of time, a process to normalize the relationship between these countries began. President Rafsanjani was the first Iranian president the visited Saudi Arabia and Iran promised to stop the support of the Saudi Shia and attacks against the royal family of Saudi Arabia.

The Arab spring and the riots in Bahrain and Eastern province of Alqatif in 2011 turned the page back and once again Saudis blamed Iran to be assisted those attacks (Alghunaim, 2014:15).

According to Alghunaim, this fact that Iran supports the Saudi Shia minorities, it’s growing military capabilities, and it’s negative position toward the existence of the US forces in the region, make this country to an ideological and political treat to the kingdom and other gulf states. She means that Iran’s effort in order to acquire nuclear weapon is not a direct treat to Saudi Arabia, but this will encourage Iran to act more aggressively in the region and challenge the Saudi’s superiority in the Persian Gulf region (Alghunaim, 2014:16).

8.3.2 Demographic concerns

Another issue that is source of concern in Saudi Arabia is its fast growing population that according
to Alghunaim has grown during the past fifty years, from 3.2 million in 1950 to 31.500 million (2015). About 38% of the population is younger than 14 years old and 534,000 Saudis enter the workforce every year. To meet the job demands and secure an acceptable life standard for this young and educated generation is a huge task for the government that its economy been affected negatively by the drop in the oil prices. (Alghunaim, 2014:65).

8.3.3 Energy Consumption

The rising energy demand inside the country is another alarming signal. According to Alghunaim, Saudi Arabia has been warned that this country may turned to an oil importer from an oil exporter within twenty years, if they did not control their national consumption of oil products (Alghunaim, 2014:68).

8.4 Relationship to United States of America

8.4.1 Iran

USA has been a major designer of the Middle Easts political map and balance of power since WWII. Many Iranian scholars believe that president Carter’s unfavorable approach toward Shah of Iran and his administration’s informal contacts with Iranian opposition outside the country, was a key factor in success of Islamic revolution in Iran, in 1979. They believes that US was convinced that Iran, soon or later, will fall in hands of communist movements and then it will generate a domino effect that will pull over the entire region, and they tried to avoid it by establishing contact with Islamists such as Ayatollah Khomeini that could prevent such a drastic development.

According to Paul Salem, United States policy during the Cold War and its stance in Arab-Israeli conflict were key elements for decades and many of today’s regional struggles are somehow linked to US strategy toward the post-1979 Iran (Salem, 2016:2).

Salem believes that invasion of Iraq and Afghanistan by president Bush’s administration, and then Obama administration’s retreat from the region, created a power imbalance in favor of Iran and a vacuum that terrorist organizations like Al-Qaeda and ISIS tried to fill. In Salem’s opinion “what the United States does or does not do in the Middle East has had great impacts on the region” (Salem, 2016:2). He lists the previous conflicts in the region, among others the conflict between Saudi Arabia and Egypt back in the 1960:s that resulted in open and proxy wars in region and toppling of governments in Yemen, Iraq, Syria and some other countries, but finally gave rise to a peace. Then
he mentions Israel’s conflict with Arab countries and in Egypt and Jordan’s case, these countries decided to move toward peace with Israel. He believes that the current conflict between Iran-led and Gulf states-led axes can be managed by understanding of the interests of the involving parties combined with effective leadership and a brave strategic vision for the future of the region.

According to Salem (Salem, 2016:2), the main conflict axis in the Middle East is the Iran and its allies on the one side and Saudi Arabia and its allies on the other and despite the fact that the US influence in the region has declined, United States is the only actor that poses the power and capacity that needs to push for a change in the this conflict. He means that US’s effort in order to block Iran from acquiring nuclear weapon and offering support to its Gulf allies to maintain a balance of power with Iran, was fruitful but when it comes to the other issues, US did not much to deal with the roots of the rivalry and security problems in the region.

Iran has been under severe weapon embargo and sanctions that blocked this country to obtain conventional warfare. One of the options for Iranian was to keep the immediate danger away from their borders and open new fronts in order to raise the costs of a possible invasion or strike. As Salem portrays it, Iranian decided to invest in asymmetric warfare and one of their major achievements was building up Hezbollah, a guerilla movement that consisted of Shia Muslims inside Lebanon. Hamas was another organization that established by Iran in order to put pressure on Israel and USA in the same way. These powerful allies came to challenge the Israel in a serious way and they played a major role in Israel’s decision to leave South Lebanon. As a result of Israel’s withdrawal from Lebanon, Hezbollah’s position in the Lebanon and its popularity in the Arab world and even Iran’s soft power as the ally of this movement considerably improved. This popularity concerned Saud Arabia that feared empowering of Shia Muslims in the other states in the region and spreading of this movement across the region. King Abdullah of Jordan was the first one that coined the term: Shia crescent in the Middle East, addressing Iran’s effort to find its allies within Shia Muslims in Arab World and connect them to each other. Since then Iran that has been realized that there is a chance to increase its influence in the region and put pressure on its rivals, continued to send arm and educate a number of Shia movements in neighboring countries. One of them was: Hezbollah of Hejaz inside the Saudi Arabian territory.

According to Salem the decision to fully support Al-Assad was based on the same motivation: not to let allies fall, giving place to American-Sunni coalition. Iran came to give support to Houthis, which is a Shia rebellion group against the government in the northern Yemen, in form of logistical and military aid, in order to weaken Saudis in the same way. (Salem, 2016: 64).
Another battle between these two countries was Iraq after withdrawal of U.S. troops from this country. Iraq has been ruled by the Sunnis since its independence but the majority of this country are Shia Muslims. Invasion of Iraq led to establishment of the first Shiite government in this country, something that worried Saudis. From that point a new rivalry began between Iranian and Saudis that targeted the other sides sphere of interests. Saudis decided to increase their economical and political support to Iraqi Sunnis, Druze and Christians and Sunnis in Lebanon and Fatah movement in Palestine in order to decline Iran’s influence over the region. On the other side, Iran began to openly increase its support to Iraqi Shia movements and Hezbollah in Lebanon. Saudis made this mistake according to Alghunaim, that didn’t recognized the new established Shiite government in Iraq and this approach gave Iran a unique opportunity to establish itself in Iraq and fill the vacuum by showing respect to the Iraqi peoples will and fully support the new establishment (Alghunaim, 2014:84).

Salem defines the Obama administration’s “strategic vision” as a return to the policy that is similar to what the Nixon and Clinton administrations followed, and he means that during these periods the United States played a role of an “external balancer”, which is a “system-preserving” policy not a “system-creating” one. That means that this policy wasn’t suited for an unstable region like Middle East with states that are in open conflicts and the only result of this approach was persisting of the conflict. Obama used a policy that was a combination of stick and carrots, heavy sanctions and negotiations and diplomacy in order to bring Iran to the negotiations table. Obama asked the Gulf States latterly to find a way to share the region with Iran. But it could be completed by a series of parallel negotiations with other actors like Saudi Arabia and Israel, using the same measures, to convince them that regional hegemony is not an option and to force them “to de-escalate conflict and agree on respecting and strengthening a rule-based Westphalian regional state order” (Salem, 2016:4).

Brzezinski argues in his article (2016) for a comprehensive solution that includes Iran a new order in the region. He urges the United States to stretch its cooperative relationship with some new partners, like Russia and China and a joint effort with some Muslim states as Turkey, Iran, Egypt and Saudi Arabia, “to shape a wider framework of regional stability”. (Salem, 2016: 4).

According to Salem, “Iranian fears are matched by Gulf fears” (Salem, 2016:9). He means that in the same way that Iran finds itself surrounded by existential enemies, the other side see an Iranian quest for regional hegemony in every single action that this country takes. Iranian intervention in Iraq, Yemen, Syria and Lebanon are seen as part of an expansionist plan and not as response to Saudis
intervention in Bahrain, Yemen and its effort in Syria (Salem, 2016:9).

In July 2015, after years of divergences and several round of sanctions, Iran and P5+1 reached an agreement in Vienna: “Joint Comprehensive Plan of Action”, even known as Iran Deal, which was supposed to put an end to a long era of mistrust and let both sides to develop new relationships. Iran agreed to abandon a major part of its nuclear program and in return receive reliefs on its sanctions. Saudi Arabia, along with Israel, was the major opponents to the Iran Deal, both during and after signing the agreement and since then, actually for the first time, Saudis has chased an aggressive foreign policy toward Iran. Iran identified these actions as evidence to what been believed to be Iran’s historical fear: “Saudi Arabia has jeopardized a US-Iranian detente in order to ensure the robustness of the US-Saudi special partnership…taking measures to perpetuate hostility between USA and Iran and marginalize Iran’s role as a regional power” (Keynoush, 2015:24). The main reason to this objection seems to be this assumption that Saudis and Iranian interests are not compatible.

Alghunaim gives another example that can prevail Saudis objection about normalization of US-Iranian relationship. She describes that in January 2007, Iranian government sent its top nuclear negotiator, Ali Larijani, to met king Abdullah in order to ask him to mediate between Iran and the United States. He came with this message that Iran are ready to cooperate with the U.S. to solve their problems. The king refused to do so and he announced his position during a meeting with journalists and made it clear that Saudi Arabia rejects to be a mediator between Iran and the United States (Alghunaim, 2014:63).

8.4.2 Saudi Arabia

At the same time that Iran turned focus to the third world and Islamic World and began to challenge the Saudi Arabia’s position in the region in a new way, the balance of power changed in Saudi Arabia’s favor when Saudis turned to be the favor ally of USA and only receiver of support and arms.

As mentioned before Saudi Arabia enjoys a special partnership with USA and can unhindered obtain the most sophisticated arms and has been spending huge amounts of resources in order to build up its army and beside that as United States ally, poses a higher level of hard power. According to Alghunaim, Saudi Arabia is depend on the United States for its security because “its military capabilities are poor due to incorrect choices of weapon and arms, and poor strategic military planning regardless of all the tremendous spending on defense”. She believes that protecting the
Saudi territory is difficult due to poor military capacities and the large size and small population of this country (Alghunaim, 2015:71/72).

According to James Russell (Russell, 2005, 7), Saudi Arabia’s quest for security was the core issue in the meeting between President Roosevelt and the founder of this country, Ibn Abdul Aziz Al Saud, in February 1945 in the Great Bitter Lake. This meeting gave rise to special partnership based on the United States growing demand for oil and kingdom’s position as the dominant actor in the oil market and was consisted of a number of political, economic and military pillars:

- "U.S. companies, Aramco and partners, would exploit Saudi oil reserves and build out the Saudi energy infrastructure,
- The United States would regard the security of the kingdom as a “vital” interest […] and would use force and/or deploy forces to the kingdom if necessary on those occasions when the House of Saud and the U.S. political leadership agreed that the situation warranted,
- The United States would seek to develop Saudi internal and external security capabilities through the sale of defense equipment and training supported by the presence of advisory elements to help manage the complicated programs and day-to-day training activities,
- The Saudis would use their influence as the dominant supplier within OPEC and world oil markets in a relatively predictable stream,
- The Saudis would generally support U.S. interests in the region, such as the Middle East peace process, though it would not take the lead publicly in supporting these interests,
- The United States would not push substantial internal political or economic reforms, leaving the House of Saud to fulfill its part of the tacit bargain”.

(Russell, 2005, 8)

During the last decade many factors has changed. United States is not depend on the Saudi oil in the same way and can rely on its own reserves. This fact has led to declined U.S. interests in the Persian Gulf region and many politicians have questioned the expensive obligations that U.S. have to pay for this special relationship. Saudis role in exporting the fundamentalist version of Islam, Wahhabis ideology, and their background as supporter of a number of radical Islamic groups in past, is another issue that has shadowed this relationship. According to Russell, apart from Saudi moderate influence on OPEC, other central element of this partnership is under question. He means that while public can still hear the usual supportive diplomatic statements about this relation, but there is a little doubt that
many voices inside the Whit House “are now openly questioning the value of the Saudi partnership” (Russell. 2005:8). He describes the U.S.-Saudi partnership as marriage that could not be more culturally and historically dissimilar and protecting the house of Saud and Saudi territory cannot be defined as “Vital” U.S. interests anymore. As a result, Russell argues that Saudis that could rely on U.S. protection during the most of the 20th century have serious doubts about persisting of this issue in future. (Russell. 2005:8).
9 Comparison

9.1 Comparison of relationships between Iran and Saudi Arabia during chosen periods

Iran and Saudi Arabia had a near relationship and cooperated in many issues in the region during the first period, 1964-1975. A comparison of the level of their trust reveals that they identified the other one as a reliable partner based on their common foes and common interests. Those elements appeared to be more important for both leaders than competition over hegemony in Persian Gulf region. Shah of Iran was a secular leader that had no plans to accept a major role in the Islamic world and left those issues to king Faisal. On the other hand, king Faisal couldn’t identify the warm relationship between Iran and U.S. as a treat to his country and its national interests. This division of duties seems worked well. After 1979, these two countries had been involved in many proxy wars in many different fronts. Mistrust and competition is the major feature of their relationship.

9.2 The role of domestic leaders challenges

The collected data reveals that during the first period that been studied in this paper, both leaders, Mohammad Reza Shah Pahlavi in Iran and king Faisal bin Abdul Al-Aziz in Saudi Arabia, were two authoritarian and powerfull leaders. Their position was not vulnerable for domestic challengers compared to their successors and they enjoyed a much broader support in their homelands. Saudi Arabia and Iran never interfered in the other ones internal affairs in minority issues. When it comes to threats from outside, they could be sure that they have control over the situation and can deal with the security threats in the region. Further more they had common foes: Communism, Naserism and Arab Nationalist movement.

During the second period, 1979-present, leaders in Iran (Ayatollah Khomeini and then Aytolah Khamenei) faced great domestic challenges and threats from outsid. Short after the establishment of the Islamic republic of Iran, the country experienced a long and devastating war and then suffered from heavy sanctions that paralyzed its economy and halt its growth. The economical difficulties undermined the leaders popularity and acceptance inside the country.
As it mentioned before, Saudi Arabia, experienced an instable period after assassination of king Faisal and his successors never gained the legitimacy and power that he had. Further more they had to deal with the new Iran that came to challenge the Saudis position in the Islamic world in several ways.
The collected data shows that in the first period, the challenges for both countries were Communism, Naserism and Arab national movement but they were properly equipped to deal with those threats. Even though both countries were competing region powers, they were assured about the others intentions and they respected the other’s sphere of interest. One can assume that a lower degree of uncertainly about the others behavior may lead to a lower degree of security dilemma in their relationship.

When it comes to internal security dilemma, by opening the door to the Western technology and transferring Iran to a wealthy country, Shah could generate job opportunities and prosperity for a vast part of population, something that could encounter the attraction of socialism ideas within country. King Faisal used the same tools and tried to find a way to create a balance between demands from the religious clergies and what he believed is necessary for his country.

In the second episode, Saudi Arabia was forced to deal with an aggressive Iran and a shifting balance of power in the outside, while a violent fanatic ideology undermined the power of royal family, inside the country. Iran had to deal with the war with Iraq and other serious threats against its existence and security. Both countries had to act proper in order to deal with their security dilemma and they had to use all available means to do maintain the balance of power.

9.3 Role of United States of America

As the collected data showed, during the first episode both countries enjoyed a close relationship to the United States and received support from this country at the same level. They could synchronize their actions against their common enemies and threats. It seems like they had a role distribution that suits both sides and they could assist each other during the difficulties.

The feature of second period was a shift from allies to foes in the relationship between Iran and the United States and its allies in the region. Saudis turned to be the favored partner for U.S.A. and only receiver of support and arm. Gulf wars and the consequences of new order in the Persian Gulf region, changed the politic map of the region and even behavior of both Saudi Arabia and Iran, and accelerate their struggle for hegemony and more power.

These two countries had gone through enormous transformations both internally and externally in
order to catch up with the rapid changes in the region and to maintain the balance of power in the region and when it comes to impact of the US relationship, it seems that when one of them still enjoyed the support of world's greatest military and economic power, the other one might find itself sidelined and excluded. On the other hand could the favored partner find all its actions appropriated and legitimated. This issue can be identified as a source of imbalance and conflict.
10 Limitations of the research

One of the limitations of this research is associated with selection of independent and dependent variables. Author has focused on some features of the actors and that reveals certain aspects of their relationship toward each other and the third party. Another researcher may choose another set of variables and find another results. Another limitation is the literature and sources that research are based upon. It is not easy to find suitable literature about the issues that are examined in this paper and author has strived to find unbiased sources in order to give a just and accurate reflection about the situation in the Persian Gulf region and two major actors in the region, Iran and Saudi Arabia. The author is aware that the choice of literature and sources can affect results and limit the validity of the findings. Another limitation can be related to given time and limitations about volume of the paper that one has to adjust the research with regard to these factors as well.
11 Analysis and Conclusions

The aim of this paper was study of conflict dynamics in regional level to understand why some regions are suffering from destructive competitions and are more conflict-laden while the others are more peaceful and prosperous. It is generally accepted that the influence and intervention of global powers has a decisive and crucial role in conflicts around the world and smaller states tries to synchronize their actions with global powers in order to get support and legitimate their behaviors.

The research question of this paper then framed as: How does domestic leadership and relations to a global power affect the relationship between regional powers?

Middle East was the region chosen in this paper because of several violent internal and external wars that this region has gone through in recent decades and could illustrate actors that chose to act distrustful against other actors and failed to find a way to ensure their own interests and take account of others concerns. Iran and Saudi Arabia was selected due to this fact that they are two major actors in the Persian Gulf area and two regional powers with features that suit the aims of this research. On the other hand, one could find significant variations that could be valuable to use in the research. Among other things these two countries have had a period of trust and cooperation while they had two powerful and charismatic leaders and during that period they had common foes and were allied to same global power and then they have moved toward opposite poles in the region when the rulers changed and they faced new domestic and international challenges. Could this shift be linked to changes in political systems, rulers, demographical, ideological or economical factors, or variations in their relation to other regional or global powers? This research selected two features that seemed to be more proper for the aim of the research: domestic leadership and relations to United States of America. Iran and Saudi Arabia are two regional powers that their rivalry goes long back in the time but they never been so close to a total confrontation as they are at the present time. There are a number of issues that can be identified as the source of divergences in their relation. Among other things they advocate two different branches of Islam; Sunni and Shia, they follow two different state ideologies; Wahhabi and Political Islam. Further more they are two major oil producer and both claim their hegemony over the Persian Gulf region. In order to maintain a balance of power, they have created a network of powerful allies and prepared their armies for a possible war with the other one, in decades.

The hypothesis of this research supposed that a good relationship between these regional powers,
Saudi Arabia and Iran, can be achieved by strong leaders that benefit from a good relationship with USA.

The mechanism of the conflict between Iran and Saudi Arabia and how two allies turned into foes can be explained by the Realism theory. As mentioned in the theory section, quest for power is the core interests of states. States seeks power to secure their existence in an anarchistic world system when each unit has to rely on itself and self-help is the only way to protect the interests of state. Weaker states try to find stronger allies in order to secure their position and maintain a balance of power with their rivals. Another realist statement defines states as rational actors which means that they supposed to conduct a predictable behavior. Shifts in one state’s goals and ideology can change its identity and place in the international system. This change can disrupt the balance of power and turn its allies to foes. If we can accept what Winston Churchill once said: “there are no eternal friends or enemies, only eternal interests”, then we can assume that this process can be reversed. This paper proves that both of these countries are target for serious threats against their existence and national interests, and therefore much of their effort can be identified as legitimate. Author of this paper believes that a common feature of weak leaders is the use of the problems abroad and external insecurity to quiet critical voices inside their own countries and introduce the other one as country’s major concern that should be prioritized over other problems, in order to address internal problem. If rulers are unable to find an external enemy, they have to face more serious domestic problems and have to address their inadequacy. It is unclear if the rulers in countries that were subject to research in this paper are really eager to solve their problem and find a comprehensive solution that can satisfy both sides.

The assumption of this research can be framed as this: quality of the relationship between Saudi Arabia and Iran can be improved and their concerns can be addressed by strong leaders that benefit from a good and balanced relationship with USA. Author will argue that this paper should that domestic leaders had a significant role in the way the relationship between these two countries changed and relation to US has an important impact on polarization of the region and hypothesis of this research have got support in some extent. That means that these two countries can be able to address much of the external and internal security dilemma that they are facing now, by moving toward a balanced relation with USA and by enhancing the rulers position and. Author will argue that this may be true to some extent and a good start can be courageous steps taken by leaders in both sides to stop parts of their activities in the region that the other part identifies as provocative. These first steps can even include the legitimate actions that one side will take to protect its interests but
leads to increased security concerns for the other side. These actions can send a strong signal to the other sides and even to the other actors in the region for a fresh start and bring about some kind of clarity about each sides intentions. These movements can boost the image of the leaders of the both side considerably both internally and internationally. Improvement of the leaders position inside their country can generate a positive opinion in the entire region and open up for a new chapter of cooperation and acceptance. A comprehensive solution then should address both countries and other actors legitimate concerns and national interests. As in other regions in the world, all states in the Middle East are more or less interdepended that the security concerns and conflict has overshadowed the potential positive interdependence between these countries. Author of this paper believes that in order to address the domestic security dilemma for both countries and other states in the region with significant ethnic and religious minorities, a reform in domestic politics that can be identified as discriminating should be conducted. Empowerment of women and democratization is not an option but requirements for sustainable peace in the region.

At the same time this paper showed that despite the fact that domestic leadership and relation to the US, has a crucial role, there are other significant elements in the region that may have played a role in the situation. Among other things one can argue that emerge of terrorist groups or Soviet Unions fall and following geopolitical changes around the world and particularly in this region, can not be negelected. This transformation resulted in emerging of new actors and created new kinds of interests and rivalry in Middle East that must be taken into account. Quality of relation between Iran and Saudi Arabia had certainly affected by these elements and several other factors too which should be subject to new and more comprehensive researches in a order to expose a more correct picture of the region.
12 Bibliography

8. Bibliography

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