

COOPERATION AMONG ANTAGONISTS

THE COMPLEX RELATIONSHIP BETWEEN THE GULF STATES AND IRAN

Gidon Windecker / Peter Sendrowicz

Have there been indicators of efforts to normalise Iranian-Saudi relations? Considering decades of rivalry for dominance in the Middle East, the fact that Iranian Foreign Minister Jawad Zarif travelled to Riyadh on 24 January 2015 to pay his respects following the death of Saudi King Abdullah certainly supported this idea. Particularly as Iran's President Rouhani had explicitly stressed the need for improving relations with all the Gulf states after he took office in August 2013.¹ But distrust on the part of the Gulf monarchies, originally triggered by the 1979 Islamic Revolution in Iran, is deeply engrained. The declared intention to export the revolution beyond the Iranian borders prompted the Gulf states to establish the Gulf Cooperation Council (GCC) in 1981 in order to counter the threat of a destabilisation of their monarchies. The subsequent decades were consequently characterised by mutual suspicion. Iran made repeated attempts to interfere in the internal affairs in the Gulf, for instance in connection with the attempted coup in Bahrain in 1981 and with the provision of support to the Shia minority in the majority Sunni Saudi Arabia. But the Gulf states were also disconcerted by Iran's various efforts to subvert the status quo in places like Iraq, Lebanon and Syria, and not least in Yemen.

The preliminary agreement in the nuclear dispute was concluded in Geneva in November 2013 between the E3+3 (Germany, France, the UK, China, Russia and the USA) and Iran, following mediation conducted in large part by Oman. This agreement has also provided an opportunity for the GCC and the Islamic Republic to revive their relationship. It has since been followed by successful negotiations on a framework for a nuclear deal held in Lausanne in early



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1 | Cf. Abdullah Hamidaddin, "A window for Iranian-Gulf relations?", *Al Arabiya News*, 20 Sep 2013, <http://english.alarabiya.net/en/views/news/middle-east/2013/09/20> (accessed 20 Apr 2015).

April of this year. The two sides now have to review the status quo, which has persisted for over three decades. This is no easy challenge in view of the very different lines the individual Gulf states have been pursuing with respect to Iran over the last thirty years. While Saudi Arabia, Bahrain and the United Arab Emirates (UAE) have been most critical of Iran, pragmatic relations have developed with Oman, Qatar and Kuwait.

The time has come for the GCC to devise a joint foreign policy line for dealing with Iran in order to prevent a further split between the GCC members. No doubt the latter would be in Iran's continuing interest as it might help to distance the smaller Gulf states from Saudi Arabia. However, Iran also appears to have realised over time that engaging in dialogue with Saudi Arabia is essential, particularly in view of the threat posed by the self-styled Islamic State (IS). This prompted the Iranian Foreign Minister Zarif to meet his Saudi counterpart Saud bin Faisal on the occasion of the UN General Assembly in September 2014 after years had gone by without any direct talks being held at such a high level.²



Given current developments in the nuclear dispute and threats such as the organisation IS, the 1981 founded Gulf Cooperation Council has to reconsider its policy towards Iran. | Source: Erin A. Kirk-Cuomo, U.S. DoD, flickr ©📷.

2 | Cf. "Saudi, Iran foreign ministers meet in New York", *Al Arabiya News*, 22 Sep 2014, <http://english.alarabiya.net/en/News/middle-east/2014/09/22/Saudi-Iran-foreign-ministers-meet-in-New-York> (accessed 20 Apr 2015).

This article on the relationships between the Gulf states and Iran is therefore intended to illustrate where the historical, geopolitical and ideological rifts lie between the two poles in the Gulf region and that these do not preclude individual Gulf states engaging with Iran for reasons of their own.

SHADOW OVER THE GULF: THE RIVALRY BETWEEN SAUDI ARABIA AND IRAN

With Saudi Arabia being the political and ideological power center of the Arabian Gulf states, the ructions in the Saudi-Iranian relationship over the last three decades have inevitably also affected the relationships of Bahrain, the UAE, Kuwait, Qatar and Oman with the Islamic Republic. This must be borne in mind when considering the fundamental antagonism in the Gulf region, which serves as a starting point for further analysis. After all, the original purpose of the GCC was to act as a joint bulwark against the Iranian threat.

While there had been no deep friendship between Saudi Arabia and Iran even before 1979, a good working relationship was in both their interests, particularly against the backdrop of the rising power of the Baathist

Due to Iran's aggressive foreign policy following the Islamic Revolution, incidents involving Iran and the Gulf states proliferated, which placed a lasting strain on relations.

Iraq, which both states viewed with distrust. Within U.S. President Nixon's "Twin Pillar" strategy, Saudi Arabia and Iran also figured as joint guarantors of stability in the Gulf after the withdrawal of the British in 1971.³ Following the Islamic Revolution, Iranian foreign policy became characterised by the aggressive ambition to take the revolutionary ideology beyond the national borders, which represented a threat to the status quo in the Gulf. Incidents involving Iran and the Gulf states proliferated, which placed a lasting strain on relations. During the Iran-Iraq war (1980 to 1988), the oil monarchies in the Gulf supported Iraq, first and foremost Saudi Arabia, with only the Sultanate of Oman remaining neutral.⁴ Ever since, there has been a battle for supremacy in the region between Saudi Arabia, claiming to act as the guardian of the holy sites of Mecca and Medina as well as representing Sunni interests, on the one hand and Iran, claiming to defend Shia interests on

3 | Cf. F. Gregory Gause III, *The International Relations of the Persian Gulf*, New York, Cambridge University Press, 2010, pp. 16-25.

4 | Cf. Jean-Christophe Victor, "Islam: Der Konflikt zwischen Sunniten und Schiiten", in: "Mit offenen Karten", ARTE, via YouTube, 11:50, 28 Jan 2015, <http://youtu.be/Knm2qKZU-84> (accessed 20 Apr 2015).

the other. However, the battle is, in fact, predominantly a political rather than a religious one.

In this regard, the 1987 Mecca massacre has to be seen from a political perspective. This incident involved bloody clashes between Iranian pilgrims and Saudi security forces in front of the Grand Mosque, which left 402 people dead, 275 of them Iranian pilgrims.⁵ Mutual assignments of blame further escalated the situation, culminating in the storming of the Saudi embassy, the death of a Saudi diplomat and documents being set alight in the Kuwaiti embassy in Tehran. In response, King Fahd broke off diplomatic relations with Iran and imposed a visa ban on Iranian haj pilgrims.⁶ While the Shia opposition movement Organization for the Islamic Revolution in the Arabian Peninsula, which had the support of the Iranian leadership elite, was a thorn in the side of Saudi Arabia in the 1980s, it was Hezbollah Al-Hejaz that posed a threat of overthrow in the 1990s. This militant Shia organisation,

Recurring territorial disputes between Iran and the UAE over islands in the eastern Gulf provided further conflict potential in the Iran-GCC relationship.

which operated in Saudi Arabia, Bahrain and Kuwait, pursued a pro-Iranian course and is held responsible for the attack on the Khobar Towers in 1996 in the Saudi city of Dhahran.⁷

Recurring territorial disputes between Iran and the UAE over the islands of Abu Musa and the Greater and Lesser Tunbs located in the eastern Gulf provided further conflict potential in the Iran-GCC relationship, at the latest by 1992, which saw the annexation of the islands by Iran and the expulsion of UAE citizens.⁸

During the presidencies of Rafsanjani (1989 to 1997) and particularly Khatami (1997 to 2005), Iranian-Saudi relations improved somewhat and made for a more relaxed atmosphere in the Gulf region, even though the distrust on the part of the Arabian monarchs was not dispelled. This was because they realised "the major decisions on Iranian security policies were taken not by the

5 | Cf. Alexei Vassiliev, *The History of Saudi Arabia*, London, 1998, p. 471.

6 | Cf. Amin Khorami, "Iran, Saudi Arabia, Mid-East arch-rivals find common ground on IS", *Middle East Eye*, 7 Oct 2014, <http://middleeasteye.net/in-depth/features/iran-saudi-arabia-mid-east-arch-rivals-find-common-ground-1199136280> (accessed 20 Apr 2015).

7 | Cf. Toby Matthiesen, "Hizbullah al-Hijaz: A History of The Most Radical Saudi Shi'an Opposition Group", *The Middle East Journal* 64 2, 2010, pp. 179-197.

8 | Cf. Forough Hossein Pour, "Eine Insel mit zwei Erben", *zenith*, 24 Apr 2012, <http://zenithonline.de/deutsch/politik/a/artikel/eine-insel-mit-zwei-erben-002833> (accessed 23 Apr 2015).

President, but by the religious leader Khamenei⁹. Visits by members of the Saudi and Iranian leaderships to one another's country were of historic significance. Then Crown Prince Abdullah travelled to Tehran in December 1997 as the highest-ranking Saudi since the Islamic Revolution. Two years later, Khatami was the first Iranian president since the 1979 events to set off on a visit to Saudi Arabia.¹⁰

However, the overthrow of Saddam Hussein in 2003 upset the balance of power in the Gulf, which affected the Saudi-Iranian relationship. The era of détente came to an end, in part due to the fact that U.S. military presence stirred up the competition between the two rivals for the leadership role in the Middle East. The Iranians considered the withdrawal of all foreign, i.e. American, troops from the region the main condition for security and stability in the Gulf. The Gulf states, on the other hand, considered the American military presence an indispensable shield against potential encroachments by the powerful neighbour and therefore intrinsically linked to their own security.¹¹ To the Saudis, it was consequently inconceivable "for

[their country as] an ally of the United States to be close to its rivals"¹². Iran's regional ambitions "consequently threatened Saudi security, creating a vicious circle."¹³ Saudi Arabia's concerns about a Shia-dominated government in Baghdad as an Iranian pup-

Arabia's concerns about a Shia-dominated government in Baghdad resulted in the Wahhabi kingdom pursuing a more aggressive anti-Iranian course following the years of the overthrow of Saddam Hussein in 2003.

pet resulted in the Wahhabi kingdom pursuing a more aggressive anti-Iranian course over the following years. Further incentive for this course was provided by reports about an Iranian nuclear program, which emerged in 2002. Rather than the possibility of a nuclear attack on the Gulf states by Iran, Saudi Arabia's concerns centered on the fear that the Islamic Republic would try to undermine Gulf security by proxy wars, immune to outside pressure under a nuclear umbrella.¹⁴ In response, the Gulf states sought to

9 | Guido Steinberg/Nils Woermer, "Exploring Iran & Saudi Arabia's Interests in Afghanistan & Pakistan: Stakeholders or Spoilers – A Zero Sum Game? Part 1: Saudi Arabia", *CIDOB Policy Research Paper*, Apr 2013, p. 8, http://swp-berlin.org/fileadmin/contents/products/fachpublikationen/Steinberg_Woermer_SaudiArabia_Interest_April2013.pdf (accessed 15 May 2015).

10 | Cf. "Iran and Saudi leaders in key talks", *almotamar.net*, 4 Mar 2007, <http://almotamar.net/en/2121.htm> (accessed 23 Apr 2015).

11 | Cf. Christin Marschall, *Iran's Persian Gulf Policy: From Khomeini to Khatami*, New York, 2003.

12 | Hamidaddin, n. 1.

13 | Ibid.

14 | Cf. Steinberg/Woermer, n. 9, p. 8.

strengthen their collaboration through the West, for instance with the 2004 Istanbul Cooperation Initiative with the NATO.¹⁵

The election of Ahmadinejad to president and the accession of King Abdullah in Saudi Arabia in August 2005 did not bring about a change in the situation. On the contrary: "[...] the presidency of Mahmoud Ahmadinejad in Iran was galling; with his poisonous rhetoric, he constantly reminded his neighbors of Iran's hegemonic goals."¹⁶ That this was the case was brought home once again by Ahmadinejad's controversial visit to the disputed

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island of Abu Musa. The affront the Iranian president caused was all the more explosive as the GCC was already holding the Islamic Republic responsible for inciting the majority Shia population of Bahrain against the Sunni monarchy since protests had broken out in

2011. Shia make up more than half of the Bahraini population, and there are undoubtedly some sympathisers with the ideology of the Islamic Revolution among them.¹⁷ Fears of the Shia insurrection spilling over were particularly strong in the Gulf states that are home to large numbers of Shia: 30 per cent in Kuwait, 15 per cent in den UAE and ten per cent in Saudi Arabia.

Disregarding occasional cyber-attacks on the oil producer Aramco or on websites of the Saudi government,¹⁸ the Cold War between Iran and Saudi Arabia is played out above all in a number of proxy wars in the Middle East. Be it in Lebanon, where the Islamic Republic funds the Shia Hezbollah militia and where Saudi Arabia provides generous funding for military hardware to the Lebanese army;¹⁹ in the battle for influence in crisis-riven Iraq; and in Syria, home to the main bone of contention between Saudi Arabia and

15 | The signatories to the agreement includes the countries of Bahrain, Qatar, Kuwait and the UAE. Cf. Pierre Pierre Razoux, "What future for NATO's Istanbul Cooperation Initiative?", *NATO Research Paper*, Jan 2010, http://mercury.ethz.ch/serviceengine/Files/ISN/112378/ipublicationdocument_singledocument/17c7202f-a80a-40cc-9a61-b20d8bf156e2/en/rp_55en.pdf (accessed 23 Apr 2015).

16 | Yoel Guzansky/Sigurd Neubauer, "Saudi Arabia and Iran's Uneasy Friendship", *Foreign Affairs*, 28 Jan 2015, <http://foreignaffairs.com/articles/142787/yoel-guzansky-and-sigurd-neubauer/saudi-arabia-and-irans-uneasy-friendship> (accessed 23 Apr 2015).

17 | Cf. Thomas Birringer, "Four Scenarios and no Recourse? Saudi Arabia and Iran's Nuclear Program", *KAS International Reports*, 11/2010, pp. 7-22, <http://kas.de/wf/en/33.21074> (accessed 12 May 2015).

18 | Cf. Guzansky/Neubauer, n. 16.

19 | Cf. Rainer Hermann, "Frankreich und Saudi-Arabien rüsten Libanons Armee auf", *Frankfurter Allgemeine Zeitung*, 30 Dec 2013, <http://faz.net/-1qk-7kw1t> (accessed 12 May 2015).

Iran: Bashar Al Assad, whom Iran continues to support and whom Saudi Arabia wishes to see ousted. This is one point on which Saudi Arabia and Qatar agree. And not least in the Yemeni civil war, where Shia Houthi rebels, allegedly with Iranian support, are fighting against the Sunni government, which, for its part, is supported by a Saudi-led military coalition of Arab states. While Saudi Arabia may have the political say among the Gulf states and is the most important player influencing the antagonism in the Gulf, the Kingdom has so far not been able to create a coherent anti-Iranian front among the Gulf states.

Fig. 1

Iran and its Arab Neighbours



Source: Revised illustration based on mapz.com, Data OpenStreetMap (ODbL).

SPECIFIC INTERESTS OF THE INDIVIDUAL GULF STATES

While the Saudi Kingdom likes to give the West in particular the impression that the countries of the GCC stand shoulder to shoulder – specifically with respect to the Islamic Republic – this is far from being the case. The specific interests and national agendas of the smaller Gulf states are too diverse, especially where economic matters are concerned, for them to accept Saudi Arabia's diktats. Apart from Bahrain, all the smaller Gulf states have expanded their functional relations with Iran on a pragmatic basis. This is due in no small part to the geopolitical dialectic they are exposed to. The tension caused by simultaneously feeling distrust of and attraction to Tehran is complemented by a dichotomy of loyalty and distance towards Riyadh. The latter caused by the continuous efforts of the Saudi royal dynasty to not only strengthen but expand its hegemony over the region – to which the monarchs of the smaller states were vehemently opposed.

The Kingdom of Bahrain

Of all the Gulf states, the Bahraini dynasty is closest to the allied ruling family in Riyadh. The geographic location of what is by far the smallest of all the Gulf states can be considered symbolic of its geopolitical role. The kingdom lies to the immediate east of Saudi Arabia, opposite Iran. Since 1986, the King Fahd Crossway has connected the island state to the Saudi mainland via a 25-kilometer bridge.

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Bahrain is ruled by the Sunni Khalifa family, while approx. 60 per cent of its indigenous population is Shia.²⁰ Although the recurring protests of the last few decades were predominantly social and political in nature, the conflict has increasingly developed religious overtones, strengthening fears particularly in conservative royal circles of Iran that gain influence by inciting Shia opposition activists. Things came to a head on 17 February 2011, when security forces quashed protests in Pearl Square, which had the effect of radicalising the Shia opposition, already incited by Iranian propaganda. After further bloody confrontations, Saudi Arabia and the UAE dispatched some 1,500

20 | Some sources even mention up to 70 per cent. Cf. David D. Kirkpatrick, "Power Struggles in the Middle East Exploit Islam's Ancient Sectarian Rift", *The New York Times*, 5 Jul 2014, <http://nyti.ms/1zguEXA> (accessed 12 May 2015).

soldiers and police to the island in the frame of Peninsula Shield Force.²¹ Since then, there have been indications and reports of Tehran not only providing ideological but also financial and logistical support to the Shia opposition on the island.²²

United Arab Emirates

Despite being one of Saudi Arabia's closer allies, the UAE's relationship with Iran is totally different to Bahrain's. In terms of political differences, the previously mentioned territorial conflict concerning the three islands in particular plays a symbolic role.

With respect to a nuclear dispute and a potential military campaign against the ayatollah regime discussed in 2010, UAE government representatives gave an unequivocal answer when asked about their support: "We cannot live with a nuclear Iran."²³ That said, the seven emirates are by no means entirely united in their positions. While it is the territorial and geopolitical conflict dictating the stance taken in the capital Abu Dhabi and in the Emirate of Sharjah, which claims sovereignty over the disputed islands, the neighbour Dubai is more focused on the island of Abu Musa, and the emirate maintains close, historically evolved trade relations with the Islamic Republic. Nor should the fact be ignored that a considerable number of its citizens are of Iranian extraction, Iranian-Arab or Iranian citizens.²⁴ Some ten per cent of Dubai's inhabitants are ethnic Persians. There are over eight thousand Iranian companies and over one thousand trading firms operating in the

21 | The Peninsula Shield Force is a joint intervention force, which was set up in 1982 by the states of the Gulf Cooperation Council for the purpose of mutual military assistance in the event of a state of defence. With an original troop strength of 10,000 soldiers, this has now increased to over 40,000, with plans to increase it further to up to 100,000 under a joint command structure. Cf. Michael Rubin, "Is the Bahrain Uprising Sponsored by Iran?", *Commentary*, 2 Feb 2012, <https://commentarymagazine.com/2012/02/02/bahrain-uprising-iran> (accessed 23 Apr 2015).

22 | Cf. "Opposition Figure: Bahrain's Uprising Inspired by Islamic Revolution", ABNA, 10 Feb 2015, <http://abna24.com/english/service/bahrain/archive/2015/02/10/670346/story.html> (accessed 23 Apr 2015); Jonathan Spyer, "Iran's silent war in the Gulf", *The Jerusalem Post*, 6 Apr 2013, <http://jpost.com/Features/Front-Lines/Irans-silent-war-in-the-Gulf-308735> (accessed 23 Apr 2015).

23 | Eli Lake, "U.A.E. diplomat mulls hit on Iran's nukes", *The Washington Times*, 6 Jul 2010, <http://washingtontimes.com/news/2010/jul/6/uae-ambassador-endorses-bombing-irans-nuclear-prog> (accessed 23 Apr 2015).

24 | Cf. "Iranian expats in the UAE see polls as pointless exercise", *Gulf News*, 1 Mar 2012, <http://gulfnews.com/1.988403> (accessed 23 Apr 2015).

emirate, generating a trading volume of approximately ten billion U.S. dollars in 2009.²⁵ Of course Abu Dhabi is also aware of these huge sums and tries to tread a careful path in its dealings with its powerful neighbour. On the one hand, the capital frequently calls upon Dubai – under pressure from the U.S. – not to undermine the U.S.-led sanctions against Iran through trade and smuggling. On the other hand, Abu Dhabi tries to avoid additional confrontation with the Islamic Republic, most recently indicated by the fact that the list of designated terror organisations published in November 2014 did not include any organisations with close ties to Iran, such as the Lebanese Hezbollah.²⁶

Kuwait

As the third smallest Gulf state, Kuwait is in the crossfire of its two powerful neighbours. With a 30 per cent Shia minority among the population, the Sunni Al Sabah ruling family depends on good relations with both sides, even though, unlike the situation in Bahrain, most of the Shia represent wealthy, unpolitical trading families, who are close to the ruling dynasty. Political opposition and potential for sectarian tensions emanate

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above all from the Salafists, who are mostly of Saudi extraction, and from Muslim Brothers. To guard against sectarian conflict, it is therefore in Kuwait's interest to avoid arousing displeasure in Tehran and among its own Shia population, despite its relative closeness to Saudi Arabia. Tensions increased during the period of protests in Bahrain in 2011, when Kuwait was asked to dispatch troops to the neighbouring country as part of the Peninsula Shield Force. Like its allied dynasty in Riyadh, the rulers feared that democratic concessions in Bahrain would increase pressure for reform in their own country as well. The Sabah family therefore echoed the Saudi line that Iran was behind the protests. The situation escalated when Kuwait expelled three Iranian diplomats for alleged espionage in March 2011 and recalled its ambassador from Tehran.²⁷ Nevertheless, it is in Kuwait's interest not to test its relations with its

25 | Cf. Simeon Kerr, "Dubai eager to capitalize on Iran opening", *The Financial Times*, 21 Jan 2014, <http://ft.com/intl/cms/s/0/4acb7a40-7f6b-11e3-b6a7-00144feabdc0.html> (accessed 23 Apr 2015).

26 | Cf. Awad Mustafa, "Questions, Praise for UAE's Terrorist List", *Defense News*, 20 Nov 2014, <http://archive.defensenews.com/article/20141120/DEFREG04/311200045> (accessed 23 Apr 2015).

27 | Cf. "Iran and Saudi Arabia Spar over GCC Troops in Bahrain", *MEPC Middle East in Focus*, 5 Apr 2011, <http://mecpc.org/articles-commentary/commentary-0> (accessed 23 Apr 2015).

large neighbour unnecessarily as it continues to be closely linked to Iran economically. Plans for a gas deal between the two states consequently remained unaffected.²⁸

Qatar

The ambitious micro-state with the highest per capita income worldwide has pursued its own strategy within the web of regional diplomacy for a long time. Sheikh Hamad bin Khalifa Al Thani has always sought ways and means to keep his two extremely powerful neighbours out of his backyard. For this purpose, he developed a number of soft power tools to make the emirate an essential cog within the international machine and thereby secure its independence. The U.S. Al Udeid Air Base established the facts on the ground. Qatar thus increasingly went its own paradoxical way in the 2000s, much to Saudi Arabia's annoyance. It was the only Gulf state to allow Israel to operate a trading agency in Doha for some time, yet it continued to support Hamas and Hezbollah. In 2007, Qatar even invited Iranian President Mahmud Ahmadinejad to a GCC summit without informing the other rulers.²⁹



The U.S. military base Al Udeid in Qatar established the facts on the ground for the micro-state to pursue its own interests in the region. | Source: instapinch, flickr ©.

28 | Cf. Andrew Hammond, "The United Arab Emirates, Qatar, Oman, and Kuwait: The Gulf front weakens", *ECFR Gulf Analysis*, Dec 2014, p. 15.

29 | Ibid.

While Qatar is allied with Saudi Arabia formally through the GCC alliance as well as through its Wahhabi tradition, it too is tied to Iran through economic interests. After all, the emirate's immense wealth depends to a large extent on the huge North Dome Field, one of the world's largest gas fields, which it shares with Iran. Doha has demonstrated its independence further by supporting factions fighting Iran's ally Assad in Syria.³⁰



President Hasan Rouhani (l.), here together with Ayatollah Ali Khamenei (r.), with Sultan Qaboos (m.): Oman has historically close ties with Iran and is developing increasingly into an intermediary between the GCC and Iran. | Source: © AP Photo, picture alliance.

The Sultanate of Oman

Traditionally, Oman has maintained the historically closest links to Iran among the Gulf states. As far back as 1973, Reza Shah Pahlavi had supported the young Sultan Qaboos bin Said in his efforts to end the Dhofar Rebellion. But even after the Islamic Revolution, the Sultanate did not see any reason to break off the beneficial relations. After all, the two countries share sovereignty over the Strait of Hormuz, through which 17 billion barrels of oil (20 per cent of global volume) are transported every day.

30 | Cf. Gidon Windecker/Peter Sendrowicz, "Qatar between Marketing and Realpolitik – A Smart Business Model for a Microstate?", *KAS International Reports*, 01/2014, pp.83-102, <http://kas.de/wf/en/33.36582> (accessed 12 May 2015).

Oman is unique within the region in terms of its demography, with a majority of close to 75 per cent Ibadis and small Sunni and Shia minorities. Against this backdrop, the Sultanate attempts to guard against Wahhabi ideology from Saudi Arabia. Furthermore, it pursues a strategy of securing its position between the two major powers through the presence of U.S. troops. The country has made its air bases and sea ports available for use by U.S. units from as far back as the 1980s.

As regards the dispute over Iran's nuclear program, Muscat takes a stance that could not be diametrically more opposed to that of Riyadh or Abu Dhabi. Yusuf bin Alawi, Minister Responsible for Foreign Affairs of the Sultanate of Oman, is said to have stated that a "nuclear-armed Iran would not constitute a destabilising force for the region".³¹ Similar to Dubai, Oman has also allegedly profited from the U.S.-imposed sanctions against Iran by turning a blind eye to smuggling.³² The two states are also linked closely by legitimate economic ties. Iran imported close to 441 million U.S. dollars' worth of goods from Oman, while the Sultanate is highly dependent on Iranian gas deliveries for its energy supply.³³

This high level of independence causes frequent annoyance in Riyadh. At the same time, the Sultanate has proved to be a reliable mediator between various conflicting parties.

Starting with the negotiations between Iraq and Iran in the 1980s, Muscat has acted as a fair mediator in several conflicts with the Islamic Republic.

Beginning with the negotiations between Iraq and Iran in the 1980s, Muscat has acted as a fair mediator in several conflicts with the Islamic Republic. Most recently, Oman demonstrated its good connections with Tehran in the dispute over the Iranian nuclear program, repeatedly performing the role of mediator between the E3+3 and the Islamic Republic. Ever since the beginning of the negotiations, Muscat has hosted clandestine talks between U.S. and Iranian representatives, and in November 2014, the first official high-ranking consultations between the conflicting parties also significantly took place in the Omani capital. Omani

31 | Giorgio Cafiero, "Can Oman and Iran's 'Special' Relationship Last?", *The Huffington Post*, 5 Sep 2014, <http://huff.to/1HgnWXz> (accessed 12 May 2015).

32 | Cf. Juliane von Mittelstaedt, "Smuggler's Paradise: Iran Sanctions Good Business in Tiny Omani Port", *Spiegel Online*, 20 Jan 2012, <http://spiegel.de/international/world/a-810165.html> (accessed 23 Apr 2015).

33 | Cf. "Iran, Oman explore new avenues for increasing trade", *Customs Today*, 6 Jan 2015, <http://customstoday.com.pk/iran-oman-explore-new-avenues-for-increasing-trade-ties> (accessed 23 Apr 2015).

mediators also played an essential role in ensuring the success of the mediating efforts which led to the Geneva interim agreement in November 2013.³⁴

ROUHANI'S CHARM OFFENSIVE – ARAB-IRANIAN RAPPROCHEMENT OR GCC SPLIT?

As a matter of fact, Rouhani's election in June 2013 and the efforts made in Muscat towards an agreement between Iran and the E3+3 in the nuclear dispute have left their mark on the Gulf states and have caused a decided shift in Arab-Iranian relations. The ground-breaking developments since the

In 2013, the Gulf states reacted with unease to the "Phone Call That Shook the Middle East" between Obama and Rouhani. To them, it appeared that their fears were being realised.

end of 2013 can therefore serve as the basis for further analysis of the Iran-GCC relationship. In September 2013, the Gulf states reacted with unease to the "Phone Call That Shook the Middle East"³⁵ between Obama and Rouhani. To them, it appeared that their fears, which analysts had first observed back in 2010, were being realised: to prevent Iran acquiring a nuclear weapon, the West would concede the Iranian regime greater influence in the region. "The country's [Saudi Arabia's] importance would be weakened proportionately to any increase in Iran's status [...]. The smaller Gulf States in particular fear becoming objects of a compromise, through which increased external power will be exercised."³⁶ The Gulf states, which felt their hand was being forced, were even more alarmed by the Geneva interim agreement of November 2013, which buoyed Iran politically. For this reason, the GCC members arranged a summit meeting in Kuwait in December 2013 to express their discontent about the fact that they had been excluded from the negotiations of the E3+3 and Iran. However, Saudi Arabia's goal of developing the GCC beyond mere cooperation into a political union as a sign of strength against Iran amounted to nothing because of Oman's threat that it would then leave the GCC.³⁷ The latest framework

34 | Cf. Marc Valeri, "Oman's mediatory efforts in regional crises", *NOREF Expert Analysis*, Mar 2014, http://peacebuilding.no/var/ezflow_site/storage/original/application/c3f2474284d7aaeadeb5a8429ef64375.pdf (accessed 23 Apr 2015).

35 | Kirk H. Sowell, "Saudi Arabia and Iran: Rouhani fades as Riyadh focuses on containment", *European Council on Foreign Relations Gulf Analysis*, 11 Dec 2014, http://ecfr.eu/publications/summary/post_nuclear_the_future_for_iran_in_its_neighbourhood325 (accessed 23 Apr 2015).

36 | Birringer, n. 17, p. 17.

37 | Cf. Kersten Knipp, "Saudi-Arabiens einsamer Weg", *Deutsche Welle*, 12 Dec 2013, <http://dw.de/p/1AY4o> (accessed 12 May 2015).

agreement announced in Lausanne created further frictions in the region with Saudi Arabia announcing its own nuclear aspirations.³⁸

In view of Oman's special relationship with Iran as well as a fundamental scepticism on the part of Qatar, Kuwait and the UAE towards a Saudi predominance in such a political union, the diversity in the relationships between the Gulf states and Iran is becoming more pronounced in these times of Western-Iranian rapprochement. This poses great challenges to the disunited GCC in its dealings as a regional organisation. Despite the lingering distrust, the U.S.-Iranian rapprochement offers the smaller Gulf monarchies, which are not hostile to Iran in any case, an opportunity to improve their own relations with the Islamic Republic. The thaw in the Western-Iranian nuclear dispute has been conducive to their endeavours in this direction in recent times. Without appearing to stab the USA, their protecting power, in the back, the UAE, Kuwait, Qatar and Oman have since benefited from the Geneva Plan of Action as a tacit go-ahead for new initiatives to cooperate with Iran. "But the Gulf states know they cannot fully normalise with Iran unless the United States also takes steps towards such normalisation. Thus, such news should sound favourable in the ears of Gulf players. They should welcome such a step and not consider it a threat."³⁹

Even though Rouhani's reconciliatory discourse and expressions of sympathy since he took office were addressed at all six Gulf states, one cannot dismiss the impression that where Saudi Arabia and Bahrain are concerned, Iran's charm offensive has so far been limited to lip service, a few interviews placed strategically in Gulf media and some courtesy visits. This could well be due to cold calculation on the part of Iran. Kuwait, the UAE, Qatar and Oman, on the other hand, are experiencing a new era of political, economic and cultural cooperation with Iran following intensive shuttle diplomacy over the last eighteen months. Kuwait, for instance, is planning to import natural gas from Iran. A deal to that effect was recently signed during the visit of Kuwait's Emir Sheikh Sabah Al-Ahmed in Tehran in June 2014.⁴⁰ The UAE and Iran set up the

38 | Cf. "Arabia Keeps Hinting It Would Go Nuclear if Iran Does", *Newsweek*, 2 Apr 2015, <http://newsweek.com/saudi-arabia-keeps-hinting-it-would-go-nuclear-if-iran-does-319131> (accessed 23 Apr 2015).

39 | Hamidaddin, n. 1.

40 | Cf. Anthony Dipaola, "Kuwait Wants to Buy Iran Gas as Energy Ties Trump Nuclear Fears", *Bloomberg Business*, 2 Jun 2014, <http://bloomberg.com/news/articles/2014-06-02/kuwait-wants-to-buy-iran-gas-as-energy-ties-trump-nuclear-fears> (accessed 23 Apr 2015).

Joint High Commission in the presence of their respective Foreign Ministers in April 2014, which envisages regular cross-departmental consultations at ministerial level. At one of these meetings, a decision was made to set up an Emirati-Iranian economic council and found a joint association of chambers of commerce and industry.⁴¹ Qatar and Iran established a Joint Political Committee headed by their Deputy Foreign Ministers, which has been meeting for political consultations every three months since March 2014.⁴² Furthermore, Iran's Justice Minister Mostafa Pourmohammadi and the Chairman of the Qatar Supreme Judiciary Council, Masoud Al Amri, signed an agreement on the extradition of Iranian prisoners to the Islamic Republic.⁴³ On the occasion of Rouhani's visit to Muscat in March 2014, Oman concluded an agreement with Iran to import 20 million cubic metres of Iranian natural gas per day. There are also plans to build a 260 kilometer pipeline between the two states for this purpose.⁴⁴ Following the meeting with Sultan Qaboos, Iranian-Omani naval exercises were held.⁴⁵

To Iran, the smaller Gulf emirates and the Sultanate of Oman do not represent a serious security threat, which is another reason for Iran to focus on them.

Iran's strategy, which is likely to lie behind this charm offensive, can be decoded as follows: Iran identifies and utilises disagreements between the GCC member states to sow discord between them and thereby prevent Saudi Arabia from uniting them under its leadership. Iran is attempting to thereby isolate Saudi Arabia politically. To Iran, the smaller Gulf emirates and the Sultanate of Oman do not represent a serious security threat, which is another reason for Iran to focus on them. And they are, in fact, responding to Iran's advances for a variety of reasons, which could provoke a split in the GCC. The GCC is coming under strain from the diverging interests of the Gulf states in view of

- 41 | Cf. "Abdullah bin Zayed and Iranian Foreign Minister discuss ties of cooperation and friendship", *UAE interact*, 16 Apr 2014, <http://uaeinteract.com/docs/Abdullah-bin-Zayed-and-Iranian-Foreign-Minister-discuss-ties-of-cooperation-and-friendship/61159.htm> (accessed 23 Apr 2015).
- 42 | Cf. "Iran – Qatar first ever joint political committee convenes", IRNA, 15 Mar 2014, <http://irna.ir/en/News/2650757/Politic> (accessed 23 Apr 2015).
- 43 | Cf. "Iran, Qatar Ink Several Judicial Agreements", *High Council for Human Rights*, 24 Nov 2014, <http://en.humanrights-iran.ir/news-22487.aspx> (accessed 23 Apr 2015).
- 44 | Cf. Ankit Panda, "India, Iran and Oman Open Talks On Deep Sea Gas Pipeline", *The Diplomat*, 1 Mar 2014, <http://thediplomat.com/2014/03/india-iran-and-oman-open-talks-on-deep-sea-gas-pipeline> (accessed 23 Apr 2015).
- 45 | Cf. "Iran and Oman hold joint naval exercises", *Middle East Eye*, 8 Apr 2014, <http://middleeasteye.net/news/iran-and-oman-hold-joint-naval-exercises-493167941> (accessed 23 Apr 2015).

Iran's new willingness to enter into dialogue and its increased respectability. All the more reason for the GCC to make efforts to create a common line based on compromise in its dealings with the Islamic Republic, assuming the GCC states "want to prevent the Council from becoming a dysfunctional organisation".⁴⁶



In contrast to Mahmoud Ahmadinejad (I.), Iran's current President, Hassan Rouhani, strives for a new era in GCC-Iranian relations – through new forms of cooperation and a softer tone. | Source: © Parspix, abaca, picture alliance.

THE ISLAMIC THREAT: CATALYST FOR A STRATEGIC PARTNERSHIP?

Since the summer of 2014, frequent attempts have been made to use the rise of IS as a possible catalyst for the long-overdue discussion on a joint foreign policy line towards Iran and potentially an official rapprochement by the entire GCC under Saudi Arabia's leadership. When paramilitary IS units under Abu Bakr Al Baghdadi overran large parts of northern Iraq and Syria in the summer of 2014 and proclaimed a "caliphate" on 29 June, this not only sent shock waves through the Western world, it also caused huge concern in the Gulf states, particularly in Saudi Arabia, seeing that IS had announced that Mecca, the Prophet's birthplace, was among its next targets.

46 | Bulent Aras, "The Gulf and Iran: New realities, new strategies", *Al Jazeera*, 4 Feb 2014, <http://aljazeera.com/indepth/opinion/2014/01/gulf-iran-new-realities-new-st-2014131144646495245> (accessed 23 Apr 2015).

It is therefore hardly surprising that Saudi Arabia dispatched 30,000 soldiers to the border with Iraq shortly after the collapse of the Iraqi military forces in Mosul and reports about the alleged withdrawal of Iraqi border guards. In view of the new threat from extremist groups, the date to begin construction of a 900 kilometer border fence, which was first discussed in 2006 and is due to be equipped with infrared cameras, motion detectors and the latest radar equipment from Germany, was advanced and the first section was unveiled in September 2014.⁴⁷ The genuine threat the porous desert border poses was illustrated in January 2015 by an IS attack on a Saudi border post, during which two border guards lost their lives.⁴⁸

However, the threat of extremist attacks does not come exclusively from Iraq but also from within the country. A media survey conducted in the summer of 2014 indicated that a large majority of young Saudis are IS sympathisers.⁴⁹ Besides the dissatisfaction of large parts of the population with social conditions, this can be explained above all by the fact that the ideology of the terror group is founded on similar religious teachings as are being preached in the Kingdom under the strict Wahhabi state doctrine. This provides an ideal breeding ground for the radicalisation of young people, who suffer from a lack of prospects.⁵⁰ Besides uncompromising anti-terror legislation, which imposes heavy penalties for joining or supporting IS as well as other extremist groupings, the Saudi rulers responded with a reintegration program for returning fighters.⁵¹ However, due to a large extent to Washington's original restraint and President Obama's

47 | Cf. Guido Steinberg, "Saudi-Arabien als Partner deutscher Politik", *Aus Politik und Zeitgeschichte (APuZ)*, No. 46/2014, 5 Nov 2014, pp. 48-53, <http://bpb.de/apuz/194442> (accessed 12 May 2015); "Saudi unveils 900km fence on Iraq border", *Al Jazeera*, 6 Sep 2014, <http://aljazeera.com/news/middleeast/2014/09/saudi-unveils-900km-fence-along-iraq-border-201496154458789238.html> (accessed 12 May 2015).

48 | Cf. Richard Spencer, "Saudi general killed in attack on border with Iraq", *The Telegraph*, 5 Jan 2015, <http://telegraph.co.uk/news/11325032/Saudi-general-killed-in-attack-on-border-with-Isil-held-Iraq.html> (accessed 23 Apr 2015).

49 | Cf. Abdel Bari Atwan, "Will the US-Iran-Saudi Alliance defeat ISIS?", *Middle East Monitor*, 21 Aug 2014, <https://middleeastmonitor.com/articles/middle-east/13622> (accessed 23 Apr 2015).

50 | Cf. Henner Fürting, "Historisch gewachsene Symbiose: Das Haus Saud und die Wahhabiyya", *APuZ*, No. 46/2014, 5 Nov 2014, pp. 3-11, <http://bpb.de/apuz/194429> (accessed 12 May 2015).

51 | Cf. Jafar Alshayeb, "Warum ziehen saudische Jugendliche in den Dschihad?", *zenith*, 17 Jul 2013, <http://zenithonline.de/deutsch/gesellschaft/a/artikel/003727> (accessed 23 Apr 2015).

fear of having to abandon his policy of a gradual withdrawal from the Middle East and being once more drawn into a lengthy conflict, Riyadh found itself forced to seek further partners in the region. With the former regional powers of Syria and Iraq facing total disintegration of the state institutions and Egypt into a state of disarray, Saudi Arabia's options were extremely limited and thus a strategic alliance with the arch rival Iran appeared to be an expedient solution. After all, IS also poses an indirect threat to Iran, not least because it is weakening the Shia-dominated government in Baghdad and the allied regime in Damascus. It was therefore ultimately the joint enemy who brought the antagonists closer together, at least for a time.

When the two countries agreed to endorse the Kurd Fuad Masum as the new Iraqi president in 2014, relations appeared to have reached an unprecedented high.⁵² During the meeting between the two foreign ministers on the occasion of the UN General Assembly in September 2014, Iranian Foreign Minister Zarif spoke of "a new chapter" in the relationship between the two countries. Saudi Arabia's Foreign Minister Saud bin Faisal, on the other hand, pointed out that cooperation was necessary in order to "avoid the errors of the past".⁵³

However, it also soon became clear that even a joint interest where IS is concerned could not gloss over the decades of wrangling with the existence of hegemony in the Gulf region. One significant reason for the Saudis' willingness to negotiate was the realisation

One significant reason for the Saudis' willingness to negotiate with Iran was the realisation that the Syrian regime under Assad would not fall as quickly as had been assumed just the previous year.

that the Syrian regime under Assad would not fall as quickly as had been assumed just the previous year.⁵⁴ This meant the proxy war between the two major powers conducted in Syria could escalate further once the joint enemy was defeated. Mutual distrust as well as widely diverging interests are therefore preventing joint action against the extremists. Iran, for one, is only prepared to compromise if support for the Syrian rebels is abandoned. Saudi Arabia, on the other hand, demands that the fights against the

52 | Cf. Hussein Dakroub, "ISIS brings Saudi Arabia and Iran closer", *The Daily Star*, 6 Sep 2014, <http://dailystar.com.lb/News/Lebanon-News/2014/Sep-06/269754-isis-brings-saudi-arabia-and-iran-closer.ashx> (accessed 23 Apr 2015); Ellinor Zeino-Mahmallat, "Saudi-Arabiens Rolle im Nahen Osten", *APuZ*, No. 46/2014, 5 Nov 2014, p.42, <http://bbp.de/apuz/194440> (accessed 12 May 2015).

53 | Guzansky/Neubauer, n. 16.

54 | Cf. *ibid.*

Syrian dictator continue as a condition of its joining the international coalition against IS.⁵⁵



The "Islamic State" poses a common threat to Iran and the Gulf states. | Source: © AP Photo, picture alliance.

The prevailing differences manifested very clearly in December 2014, when Iran conducted its first separate air raids against IS fighters, refusing to coordinate these with the USA or Saudi Arabia.⁵⁶ And a high-ranking meeting between diplomats from Riyadh and Tehran in Oman, which had been convened to discuss a joint strategy to fight IS, broke up because of the dispute about the low oil price. Iran accuses Saudi Arabia as the most powerful OPEC state of keeping the oil price low not only because of fracking in the U.S. but particularly in order to weaken the Iranian economy.⁵⁷ In a speech held on 13 January 2015, President Rouhani warned:

55 | Cf. Jürg Bischoff, "Zwei Allianzen gegen den Islamischen Staat", *Neue Zürcher Zeitung*, 18 Oct 2014, p. 3.

56 | Cf. Julian Borger, "Iran air strikes against Isis requested by Iraqi government, says Tehran", *The Guardian*, 6 Dec 2014, <http://theguardian.com/world/2014/dec/05/iran-conducts-air-strikes-against-isis-extremists-iraq> (accessed 23 Apr 2015).

57 | Cf. "Iran minister's Saudi visit delayed due to oil price fall: Tehran", *The Fiscal Times*, 18 Jan 2015, <http://thefiscaltimes.com/latestnews/2015/01/18/Iran-ministers-Saudi-visit-delayed-due-oil-price-fall-Tehran> (accessed 23 Apr 2015); Matthew M. Reed, "How Iran Is Coping With Sagging Oil Prices", *Newsweek*, 30 Jan 2015, <http://newsweek.com/how-iran-coping-sagging-oil-prices-303298> (accessed 23 Apr 2015).

“Those that have planned to decrease the prices against other countries will regret this decision.”⁵⁸

A further contentious issue, which has come to the fore particularly since June 2014, is the influence the two major powers have in Yemen. Since the Zaydi Shia Ansar Allah, or Houthis, progressively gained power in Yemen, Riyadh has been losing the means of exerting influence in Sanaa. It was particularly the grip Saudi Arabia had on the powerful Hashid clan, including the family of former President Saleh and the formerly powerful Ahmar family, which guaranteed Riyadh control over the military and therefore over stability in the southern neighbouring country. With the ousting of the Hadi government, this power base has now been swept away, and Saudi Arabia is accusing Tehran of providing active support to the Shia Houthi rebels.⁵⁹ Open threats against the Saudi Kingdom by Houthi leaders confirm the impression in Riyadh that the country is increasingly being surrounded by hostile forces under Iran’s control.⁶⁰ Added to this is the fact that there is also a small minority of Zaydis living in southern Saudi Arabia. They are considered a threat in Saudi Arabia and in Yemen and are suspected of supporting Iranian claims to power within the Arabian Peninsula.⁶¹ While Iran and Saudi Arabia were able to at least agree on a truce where dealing with IS is concerned, their battle for power and ideological supremacy elsewhere continues unabated, as the air raids on Houthi positions in Yemen by the Saudi-led military coalition illustrate.

Open threats against the Saudi Kingdom by Houthi leaders confirm the impression in Riyadh that the country is increasingly being surrounded by hostile forces under Iran’s control.

CONCLUSION

To summarise: the diversity of the stances the Gulf states take in their interaction with Iran, which had already begun to emerge during the last two decades, has become more pronounced since

58 | Mohammad Bazzi, “King Salman’s War”, *Politico Magazine*, 25 Jan 2015, <http://politico.com/magazine/story/2015/01/saudi-arabia-king-salman-114583.html> (accessed 23 Apr 2015).

59 | Cf. Khaled Fattah, “Saudi Troubles in Sanaa”, *Sada*, 10 Feb 2015, <http://carnegieendowment.org/sada/2015/02/10/saudi-troubles-in-sanaa/i1z8> (accessed 12 May 2015).

60 | Cf. Mohammed Ghobari/Noah Browning, “Battle lines drawn for a civil war in Yemen”, *Reuters*, 18 Feb 2015, <http://reuters.com/article/idUSKBN0LM1FR20150218> (accessed 23 Apr 2015).

61 | Cf. Peter Salisbury, “Yemen and the Saudi-Iranian ‘Cold War’”, *Chatham House Research Paper*, Feb 2015, http://www.chathamhouse.org/sites/files/chathamhouse/field/field_document/20150218YemenIranSaudi.pdf (accessed 12 May 2015).

the Geneva Plan of Action of November 2013. A complex web of different interests and expectations, some lingering concerns about lost opportunities, as well as scepticism and distrust, and not least the enemy narrative that had become institutionalised over almost four decades – all this is turning the individual relationships between the Gulf monarchies and Iran into a real test for the Arab states affiliated under the

Since the 1979 Islamic Revolution, the decision-makers and the population in Saudi Arabia have been socialised as cold war actors in a constant rivalry with Iran.

GCC umbrella. Since the 1979 Islamic Revolution, the decision-makers and the population in Saudi Arabia have been socialised as cold war actors in a constant rivalry with

Iran – a psychological factor that cannot easily be eradicated. Although the USA as their protecting power has given the Gulf states the go-ahead to make further steps towards Iran and use the momentum of the rapprochement to their advantage, they are still prevented from realising the full potential of interaction with the Islamic Republic by the dominant position of the Saudis within the GCC. From the Saudi perspective, a substantial improvement of relations between Saudi Arabia and Iran would only have strengthened Iran's position in the negotiations with the E3+3, which the Kingdom would have seen as damaging to its own power. On 24 November 2014, the Geneva Plan of Action was extended for a further seven months, namely to 30 June 2015. While Oman, Qatar, Kuwait and the UAE already viewed the 2013 interim agreement as having initiated a new era in the Gulf, Saudi Arabia was not interested in following the trend towards détente prematurely. Should the E3+3 and Iran succeed in agreeing to a comprehensive deal following on from the successful Lausanne framework agreement of April 2015 and the sanction regime against Iran be lifted, this would allow the smaller Gulf states to further intensify their relations with Iran. At the same time, Saudi Arabia would run the risk of losing its supremacy in the Gulf. It remains to be seen, however, which further exogenous factors, such as previously the rise of the common enemy IS, may inject new dynamics into the relationships between Saudi Arabia and the other five Gulf states with Iran. The question remains whether these will be successful in bringing about a partnership that will not declare the GCC obsolete but effect a fundamental renewal of its *raison d'être*; or whether they may even, in total contrast, cause a return to viewing the GCC as a suitable bulwark against Iran in view of the current situation in Yemen.