



UNIVERSITI PUTRA MALAYSIA

***IRANIAN-SAUDI RELATIONS IN ECONOMIC
AND SECURITY COOPERATION (1991-2001)***

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**IRANIAN-SAUDI RELATIONS
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**Thesis Submitted to the School of Graduate Studies, Universiti Putra Malaysia,
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of the requirement for the degree of Doctor of Philosophy

**IRANIAN-SAUDI RELATIONS
IN ECONOMIC AND SECURITY COOPERATION (1991-2001)**

By

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June 2012

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Despite economic and political problems between Iran and Saudi Arabia, they finally agreed to cooperate on oil price in 1998-9 and also signed a security cooperation pact in 2001, both of which were for the first time. In view of this, this thesis revolves around three questions: first; what economic factors led to cooperation between Iran and Saudi Arabia within OPEC? Second, how did political elites of Iran and Saudi Arabia play an important role in the economic cooperation of the two countries within OPEC?, And finally, what political-security factors besides economic cooperation had a role in the security cooperation between Iran and Saudi Arabia?

In this study, a qualitative research method was used and since the study took Iranian-Saudi cooperation into consideration from an Iranian perspective, the primary data were mostly collected through semi-structure open-ended interviews

with ten Iranian diplomats and senior officials who held office regarding Iran-Saudi matters in Iran's Foreign Ministry during the period of the study. The protocol for data recording was the use of audio tape-recorder and the interviews were mainly conducted in the office of the informants. At the end, with regard to the historical nature of the study, the researcher used qualitative content analysis to analyze and then interpret the gathered data.

The findings indicate that the domestic economic problems of Iran and Saudi Arabia, as the internal factor, and the decline of world oil price and its continuing downward spiral for almost two years, as the external factor, were the main reasons for the eventual economic cooperation between the two countries regarding oil within OPEC. The findings also show how the political elites of Iran and Saudi Arabia, including President Akbar Hashemi Rafsanjani (1989-1997), Seyyed Mohammad Khatami (1997-2004), and Saudi Crown Prince Abdullah Ibn Abdul Aziz played significant roles in this cooperation. They helped to pave the way for eventual cooperation by improving bilateral political relations, which had been strained during the 1980s, since without normalization and advancement of mutual relations the two countries were not able to cooperate on oil price and quota. Finally, the study illustrates that in addition to the factor of economic cooperation, the political and security factors of confidence building by Iranian leaders, which assured Saudi leaders that Iran was not a security threat to them, the presence of Crown Prince Abdullah in Saudi's foreign policy arena, improvement of relations between Iran and the West, the common threat of Al-Qaeda and Taliban in the region, and reduction of Iran's revolutionary zeal and thoughts alongside the absence of any military hostilities between Iran and neighboring Arab countries in the Persian Gulf region

during the 1990s, had a crucial role in the eventual signing of the Iran and Saudi Arabia novel security agreement in 2001, which was regarded as the turning point in their mutual relations since 1979.

In conclusion, the research contributed to economic and security matters in bilateral cooperation between Iran and Saudi Arabia. The research also showed that economic and political issues were strongly correlated in Iranian-Saudi cooperation and also the political elite played a very crucial role in the cooperation between the two countries. This study, likewise, provides strong support to the neo-functionalist theory and promotes a better theoretical understanding and knowledge of regional integration and cooperation.

Abstrak kajian ini dibentangkan kepada Senat Universiti Putra Malaysia sebagai memenuhi keperluan untuk Ijazah Doktor Falsafah

**HUBUNGAN IRAN-SAUDI
DALAM KERJASAMA EKONOMI DAN KERJASAMA KESELAMATAN
(1991-2001)**

Oleh

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Walaupun terdapat masalah politik dan ekonomi antara Iran dan Arab Saudi, mereka akhirnya bersetuju untuk bekerjasama dengan harga minyak dalam 1989-9 dan juga menandatangani perjanjian kerjasama keselamatan dalam 2001, yang merupakan kali pertama buat kedua-dua perjanjian. Dengan itu tesis ini berdasarkan tiga soalan: pertama; apa factor ekonomi yang membawa kepada kerjasama antara Iran dan Arab Saudi dalam OPEC? Kedua, bagaimanakah elit politik Iran dan Arab Saudi memainkan peranan penting dalam kerjasama ekonomi dua negara dalam OPEC?, Dan akhirnya, apa faktor-faktor keselamatan politik selain kerjasama ekonomi mempunyai peranan dalam kerjasama keselamatan antara Iran dan Arab Saudi?

Dalam kajian ini, kaedah penyelidikan kualitatif telah digunakan dan sejak kajian mengambil kerjasama Saudi Arabia Iran dalam pertimbangan dari satu

perspektif Iran, data asas kebanyakannya dipungutkan melalui temu duga terbuka semi struktur dengan sepuluh diplomat Iran dan pegawai kanan yang memegang jawatan mengenai hal-hal Iran Saudi Arabia di Kementerian Luar Negeri Iran semasa tempoh kajian. Protokol untuk rakaman data menggunakan perakam pita audio dan temu duga terutamanya dijalankan dalam pejabat pemberi maklumat. Pada penghujung tempoh, berhubung dengan sifat sejarah kajian, penyelidik menggunakan analisis kandungan analisis kualitatif dan kemudian mentafsirkan data yang dikumpul.

Kesemua penemuan ini menunjukkan bahawa masalah ekonomi Iran dan Arab Saudi, adalah factor dalaman, manakala penurunan harga minyak dunia dan lingkaran menurunnya yang berlanjutan untuk hampir dua tahun, merupakan faktor luaran. Kedua-dua ini adalah alasan utama untuk kerjasama ekonomi mungkin antara dua negara itu mengenai minyak dalam OPEC. Penemuan-penemuan ini juga menunjukkan bagaimana elit politik Iran dan Arab Saudi, termasuk Presiden Akbar Hashemi Rafsanjani (1989-1997), Seyyed Mohammad Khatami (1997-2004), dan Putera Raja Abdullah Ibn Abdul Aziz Saudi Arabia memainkan peranan-peranan penting dalam kerjasama ini. Mereka membantu bagi membuka jalan untuk kerjasama mungkin dengan meningkatkan perhubungan politik dua hala, yang telah diregangkan semasa 1980s, sejak tanpa penormalandan kemajuan dua negara, hubungan-hubungan bersama tidak mampu bekerjasama di harga minyak dan kuota.

Akhirnya, kajian ini menjelaskan tambahan kepada factor kerjasama ekonomi, politik dan faktor-faktor keselamatan pembinaan keyakinan oleh pemimpin-pemimpin Iran, yang meyakinkan pemimpin-pemimpin Saudi Arabia yang Iran bukan satu ancaman kepada keselamatan kepada mereka, kehadiran Putera Raja Abdullah dalam

gelanggang dasar luar orang Saudi Arabia, peningkatan hubungan-hubungan antara Iran dan barat, ancaman biasa Al-Qaeda dan Taliban di rantau ini, dan pengurangan semangat revolusioner dan idea-idea Iran di sisi ketiadaan mana-mana permusuhan ketenteraan antara Iran dan negara-negara Arab berjiran dalam rantau Persian Gulf semasa 1990s, mempunyai satu peranan penting dalam menandatangani mungkin perjanjian keselamatan novel Iran dan Arab Saudi itu dalam 2001, yang dianggap sebagai titik perubahan hubungan mereka sejak 1979.

Kesimpulannya, penyelidikan ini menyumbang kepada ekonomi dan soal-soal keselamatan dalam kerjasama dua hala antara Iran dan Arab Saudi. Penyelidikan ini juga menunjukkan bahawa isu-isu politik dan ekonomi banyak dihubungkan dalam kerjasama Saudi Arabia Iran dan juga elit politik memainkan peranan amat penting dalam kerjasama antara dua negara itu. Kajian ini juga menyediakan sokongan kuat bagi teori neo fungsionalis yang memperkenalkan satu pengertian abstrak yang lebih baik dan pengetahuan interasi serantau dan juga kerjasama.

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I certify that an Examination Committee has met on 5th June 2012 to conduct the final examination of Reza Ekhtiari Amiri on his Doctor of philosophy thesis entitled “Iranian-Saudi Relations From Economic to Security Cooperation (1991-2001)” in accordance with Universiti Putra Malaysia (Higher Degree) Act 1980 and Universiti Putra Malaysia (Higher Degree) Regulations 1981. The Committee recommends that the candidate be awarded the Doctor of Philosophy.

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DECLARATION

I declare that the thesis is my original work except for quotations and citations which have been duly acknowledged. I also declare that it has not been previously, and is not concurrently, submitted for any other degree at Universiti Putra Malaysia or other institutions.



REZA EKHTIARI AMIRI

Date: 5 June 2012

LIST OF ABBREVIATIONS

OPEC	Organization of the Petroleum Exporting Countries
UNSCR	United Nations Security Council Resolution
OIC	Organization of the Islamic Conference
ECSC	European Coal and Steel community
EEC	European Economic Community
IRNA	Islamic Republic News Agency
IMF	International Monetary Fund
MNCs	Multinational Corporations
WHO	World Health Organization
EIA	Energy Information Agency
CIA	Central Intelligence Agency
GCC	Gulf Cooperation Council
GDP	Gross Domestic Product
ILSA	Iran-Libya Sanction Act
GNP	Gross National Product
GNI	Gross National Income
IR	International Relations
UAE	United Arab Emirates
EU	European Union
UN	United Nations
b/d	Barrels per Day
US	United States

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