

Iran and Saudi Arabia Relationship under Iran's Pragmatic Approach (1989-1993)

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Abstract: Iran's revolution and its consequences distorted the previous close relationship between Iran and Saudi Arabia. This paper, first as introduction, will discuss the historical competition between ideological and pragmatic approaches in Iran's foreign policy. Then it will study the domination of ideology in the foreign policy of Iran after the Islamic revolution and its role in Iran's foreign relations with littoral states in the Persian Gulf region, in particular, Saudi Arabia. The study further examines the superiority of the pragmatic approach after the end of the Iran- Iraq war (1988) and gradual changes in Iran's foreign policy from 1989. The research also analyzes the role of the new approach in re-establishing and improving the Iran-Saudi Arabia diplomatic relationship, which was severed in 1988, and limited cooperation of the two sides afterwards. The study concludes that despite Iranian-Saudi primary cooperation and agreement after the restoration of mutual ties, they were unable to maintain peaceful relations due to the bilateral and regional problems of the two countries.

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1. Introduction

Historical researches pertaining to Iran's foreign policy indicate that there has been always competition between pragmatism, as national interest-orientation, and ideology, religious principles, in the arena of the foreign policy of Iran. However, both of them have coexisted throughout the history of Iran. Ramazani (2004) argues that from the Achaemenid dynasty (580-530 B.C.E) until the demise of the Pahlavi regime in 1979, there has been combination between ideology and pragmatism, but the balance was often tilted towards pragmatism in the national interest except during the Pahlavi regime. The Pahlavi regime - from Reza Shah (1925-1941) to his son Mohammad Reza Shah Pahlavi (1941-1979) - had privileged pragmatism in foreign policy, and considered national interest as "conterminous" with their own interest. In this respect, Groot (2007) states that Reza Khan's Coup in 1921 not only was by virtue of domestic and external factors but also was even based on his own "ambition". He also mentions "conformism" as a feature of Pahlavi's nationalism in which they tried to revive Persian dynasty customs and traditions such as renaming towns and regions in "Persian Style" and using Persian as the national language. Indeed, they pursued national interest in the framework of King Family's aspirations. In this case, Mohammad Reza Shah Pahlavi with "historical memory" of being the only powerful state in the region intended to actualize his own aspiration of "Great Civilization" or in the words of Amuzegar

(1991), for "past glories of the Persian Empire". Nevertheless, the emergence of the Islamic republic in 1979 led to the dominance of ideology and revolutionary thoughts and standards on Iran's foreign policy in the first decade of the revolution. In this period, most decisions in the arena of foreign policy were made in the framework of Islamic ideology. However, as Marschall (2003) explains, Islamic ideology and national interest have coexisted "side by side" and sometimes overlapped in Iranian foreign policy since the revolution. For instance, Iran's arms dealing with Israel and the United States during the eighth-year war can be mentioned as examples. At the same time that Iran rhetorically attacked these countries as enemies of Islam and Iran, it implemented covert cooperation with them due to its severe necessity for armament during the Iran-Iraq war. Despite this, it is evident that, in the first decade of the revolution, Iran's foreign policy was driven and controlled widely by ideology.

2. Ideological Approach in Iran's Foreign policy in the 1980s

Since Iran's Islamic revolution in 1979, which gave rise to the "first theoretic regime" in the modern world, until the last years of the 1980s, the spirit of ideological thoughts dominated decision-making concerning foreign policy. In this regard, revolutionary thoughts were top priorities of the new government and foreign policymakers. Marschall (2003) quoted Rejai Khorassani, former Iranian

Ambassador to the United Nations in New York, as saying that “religious slogans and values determined many aspects of policy making, since the ideological foundation of the revolution was Islamic and the leaders came from the clergy”. That is why Western media labeled Iran as “irrational religious fundamentalism” (Rasmussen, 2009). To this, the principles of Iranian foreign policy can be mentioned as evidence. These principles, which are enshrined in the Iranian constitution, are “First, rejecting all forms of external domination: ‘Neither East nor West but the Islamic Republic’, second, preserving Iran’s independence and territorial integrity; third, defending the rights of all Muslims without allying with hegemonic powers; and fourth, maintaining peaceful relations with all non-belligerent states”.

In this period the most prominent policy was ‘Neither East nor West’ or “non-alignment policy”. Based on it, unlike Pahlavi’s term, the Islamic Republic attempted to keep its distance from any block of the East led by the (then) Soviet Union, and the West, headed by the United States or the “great Satan”, as Khomeini termed it. In this case, Tragert (2003) states that Ayatollah Khomeini’s ‘Neither East nor West’ strategy indicated that “[He] pursued its own course in foreign policy rather than adhering to the policies of any pre-existing bloc of countries”. In fact, the Islamic Republic pursued an independent foreign policy from the Great Powers. That is why, as Sadri (1998) states, Iran soon cancelled its membership in the Central Treaty Organization (CENTO) and joined the Non-Alignment Movement (NAM). Sadri contends that by its non-alignment policy Iran was looking at four critical policy goals: (1) “autonomy” in foreign policy; (2) keeping its distance from direct involvement in rivalry of the two blocks; (3) being independent from ‘one ideological camp’ and (4), to develop its relations with all countries except Israel, America, and the former South Africa regime. Sadri argues that Iranian leaders chose the non-alignment policy because they claimed that the Shah’s dependency was “culturally an anti-Islamic and anti-Iranian notion.”

Furthermore, in this period, Iran strived to spread its own brand of Islam all over the world in order to expand its perceived Islamic ideology. In this case, Tragert (2003) indicates that “Immediately after the Islamic Revolution, Iran competed with other Muslim countries to push its own brand of Islam around the world. In the 1980s and early 1990s, Iranian foreign policy was driven by the concept of the *umma*, or greater community of Islam. The goal was to strengthen the *umma* by establishing Iran-type Islamic republics that eventually would unite to create a great Muslim state”. In other words, Iran

persisted to establish more Islamic Republics contrary to the ones which existed in Saudi Arabia, Wahhabism, or Turkey, Islamic secular, in order to unify Islamic peoples, on the basis of the Iranian constitution, against Imperialism. Khomeini accused the Arab countries of having “deserted Islam” or embracing “American Islam”, which gave rise to tension between Iran and the Persian Gulf countries (Parsi, 2007).

In this respect, ‘exporting of the revolution’ was the regime’s means to embody its revolutionary ideology. However, as Walt (1996) observes: Ayatollah Khomeini opposed spreading the revolution by force or “sword”. Notwithstanding this, the idea of exporting the revolution, not only had affected Iran’s international position but also threatened the legitimacy of Iran’s Persian Gulf neighbors. In order to export the revolution, Iran supported the Shiites in Lebanon and in other Gulf countries and also broadcasted propaganda over Radio Tehran. It also used the hajj ceremony as an opportunity to spread revolutionary thoughts amongst other Muslims. Iranian revolutionaries, in general, argued that the Arab masses should follow Iran and replace the US-backed sheikhdoms by Islamic governments. In fact, Iran intended to create an Islamic Republic in regional Arab countries, since Khomeini named them as regional “un-Islamic” countries. In addition to the ideological incentive, Iran’s regional leadership in the mind of Iranian leaders was another motivation for exporting the revolution. It was, historically, a long-standing goal which had been followed by Mohammad Reza Shah as well as the revolutionaries. Parsi (2007) states that “by exporting the revolution and spreading the ideology of political Islam, Iran hoped to bridge the Persian-Arab divide and establish a regional values system that would cast Iran in the leadership role”.

Rakel (2007) believes that the role of Ayatollah Khomeini in changing Iran’s foreign policy approach was very important in the first decade of the revolution. He states that “Khomeini followed a confrontational and isolationist foreign policy that was very much influenced by his own interpretation of Shiite ideological doctrine.” That is why, according to Rakel, Iran’s good relations with the US, Israel, US-friendly Middle Eastern regimes were replaced by hostility. He further argues that “For Ayatollah Khomeini, the ‘export of the revolution’ was more important than political stability and economic development”. In this respect, Ramazani (2004) explains that the foreign policy doctrine of ‘Neither East nor West, but the Islamic Republic’ and insistence on the export of the Islamic Revolution, both stemmed from Khomeini’s

“overriding aspiration” to create an Islamic-led international order. In general, Iran’s foreign policy in the first decade of the revolution was controlled by ideology which was mainly rooted in Khomeini’s thoughts.

3. Iran-Saudi Confrontational Relationship under Iran’s Ideological Foreign Policy

Iran’s Islamic revolution caused serious problems for neighboring countries such as Saudi Arabia, Kuwait, as well as Bahrain, which involved some Shiites in these countries. Amongst them, Saudi Arabia had faced problems such as riots in the eastern province of al-Sharghiya, in November 1979 and February 1980, and also the insurgency of Salafi radical groups and occupation of the Sacred Mosque (in Mecca). In addition, the Kingdom faced great challenges from Iran’s new regime due to the latter’s endeavors to spread the revolution as well as holding political demonstrations of the so-called “liberation from infidels” in Mecca by Iranian pilgrims against the United States and Israel.

As for Kuwait, Iran attacked three Kuwaiti oil facilities in October 1981 and supported a series of terrorist explosions in this monarchy, while an Iranian agent attempted an unsuccessful coup attempt in Bahrain in December of the same year (Walt, 1996). These events, eventually led to strong reactions from the Arab neighbors. Indeed, they caused them to reform and change several internal and regional policies in order to preserve their stability. In this regard, Walt (1996) explains that “The Gulf States responded to the threat by arresting or deporting potential dissidents, providing greater economic benefits to their own Shiite populations, trumpeting their own Islamic credentials, and stressing Arab nationalism rather than Islamic solidarity.” Furthermore, they established the Gulf Cooperation Council (GCC) in January 1981 to coordinate their activities against the Iranian threat. Saudi Arabia and Kuwait, likewise, increased their support of the Iraqi government in the Iran-Iraq war. For instance, they loaned Iraq roughly \$40 billion to mend its so-called war machine.

In 1986, clashes between Iranian pilgrims and Saudi security forces during the hajj led Rafsanjani to proclaim that Iran must “uproot the Saudi rulers... and divest the control of the shrines from [them]” (Walt, 1996). It was because of Iran’s attempt to export revolution during the hajj ritual as well as holding demonstrations of Iranian pilgrims which threatened Saudi legitimacy. Indeed, politicizing of the hajj was one of the main causes of friction between the two countries after Iran’s revolution and which continued until 1987. On 31

July 1987, a clash between Iranian pilgrims and Saudi forces left a tragic mark in the history of bilateral relations between Iran and Saudi Arabia. The event which left 275 Iranian pilgrims dead and 303 wounded created the worst tension between the two countries since the Islamic revolution in 1979. It led to many verbal wars and propaganda between the two sides. In this respect, Imam Khomeini vowed that “even if it were possible to forgive Saddam Hussein, it would never be possible to forgive Saudi Arabia” (Ismael & Ismael, 1994). Furthermore, Hashemi Rafsanjani announced that “The martyrs’ blood must be avenged by burning the roots of Saudi rulers in the region. ...The true revenge is to remove the colossal and precious wealth belonging to the Islamic World which lies under the soil of the Arabian Peninsula from the control of criminals, the agents of colonialism. The Saudi rulers have chosen an evil path, and we will send them to hell” (Mohaddessin, 2003). When the news of the riot and the casualties reached Iran, through returning pilgrims, mobs in September 1987 attacked the Tehran embassies of Kuwaiti and Saudi Arabia, the two countries allied with Iraq in the eight-year war (Institution for Political Research and Studies, 2007), which resulted in the death of a Saudi diplomat, Mousa'ad Al Ghamdi (Reuters, 2007). In March 1988, Saudi Arabia limited the hajj quota based on 1000 pilgrims in one million, which led to reduction of Iran’s quota to 45000. Finally, following these events, the two sides cut off mutual relations in April 1988 and Iran boycotted the hajj for three years because of Ayatollah Khomeini’s insistence on a quota of only 150,000 Iranian pilgrims and also holding the political demonstrations (Lunn, 2002). This is why; Metz (2004) argues that in the 1980s the annual Hajj was the main problem between the two sides and not Saudi support of Baghdad during the Iran-Iraq war.

4. Superiority of the Pragmatic Approach in Iran’s Foreign Policy during the Rafsanjani Administration

In general, there were several factors in that led to the emergence of pragmatism in Iran’s foreign policy arena in the early years of the 1990s, which can be divided into two main sections: internal and external. The main domestic factors were Iran’s acceptance of the UN’s cease-fire in 1988 which strengthened the realists’ position due to their support of peace; the death of Ayatollah Khomeini in June 1989 which led to a weakening of ideologists who followed him; the leadership of Khamenei as successor to Khomeini; the presidency of Hashemi Rafsanjani in July 1989, the amendment of the

Iranian constitution, which reinforced the president's position and abolishing the post of the prime minister who was seen as a rival.

Azghandi (2002) explains that when Hashemi Rafsanjani came into office he faced changes at internal and international levels. These changes such as adopting of UN resolution 598 (which led to the ending of the Iran-Iraq war), revising the Iranian constitution, the collapse of the Soviet Union and its impact on international system, had influenced the thinking of the elites and the process of decision making in Iran. At the same time, the financial and spiritual problems which had been carried over from the war and threatened the existence of the Islamic Republic of Iran, made Rafsanjani chose pragmatism as the best way to deal with domestic and foreign hardships. Despite all these, it appears that the death of Ayatollah Khomeini had the most significant effect... According to Walt (1996) "...His passing allowed Rafsanjani and the moderates to resume their efforts to adapt the principles of Islamic government to contemporary political conditions". In this regard, Ismael & Ismael (1994) indicate that the revolutionaries intended to maintain and spread revolutionary desires, however, Khomeini's death weakened their resolve because they had lost their main supporter. This is why, Rasmussen (2009) reiterated that after the war and Ayatollah Khomeini's death, Iran put its "strategic interest before ideology" in the foreign policy as a rational actor. This policy had begun, as Tehranian (1993) argues, with "dual leadership" of Ayatollah Khamenei and Rafsanjani in 1989, which was characterized by less ideological and more pragmatic policy. With regard to Khamenei's role it seems that despite his primary support of the new trend, pragmatism, his direction had changed gradually. According to Marschall (2003), "Khamenei seemed to be interested in the same policy orientation. However, many extremist groups accused Khamenei and Rafsanjani of diverting from the 'line of the Imam.' Khamenei had to maintain his legitimacy as Leader and therefore took a more ideological line than Rafsanjani." Later, Khamenie became leader of the opposite group due to Rafsanjani's foreign policy, which was based on establishing relations with all countries, even the United States.

With regard to external factors, various elements such as international pressure and the tarnished image of Iran in the international community, isolation of Iran, the Iraqi invasion of Kuwait, the collapse of the Soviet Union and the announcement of the New World Order by the Bush Administration, which strengthened US influence in the Persian Gulf region, significantly influenced the

emergence and solidification of the pragmatic approach in the Iranian foreign policy apparatus. During this period, one of the significant factors that assisted Iran to improve her position in the region and the international system was the country's condemnation of Iraq's occupation of Kuwait and its "neutrality" policy during the Second Gulf war, and the US-led coalition attack on Iraq in 1991. During this time while the radical elements insisted that the government should interfere in the war in favor of Iraq the realist administration, headed by Hashemi, preferred to stay uninvolved. In fact, Iran chose a "positive neutrality" position, neither going to the aid of Iraq nor joining the American coalition (Parsi, 2007). The policy, which was supported by the Iranian leader, Khamenei, placed the pragmatists in a better situation.

5. Gradual Changes in Iran's Foreign Policy Arena after 1989

After solidification of the new approach, the Hashemi administration attempted to improve Iran's relations with many countries, in particular, the West by an "open door policy" in order to modify domestic problems such as reconstruction of the country after the war, which received precedence over other issues. In order to achieve this goal some primary principles of the revolution were softened during this period. For instance, "Iranian officials defined the export of revolution to mean building Iran into a model Islamic country for others to emulate" (Daneshkhu, 1994). In this case, Parsi (2007) explains that Rafsanjani's approach was "exporting Iran's model by leading as an example of a modern, independent Islamic state" instead of overthrowing regional states. Indeed, Iranian leaders realized that in the interdependent world they could not act alone and they needed to have better relations with other countries. In the framework of this new foreign policy orientation, Iran also reduced its support of Hezbollah in Lebanon and Palestinian groups and declared to accept whatever the Palestinian wished (Parsi, 2007). Hashemi Rafsanjani further noted that Khomeini's call for Salman Rushdie's death was the "view of one expert" which was debatable (Sadri 1998). In fact, Iran's foreign policy turned into maintaining the *status quo* in the early years of the 1990s, unlike before.

During this period, there were also many changes in the elite circle in the Hashemi administration. The new group, known as "technocrats", was educated in the West, in particular the United States while before this most of the elite were clergy. In this regard Marschall (2003) states that "In order to determine how, when and why

decisions were taken on the basis of ideology or national interest, it is necessary to examine the members of the political elite involved in making the decisions, their beliefs as well as domestic and external factors which drove them to certain decisions. During this period, as Walt (1996) argues, "...the leaders of the regime seemed to be increasingly willing to sacrifice doctrinal purity for the sake of political stability, economic recovery, and international acceptance." Despite the changes, nevertheless, as the writer says, the pragmatists did not totally forsake the Islamic revolution principles. According to Rasmussen (2009), despite Khomeini's death, which led to many changes, "the ideological teachings" remained the main references of Iranian foreign policy afterwards. However, as the writer continues, "pragmatic Hashemi" had to soften "Islamic Puritanism" in order to rebuild the devastated country and re-establish relations with other states. During this period, Hashemi's pragmatic policy was based on three principles: First, Iran should not change the political map of the region. Second, Iran must attempt to create a new balance of power in the region vis-a-vis US strategies, and third, establishment of relationship with Saudi Arabia as the most important member of GCC (Tajik, 2004).

6. Iran's Substantial Necessities and Restoring Diplomatic Relations with Saudi Arabia

Iran's imperatives after the war were divided into three main sections: the economy, security, and religion (the hajj). With regard to the economy, when pragmatism dominated Iranian foreign policy, Rafsanjani drew some plans, known as first and second "five-year development plans", which focused on the rebuilding of war-torn areas and a shift from a state-run economy to privatization, and referred to by Kamrava (2005) as the "Second Republic". According to Sadowski (1993), Iran spent \$644 billion, almost ten times the value of the 1978 gross national product (GNP) during the war, regardless of matters such as inflation, war casualties, etc. He says that these problems "pushed Iran's real gross domestic product (GDP) down from \$ 6,052 per capita in 1977 to \$ 2,944 in 1988". Moreover, as the writer indicates, Iran also owed \$6 billion in foreign debts during the war. During the Iran-Iraq war, many building and industries were destroyed or greatly damaged, such as Khorramshahr port, Abadan refinery, and the Kharg loading facilities. In addition, as Kiddie & Richard (2006) state: "Per capita income had dropped at least 40 percent since the revolution, and many wartime shortages continued. ...problems like high inflation, unemployment, deficit spending, overwhelming dependence on oil, and declining

agricultural self-sufficiency were worse than ever." Meanwhile, Iran had faced natural catastrophes, such as the Gilan earthquake, which left forty thousand dead. Likewise, the new administration intended to implement economic reforms, which included "...privatization of large industries and mines, the revival of the Tehran Stock Exchange, the abolition of the multiple exchange rate mechanism and its replacement with a single market rate, the founding of a number of free trade zones and the encouragement of foreign direct investment (FDI)" (Mohammadi, 2003).

In the "decade of reconstruction", what Rafsanjani termed the second decade of Iran, the new leadership further attempted "To transform a vastly regulated, badly distorted, and mismanaged economy into an investment-driven, market-oriented and more efficient system. As part of this economic liberation policy, concerted efforts have been made towards the marketization and privatization of the economy" (Amuzegar, 1997). Accordingly, Majlis (Parliament) approved \$394 billion for the first five-year plan (1989/90-1993/94). Since the main part of expenditure of the economic privatization plan and reconstruction of the country was based on petrodollars, Iran needed to cooperate with Saudi Arabia within the Organization of the Petroleum Exporting Countries (OPEC), as the most powerful country in oil exporting and production, in order to stabilize an appropriate price for oil. In this case, Ramazani (2001) explains that on the one hand, Iran moderated its aggressive policy regarding determination of oil price and on the other hand, it was about to increase its production to 4.5 million barrels each day in the future. This policy caused Iran to make serious decision in order to consolidate its relations with Saudi Arabia and other members of GCC inside and outside of OPEC in order to stabilize the oil market. He cited Gholam Reza Aghazade, Oil Minister, as saying that Iran's new oil policy marked a "new realism" in the world market. The new policy was based on making friendship instead of ideological friction. In other words, since petrodollars was considered the "backbone" of Iran's economy, establishment of good relations with Persian Gulf states as the main producers of oil seemed necessary.

From the security prospective, one of the significant questions in Iranian foreign policy was American military presence in the Persian Gulf region (Kaim, 2008). Iran was confronted with the wide influence of US forces in the region. In other words, after the collapse of the Soviet Union in 1990, the United States appeared as the only Super power. Therefore, the United States needed a new doctrine in order to control different parts of the world. Bush's

doctrine, “the New World Order”, could provide the needed condition. In this case, one of the areas with a significant position in US foreign policy, was the Persian Gulf region due to its rich oil resources. The Iraqi invasion of Kuwait paved the way for the intervention and presence of the United States in the region while Iran was totally against the presence of foreign forces in the Persian Gulf and had always called for security arrangement by the littoral states.

So, with the purpose of solving the security dilemma, Iran attempted to improve its relations with Gulf States. In fact, in contrary to the early years of the revolution during which isolation was accepted by the leaders as a policy, in this period, however, it was overlooked by the new leaders. In this regard, Velayati, the ex-Iranian Foreign Minister, warned that if Iran was not present on the world scene, then important issues would be decided without it. Further, Khomeini, also called for “Rational, sound, and healthy relations with all countries...” (Walt, 1996). As a result, Iran withdrew its rethoric attack on regional Arab countries and announced that it was about to have relations with other states in the framework of “legal norms” and “mutual interest and respect”. In this case, President Rafsanjani declared: “One of the wrong things we did in the revolutionary atmosphere was to constantly make enemies. We pushed those who could be neutral into hostility and did not do anything to attract those who could become friends. It is part of the new plan that in foreign policy we should behave in a way not to needlessly leave ground to the enemy” (Ismael & Ismael, 1994). That is why, during this period, the central principle of “Neither East Nor West” was replaced by “Either North or South” in Iran’s foreign policy (Ramazani, 2001). By North, it meant Caucasia and central Asia, and South referred to the Persian Gulf Countries. Indeed, Iran attempted to change its foreign policy towards Persian Gulf states based on “economic and strategic considerations” and Hashemi made efforts to establish diplomatic relations with neighboring countries with a slogan of “development first, rearmament second” as a first reform in its foreign policy. In general, one of the main purposes of Hashemi Rafsanjani’s “good neighbor” policy during this period, which was based on accommodating Persian Gulf states, in particular Saudi Arabia, were first, regaining Iran’s leadership in OPEC, like in the 1960s, which could enable the country to increase its oil revenues in order to reconstruct the devastated economy. Another purpose was the security arrangement of the Persian Gulf by regional countries due to its importance to Iran’s commercial activities which had been conducted mostly through the Gulf. In addition, Iran could

emerge from diplomatic isolation, which was created by the Gulf States during the war. It was at the time when Saudi Arabia needed a friendly relationship with Iran, in order to “balance the politically embarrassing situation” of US forces presence in its Kingdom and to keep Iraq under control and also decrease Iran’s support of Shiites in Saudi Arabia.

In addition to economic and security necessities, the hajj was also another element which caused Iranian leaders to renew their relations with Saudi Arabia after the Iran-Iraq war because the hajj is a religious duty that all Muslims have to perform if they have enough physical and financial abilities. In this regard, Iran has always been a country with one of the most number of pilgrims among other Muslim countries. This issue, on the one hand, put pressure on Iranian leaders to counsel with the Saudi side after cutting off diplomatic relations in 1988.. On the other hand, Khomeini had ordered a responsible official to solve the question of the hajj. In other words, Khomeini, despite his previous speeches about “... not (being) able to forgive Saudis” after the tragic incident of 1987, instructed responsible officials to operate the hajj in order that people could perform it. After his death, Khomeini, the new leader, also made the hajj a top priority. For this, many attempts were carried out to open the hajj ceremony, finally succeeding, by the end of March 1991 when Iran and Saudi Arabia renewed their diplomatic relations after Velayati and Prince Saud met in Muscat. Then, Velayati went to Saudi Arabia. At this meeting with Fahd the two sides emphasized the economic cooperation as well as Iran-Saudi Arabia’s key role in the Persian Gulf. They elevated their relations to ambassadorial level in June 1991, which was unprecedented since the Iranian revolution.

7. Iranian-Saudi Relations after Re-establishment of Diplomatic Relation

After the re-establishment of mutual ties, Iran and Saudi Arabia relations waxed and waned regarding the main issues of the hajj, oil (OPEC), and security of the Persian Gulf. The hajj had always been one of the “sticky issues” in the Iran-Saudi Arabia, which helped Iran, as Covarrubias and Lansford (2007) state, “to apply pressure and reach a broader audience.” So, when diplomatic ties were renewed, in 1991, Velayati, the Iranian Foreign Minister, and Fahd, the Saudi King, discussed the issue of the hajj. It was because achieving an agreement on the hajj issue was easier than the security issue (Wilson & Graham, 1994). Iranian participation in the hajj ritual had been stopped for three years due to the “psychological damage” of the 1987 incident and there was the “continuing struggle”

over the hajj quotas and political demonstrations during the ceremony. However, Saudi Arabia finally agreed in 1991, for 115,000 pilgrims to attend the ceremony, which also included 5,000 family members, of the “martyrs” who had been killed in the tragic event in 1987. In a positive response, Hashemi Rafsanjani asked Iranian pilgrims to respect Saudi’s rule and “restrain themselves” during the hajj ceremony. In this fashion, ‘Khamenie’s edict’, in the 1992 hajj, was significant: “...Khamenei himself issued a *fatwa* (religious edict) that the performance of any ritual by the Shiites which created discord among the Muslims or weakened Islam was *haram* (“evil”) (Dietl, 1995). Following the positive steps of the Iranian leaders, Saudi Arabia further allowed Iranians to hold a demonstration in the year. However, later, Saudi Arabia’s support of the United Arab Emirates (UAE) in its dispute over the three Iranian Islands of Abo Musa, greater and lesser Tunbs, led to a deterioration of the Iran-Saudi relations. Subsequently, in December 1992, Hashemi Rafsanjani threatened the Gulf States that “they would have to cross a sea of blood to reach the islands” (Salloukh & Brynen, 2004). Tehran and Riyadh ties became worse in 1993 and as result Saudi Arabia declared that it would not allow Iranians to hold the demonstration in the hajj like before. The reason was that Iranian forces on the island [Abo Musa] deported hundreds of UAE nationals, closed the school, police station, and desalination plant. Further, as Wilson and Graham (1994) state, the people who came from UAE were required to have Iranian visas and residence permits. At the same time, both countries competed within OPEC and other Muslim countries which had surfaced after the collapse of the Soviet Union in 1991.

After re-establishment of Iran and Saudi Arabia relations, Iran also attempted to accommodate Saudi Arabia as the indisputable leader in OPEC because reconstruction and economic reforms needed to be supported by a budget which conventionally came from oil earnings. In fact, among oil producer countries, Saudi Arabia has an almost exclusive role in controlling the oil price because it has 25.99 percent of world oil resources and also, its production capacity is more than 9 million barrels per day. Despite Iran’s attempts for cooperation with Saudi Arabia, there was no agreement on oil quotas and price in OPEC in 1991-92. According to Salloukh & Brynen (2004), “[T]he two sides continued to differ fundamentally on [oil] quota and output issues and Iran exceeded its production quota for most of the next year” (1992). During this period, despite Iran and the Persian Gulf countries, in particular Saudi Arabia, searching for a security formula after the

Second Gulf war; it was not easy to shape such a formula. Signs that Iran and Saudi Arabia had different security agendas became evident almost immediately following the defeat of the Iraqi military in the Second Gulf War. Indeed, after the victory of the US-headed international coalition against Iraq, the Gulf countries signed the Damascus Declaration, or “six plus two agreement”, in 1991, which was based on the establishment of a standing force in the Persian Gulf. The force was formed of troops from the six littoral countries plus Syria and Egypt. Although Iran had adopted a neutral position during the Gulf crisis, the agreement did not include Iran. It was evident that the Persian Gulf countries still intended to isolate Iran in the region. This is why Iran termed the Damascus Declaration as an ‘illegitimate’ and a ‘destabilizing’ agreement. In this regard, Al-Suwaidi (1996) explains that achieving an agreement on security arrangements was difficult in the Persian Gulf region and each country looked for a security agreement unilaterally. He names a ‘large network of Arab contacts’, ‘different priorities’ of every state and disagreement on a ‘common threat’ as main reasons for the failure.

8. Conclusion

As discussed, after Iran’s revolution in 1979, ideology dominated all sections of the new regime such as foreign policy. Although at this juncture, approximately all actions of Iran’s Shiite regime were considered in the framework of Islamic and revolutionary thought, however, in practice, the regime acted sometimes in favor of national interest. Internal hardships resulted from the eight-year war along with international isolation and pressures paved the ground for the growth of the realist group in the mid-1980s. Nevertheless, they could not take control of the foreign policy until 1989 because of the powerful dominance of the ideology and clergy leadership. However, when the pragmatic Hashemi Rafsanjani came into office, Iran’s foreign policy underwent some significant changes in order to rebuild parts of the war-torn country after the eight-year war, reform the state-run economy by privatization and also release Iran from international isolation. Therefore, Hashemi Rafsanjani tried to improve Iran’s foreign relations with world countries, especially with the Gulf States. In this case, one of the countries that had a significant position in the region, due to its influence in OPEC and on Persian Gulf countries and also security of the Gulf, was Saudi Arabia. During this period, Iran’s requirement for security arrangements in the Persian Gulf, Iranian pressure to perform the hajj, and the country’s dependence on oil revenues made cooperation with

Saudi Arabia a necessary top priority in Iranian foreign policy. So, despite their rivalry and serious tensions during the first decade of the revolution, which finally led to severing their diplomatic ties with Saudi Arabia in 1988, Iran strived to take conciliatory steps to normalize mutual relationships with the Saudis. As a result, the two countries renewed diplomatic relations in March 1991. Although Iran and Saudi Arabia attempted to cooperate with each other regarding the hajj, security of the Gulf and oil after resumption of relations, proved to be a difficult issue to resolve due to different viewpoints and the existence of mutual problems.

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