

Political and Economic Conflict between Iran and Saudi Arabia and its Impact on South Asia

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Abstract

The ongoing Saudi-Iranian indirect confrontation triggers a widespread concern in the international media. This thesis seeks to demystify the fallacious impression that religious and cultural differences have made their enmity inevitable. Through a comprehensive approach, this paper aims at demonstrating that their relation has mostly been shaped by pragmatism rather than by irrational hostility. Moreover, the ongoing tensions between Riyadh and Tehran do not appear to be fuelled by the so-called religious or sectarian sticking points, but more by both regimes' unwillingness to address their domestic challenges. Thus, this thesis seeks to provide an alternative to analyses solely perceiving their ongoing rivalry through either the prism of their so-called structural incompatibility or of a realist struggle for regional dominance, in arguing that their confrontation can compellingly be understood as the result of both regimes' cynical subterfuge to conceal their domestic deficiencies through an offensive external posturing

This qualitative research explored the impact of Saudi-Iran conflict on south Asian countries specially the Muslim countries. Saudi Arabia has its economic influence, whereas, Iran is influential owing to its military capacity. The aim of becoming hegemonic power, led them to the conflicts and rivalry. The revolution of 1979 of Iran was great threat to the Saudi Arabia as well as its allies. This threat initiated proxy wars beyond the Middle Eastern region. Subsequently, Saudi Arabia and Iran adopted unfriendly approaches against each other, as both the rivals are stuck in a security dilemma and zero sum game, where victory or benefit of one is the loss for the other and a friend of one is perceived an enemy by the other. In this case complexities have been created for the countries like Pakistan and Afghanistan for maintaining a neutral position for past few years. The researcher has found that this politico-economical conflict affected the countries of weak economy and poor governmental system having dependent foreign policy. This resulted in religious intolerance among masses, sectarian based killings and other such sort of violence like bombings, suicide attacks, kidnappings and verbal abuses. Religion is used as device for creating their proxies in south Asian Muslim countries and money is also used to spread their own Islamist ideologies Shiism and Wahhabism/Suunism in some specific madrassahs (religious institutions).

Key Words: Political, Economic, Conflict, Saudi Arabia, Iran, Pakistan, Afghanistan, Middle East, Religion, Bangladesh, Rivalry, SATP.

Introduction

West Asia is birthplace of major religions. It is also the epicenter of religious and sectarian conflict. Iran is a Shia majority country while Saudi Arabia is a Sunni

majority country. Kingdom of Saudi Arabia is home to Makkah the birthplace of Islam and consider herself as leader of Muslim world; Iran challenges the view. But there is more to this enmity than just religion and that is competition between Iran and Saudi Arabia for regional domination. Iran was a theocracy while Saudi Arabia a monarchy. The competition for regional influence had resulted in a broad conflict on a number of issues, ranging from religion, to oil policy, to support for opposing regional groups, and the presence of superpowers like America and Russia has only serve to deepen the divide (Whitlock and Sly, 2011).

Before the 1979 relations between both countries were friendly. Both monarchies adopted pro-western policy Reza shah and Khalid. The relations between Iran and Saudi Arabia took a different trajectory just after the historical Iranian Revolution of 1979 (Tanoli, 2018).

And after this revolution Iran Iraq war of 1980-1988 created further rifts between both rivals. The story doesn't end here but there were series of major incidents that contributed to deepen the rift between Saudi Arabia and Iran; hajj clashes of 1987 which resulted in stampede in which 402 pilgrims were died. Khobar tower bombing blazed the conflict and the US led invasion of Iraq and removal of Saddam Hussain in 2003 created opportunities for both rivals to support their own agendas in Iraq and then series of proxy wars were started. Iran and Saudi Arabia didn't get involve in a direct War but they fought the battle by cold and proxy wars (conflicts where they support rival sides and militias i.e., in Iraq, Syria, Yemen and Lebanon).

It is the result of their proxies even in the South Asian countries like Pakistan and Afghanistan are facing sectarian based violence and deteriorated condition of peace. Even a very recent killing of 11 people in Much District of Baluchistan can be included in long term consequences of Iran Saudi rivalry on south Asian land and it also has significant impact on the foreign policy of Pakistan in such a way that in a recent past Imran Khan, has canceled his scheduled attendance at the Kuala Lumpur summit following his recent visit to Saudi Arabia. Reportedly, Riyadh is not happy with Malaysia's attempt to build a platform that could potentially challenge the Organization of Islamic Cooperation (OIC), which is led by Saudi Arabia. Iran was also invitee of the summit (Jamal, 2019).

It is argued that Saudi Arabia and Iran are bitter rivals since 1979. And this rivalry has not only spill-over effects on Middle East but in South Asia too. It is important to learn how this rivalry turned towards South Asia specially in Pakistan, Afghanistan and India. And how it affected the region.

Brief history of the Iran-Saudi Conflict

Iran has a great pride not only being a remaining part of one of the world's ancient and greatest Persian Empire but also that western powers failed to colonize Iran. On the other hand, The Al-Saud dynasty (ruling dynasty of Saudi Arabia) was established in 1928 (presently followed by over one billion Muslims across the globe) and consider themselves as custodians of holy cities of Makkah and Medina (Muzaffar, *et al.*, 2017).

Before the Islamic Republic of Iran was formed in 1979, relations between Iran and Saudi Arabia were based of bilateral understanding of their importance on US

foreign policy in the region. Saudi Arabia and Iran formed formal diplomatic relations in 1929 following the signing of a friendship treaty. But these diplomatic relations were deteriorated by the Iranian Revolution of 1979 which catapulted these two states into an embittered rivalry and sectarianism was revitalized (Weddington, 2017; Turan and Hoang, 2019).

A. The Iranian/Islamic Revolution of 1979

After this revolution it was revealed in a CIA report that Iran wanted to spread Islamic revolution to its neighboring lands. Saudi Arabia was alarmed with Iran's intentions to spread out the revolutionary ideology in the region. After the revolution the factor which deteriorated the Iran Saudi Arabia relation was the remarks of the Iranian spiritual leader Ayatollah Khomeini. Islamic Revolution was the reaction of Shah's pro-western policies, so the Khomeini embraced the oppressive policies toward the USA. Saudi Arabia was considered a firm partner in the region so she also became the victim of his oppressive policies toward USA. According to Khomeini Saudi Arabia is destroying the regional integrity and completing the USA interests in the region. As in those days, Saudi Arabia was the front line state of the USA in the fighting against Russian invaded army in Afghanistan in 1979. Saudi Arabia's support to Saddam Hussein's expansion action against the Iran and the Hajj Incident 1987, these made him angry with the Saudi Kingdom. "In a 1987 public address Khomeini declared that "these vile and ungodly Wahhabis, are like daggers which have always pierced the heart of the Muslims from the back," and announced that Makkah was in the hands of "a band of heretics".

B. Iran-Iraq war (1980-1988)

Second major incident which further escalated the rivalry between two was Iran-Iraq war (1980-1988). Saudi Arabia was never a big fan of Saddam Hussein, but it gave financial and political backing to the Iraq war with Iran that began in 1980 and resulted in more than a million deaths (Naylor, 2016).

'...Thirty-five years ago this week, Iraq invaded Iran and what has been described as the 20th Century's longest conventional war began. Both sides suffered terrible casualties but they had different motives for fighting...' (BBC News, By Mike Gallagher, September 26, 2015). '...Saudi Arabia and the other Gulf Cooperation Council (GCC) states backed Iraq's Saddam Hussein during the war and suffered Iranian attacks on their shipping, while in 1984 the Saudi air force shot down an Iranian fighter jet that it claimed had entered Saudi airspace...' (BBC News, By Kristian Coates Ulrichsen January 4, 2016).

C. Gulf Cooperation Council(GCC)

A new regional organization named Gulf Cooperation Council(GCC) was formed by the major countries of the Gulf. The Gulf council announced sanctioned against Iran. Saudi Arabia utilized a few strategies like oil politics against Iran as extra weight. Iran's economy was relying on its oil and petroleum. In 1985 Oil prices were dropped very low in the International market because of the overproduction of oil from Saudi Arab. This was a great setback for Iran's economy and the relation between the two got worse (Fatima, et al., 2017)

D. Hajj crisis 1987

Relations between Riyadh and Tehran were strained almost to breaking point in July 1987 when 402 pilgrims, 275 of whom were Iranian, died during clashes in the city of Makkah. As reported in following newspapers:

‘...1987 – Around 400 people, mainly Iranian Shia pilgrims, are killed in clashes with Saudi security forces during anti-Western protests in Mecca...’ (Aljazeera, November 19th, 2009). ‘... Regional rivals Saudi Arabia and Iran are regularly at odds over Iran’s claims of mistreatment of Shia pilgrims to Mecca. Several times during the 1980s, Iranian pilgrims mounted demonstrations in the holy city in western Saudi Arabia, and in 1987 Iranian pilgrims rioted, leading to more than 400 deaths...’ (Daily Dawn, October 31, 2009).

Protesters took to the streets of Tehran, occupied the Saudi embassy and set fire to Kuwait’s embassy. A Saudi diplomat, Mousa’ad al-Ghamdi, died in Tehran of wounds sustained when he fell out of an embassy window and Riyadh accused Tehran of delaying his transfer to a hospital in Saudi Arabia. Diplomatic relations were severed by Saudi Arabia’s King Fahd in April 1988 (McDowall, 2016).

E. Khobar Tower bombing in 1996

Incident of Khobar Tower bombing in 1996 worked as fuel to the fire. A truck bomb that killed 19 U.S. servicemen in the Saudi city of Khobar was later linked by a three-year FBI investigation to Iranians and members of Lebanon’s Iran-backed Hezbollah militia. In 2006, a U.S. judge ruled that Iran and Hezbollah were responsible for the bombing (Naylor, 2016). The above argument is supported by following news:

‘...US court says Iran owes \$254m to victims of 1996 terrorist attack in Saudi Arabia. On June 25, 1996, a truck bomb exploded in a military housing area known as the Khobar Towers dormitory near Dhahran. US authorities have long alleged that the bombing was carried out by a Saudi wing of Hezbollah group, which receives support from Iran and Syria. “The defendants also provided money, training and travel documents to Saudi Hezbollah members in order to facilitate the attacks,” ...’ (Aljazeera, December 23, 2006). ‘...Asharq Al-Awsat said Ahmed Al-Mughassil, leader of the Hezbollah Al-Hejaz who had been indicted by a US court for the attack that killed 19 US service personnel and wounded almost 500 people, had been captured in the Lebanese capital Beirut and transferred to Riyadh. Saudi authorities were not immediately available to comment. Saudi Arabia and the United States have accused Iran of orchestrating the truck-bomb attack. Iran has denied any responsibility for the attack...’ (Daily Dawn, August 26, 2015).

F. US led invasion of Iraq 2003

One of the important event in the history of this conflict was USA’s invasion over Iraq. When President George W. Bush decided to topple Saddam Hussain in 2003. The 2003 US-led invasion of Iraq overthrew Saddam Hussein, a Sunni Arab who had been a major Iranian adversary. This removed a crucial military counter-weight to Iran. It opened the way for a Shia-dominated government in Baghdad and Iranian influence in the country has been rising ever since. Saudi Arabia also got involved in

that situation and promoted its own version of Islam. After this there are other proxy wars took place between Tehran and Riyadh: war in Yemen, Syria and Lebanon and these conflicts empowered radical groups and region also faced refugee crisis (Marcus, 2019). The above mentioned information is supported by following news:

‘...In Saudi Arabia, however, Iran’s growing influence in Iraq was perceived as a major threat. Saudi officials repeatedly urged the US to stay engaged in the region and even asked Washington to launch military strikes on the Iranian nuclear programme to “cut off the head of the snake” ...’ (Aljazeera, by Mustafa Menshawy, March 13, 2021).

G. Execution of Nimr al Nimr

Relations between the countries have been strained over various issues some major of which mentioned above, once again in 2016 when Saudi Arabia executes one the famous Shia cleric sheikh Nimr al Nimr accused of shooting policemen during anti-government protests. The move prompts protests or condemnation from Shiites in Iran, Iraq, Bahrain, Turkey, Pakistan, India, Lebanon, and Yemen. As reported in following News:

‘...A top Iranian cleric warned the kingdom's Al Saud ruling family would be “wiped from the pages of history”, Yemen's Houthi group described Nimr as a “holy warrior” and Lebanese militia Hezbollah said Riyadh had made “a grave mistake. Riyadh’s main regional rival Iran immediately reacted with vigorous condemnation of the execution of Nimr, and Saudi police raised security in a province where the Shias are a majority in case of protests ...’ (Daily Dawn, January 2, 2016).

‘...Beirut — Protesters stormed and torched the Saudi Arabian Embassy in Tehran on Saturday after the execution of a prominent Shiite cleric ignited sectarian tensions across the already inflamed region, jeopardizing U.S. diplomacy aimed at tamping down conflicts in the Middle East...’ (The Washington Post, by Liz Sly, January 2, 2016).

The unrest erupted after Saudi authorities announced that Sheik Nimr Baqr al-Nimr, 56, was among 47 people put to death.

Although before the Islamic revolution 1979 and from 1990 to 2001 both countries enjoyed more or less friendly relations. This decade was more genuine in its nature of hilarity and mirth, accompanied by the boisterous gestures shown by the heads of both countries. In 1997, Saudi Crown Prince Abdullah attended the Organization of Islamic Cooperation (OIC) summit in Tehran. The visit yields more importance because it was a visit by the most senior Saudi official since 1979. In reciprocity to this positive gesture by the Saudis, Iranian President Muhammad Khatami, in 1999, visited the Kingdom and met the Crown Prince Abdullah and discussed matters of mutual concerns. This was also an important visit as it was the first ever since Islamic revolution by an Iranian leader. These positive diplomatic gestures also influenced their relations and brought some major and significant

changes to the foreign policies of these two competing powers of the Middle East (Ilishev, 2016).

Core Issues or The Major Aspects of the Conflict Between IRI and KSA

There are different aspects of the conflict between Iran and Saudi Arabia which may include security aspect, economic aspect, religious aspect, regional hegemonic and nationalist aspect. We can say that the major issues are political, economic and theological in nature.

a. Political issues

Iran after 1979, began to challenge Saudi Arabia in a different way. War between Iran and Iraq couldn't stop Iranians aggressive ideology and undertakings in the Saudi Arabia's sphere of interests. Invasion of Kuwait and US intervention in Iraq and Afghanistan vanished two major source of threats against Iran, Taliban regime in Afghanistan and Saddam Hussein's regime in Iraq, replacing them with friendly or in Iraq's case, a close ally to Iran (Alghunaim, 2014).

The first Saudi's concern regarding political security towards Iran was its revolutionary government because revolutionary Iranian government sat inspiration for the insurgent groups in the region toward revolution. Second is the remarks of Ayatollah Khomeini against the legitimacy of the monarchy in Islam. So Iran was considered as a threat to the stability of the Saudi Kingdom. The Iranian Nuclear programmed is not acceptable for Saudi Arabia. As nuclear development would enhance the importance of Iran and become the cause of Iranian supremacy and dominance in the Middle East region. While Iran has fears concerning security threats, these threats are mainly caused by U.S. interference associated with the presence of U.S. forces and military bases in the GCC, and the involvement of extraterritorial forces in the security of the region (Alam, 2001). Following news supports the above mentioned statement:

'...Saudi Arabia also the Iran nuclear deal, officially known as the Joint Comprehensive Plan of Action (JCPOA), that Tehran and Washington are trying to revive in indirect talks. The accord between Iran and world powers, which lifted sanctions on Tehran in return for curbs on its nuclear programme, has been in tatters since the US unilaterally withdrew in 2018 under former President Donald Trump. Since the US pulled out and reimposed harsh sanctions, Iran has gradually lessened its own compliance with the deal. Saudi Arabia and Gulf allies continue to pressure Iran over its nuclear programme, which Tehran says is entirely peaceful, and its ballistic missile programme. US intelligence agencies and the IAEA believe Iran had a secret, coordinated nuclear weapons programme that it halted in 2003...' (Aljazeera, June 22, 2021).

Crippled by decades of sanctions and Western interference in its affairs and without the oil money Saudi Arabia benefits from, Iran's foreign policy has been to develop proxies by equipping armed groups elsewhere and backing sympathetic regimes like that of Bashar al-Assad in Syria. Its concern is now its own survival as much as anything else. There is a popular saying in some foreign policy circles: "The US

invaded Iraq and gifted it to the Iranians.”There is some truth to those words. After Saddam Hussein was overthrown in 2003, the Iranians wasted no time in making things difficult for the US-led occupation and in cementing its own political influence. In 2014, when the ISIL (ISIS) group took control of large parts of Iraq, it was Iran-backed armed groups that helped to defeat it, while the US backed the Iraqi armed forces in achieving the same goal. In effect, Iran and the US fought on the same side, despite the bitter relationship between them. Saudi Arabia has only recently begun a diplomatic relationship with Iraq, [reopening](#) a consulate there in 2019 for the first time in 30 years and signing several trade agreements. Still, the kingdom seems to be happy to let the US take the lead and represent its interests, while being a tempering influence on Iran. The US, for its part, is clear that the destabilization of Iraq is off the cards, and that seems to have kept both Iran and Saudi Arabia in check (Khan, 2020)

According to Wiki leaks, Saudi king was urged USA to take strong action against Iranian nuclear programme rather than sanctions because sanctions are not providing affected pressure on Iranian government. The reaction of the Saudi Arabia’s leadership was highly concerned towards the Iranian Nuclear programme in the region. All these activities of the both countries had intensified the relations and the environment of the Middle East region. This unrest situation had led to expend Saudi Arabia highest percentage of GDP on the development of military (Rizwan, *et al.*, 2014).

While Saudi Arabia remained a staunch ally of the US, Iran adopted a revolutionary and anti-Western foreign policy, which prompted its isolation from an international system that was dominated by the US.

b. Economic issues

Oil has been an important dimension of the Saudi-Iranian relationship mainly because 60% of world oil comes from the Middle East region; and around 25% comes from Saudi Arabia. Saudi Arabia and Iran have also adopted different views on how to utilize their oil resources which has affected their short and long term policy on oil. This has resulted in a conflict of interest that dictates their relations.

According to their statistical yearbooks, both countries are heavily depended on the oil revenue, which counts to more than 91% of Saudi’s total income in the early 1960s. This income increased to 99.9% by exporting crude oil in the 1980s. In the case of Iran, the income increased from 85% in the early 1960s to more than 95% in the 1980s. Oil is a strategic international commodity, and its use as a political tool is widespread. Its role in the Saudi-Iranian rivalry can’t be understood without unpicking the international context, and the power structures that govern the way countries interact with each other. At the heart of this is the dominance of the US over this international system. The dynamics between the US, Iran and Saudi Arabia over oil were laid bare in September 2019, after a series of drone attacks on Saudi oil facilities. The attacks caused the suspension of 5.7m barrels per day (MBPD) of crude oil production, nearly half the Saudi output. The Houthis, a Yemeni faction, claimed responsibility (Cildir, 2019). Following news supports the above-mentioned statement:

‘...Yemen’s Houthi rebels say they have launched drone and ballistic missile attacks on Saudi Arabia, targeting oil facilities owned by the state-run Saudi Aramco company and military sites, coinciding with the sixth anniversary of the kingdom’s military intervention into the neighboring country. The Iran-aligned group on Friday said they launched attacks on Thursday against King Abdul-Aziz military base in Dammam and military sites in Najran and Asir. The group also said they targeted Aramco facilities in Ras Tanura, Rabigh, Yanbu and Jizan...’ (Aljazeera, March 26,2021).

Attacks on Saudi oil facilities have caused significant damage. Saudi oil ministry sources said the production had been disrupted by about 5m barrels a day – nearly half the kingdom’s estimated output of 9.7m barrels and 5% of global production. The Houthis, the Iran-aligned rebel army that has been fighting a Saudi-led military coalition in neighboring Yemen for the past four years, claimed responsibility for the attack (Safi and Wearden, 2019).

c. Theological issues

Sectarian difference or theology might be another aspect of this conflict perhaps the most sensitive one. The discussion of Shia-Sunni, Shia-Wahhabi rivalry. It highlighted the sectarianism in the region. This element is highly used by the western media and countries to propagate it as the only cause of the confrontation of the Iran and Saudi Arabia. This is also expressed by the Saudi government that the dominant Shia Iran is a threat not only for its but also for the stability of the region. Such discriminated attitude of the Saudi Kingdom promoted the Iran-Saudi influential game as the Shia-Sunni conflict (Rizwan, *et al.*, 2014). As reported in the following news:

‘...Washington: The conflict between Saudi Arabia and Iran is likely to further widen an existing sectarian divide in the Middle East, pitting Muslims against Muslims, warns a US survey released on Thursday...’ (Daily Dawn, by Anwar Iqbal, January 8, 2016).

Both Iran and Saudi Arabia acts in pursuit of power and they use religion and other tools in order to gain more power. Power according to Nye can be divided in two categories: hard and soft power. Joseph Nye defines the power “as the ability to affect others to obtain the outcomes you want and the soft power is to do so through attraction rather than coercion or payment. He means that a country’s soft power rests on its resources of culture, values, and policies”. He believes that intangible assets like culture, political values and institutions and legitimate policies that can be identified as moral has the potential to generate soft power and shape the preferences of others (Nye, 2008).

Iran has been under weapon embargo and sanctions since 1979 and when it comes to hard power cannot be defined as a country with major military capacities. Its air force is several generations behind the Saudi’s and has no capacity to challenge its neighbors. In order to protect itself from another invasion, like what happened during Iran-Iraq war, Iran has developed a domestic arm industry to match up with its limitation and among other things has followed a missile program that can fill this

vacuum. Iran has a larger population with a high level of educated and skilled workforces and an industrial base that along with its oil and natural gas reserves gives this country favorable conditions for an economic grow if this country can solve its problem with international community. When it comes to soft power, Iran poses a significant soft power within Shia Muslims inside Saudi Arabia and other countries inside Saudi Arabia's sphere of interests. Saudi Arabia has spent huge resources in order to increase its soft power. It's estimated that this country had expend more than \$100 billion to spread the Wahhabi ideology around the world. According to James Russell, the fact that 15 out of 19 attackers on 9/11 was citizens of Saudi Arabia gave rise to what many suspected for decades that Saudi Arabia have been the financial supporter for al-Qaeda and other extreme Islamic groups, through the funding of Madrasas (religious schools), around the world and specially in Pakistan, has sponsored the religious extremism, preaching Wahhabi fundamentalist version of Islam (Russell, 2005). The above-mentioned argument is supported by following news:

'...Since the 1960s, Saudi Arabia has invested an estimated \$100 billion in the creation of a powerful nexus of charities and organizations that serves as a front for its proselytizing efforts, largely escaping detection until the 9/11 attacks brought attention to Saudi Arabia's ideological influence around the world...' (Who What Why, by Jeff Schechtman, May 29, 2020).

Shortly there are some other aspects based on racial basis between Arabs and Persians, regional differences between Saudi Arabia and Iran along with their sense of national pride are causing hostility in the region, system of government in Saudi Arabia is monarchical while in Iran there is an Islamic democracy, majority of Saudi Arabian population is Sunni with Wahhabi authority whereas in Iran, there is dominance of Shia doctrine, national language of Saudi Arabia is Arabic while Persian is the official language of Iran.

Saudi-Iran tension turned towards South Asia specially to Pakistan

Geopolitics of a country/region determines its history based on geography. It also affects the country's foreign policy and her national interests. Ideology and socio-political systems of a country may change but a state must retain its territorial identity. The security of a state against external threats determines her frontier policy. Frontiers borders determine issues of war and peace amongst neighbors, but selection of neighbors is never by choice. South Asia's geostrategic environment is highly complicated and problematic due to its location, which is described as the 'Fulcrum' of Asia. South Asia is a region where the Central Asian States, China, Gulf States, South East Asian states meet. The politics of this region is characterized by several intra-regional conflicts based on difference in ideology, conflicting national objectives, territorial disputes and political rivalries. The superpowers and other power center have also direct or indirect interest in the region and its politics. While formulating national and foreign policies, South Asian states have to take into account the geostrategic realities and intra-regional discontinuities as well as the policy objectives of the superpower and major power center towards the region (Jalal, 2012).

Iran, Pakistan and Afghanistan shares a land border with each other. Although there is no linkage with Saudi Arabia through land border but connected through Arabian Sea. Iran Saudi conflict reached to south Asian land because of the geostrategic location of Pakistan and Afghanistan. US has both the geostrategic as well as geopolitical interest in Pakistan. Saudi Arabia considers Pakistan a strategic balance against Iran. The United States and Saudi Arabia place heavy reliance for any military action against Iran. Pakistan lies in close proximity of oil/gas rich Central Asian Republics (Khan, *et al.*, 2019).

Pakistan's economy depends on Saudi Arabia in more than one ways. Nearly 60% of foreign remittances, a life blood for Pakistan's economy, come for Pakistani diaspora working in Saudi Arabia and its allied countries. These workers not only bring petro-dollars; they also harbor close sympathy with these Arab countries. This gives a great leverage to Saudi Arabia to meddle in Pakistan's affairs directly and also through right-wing clergy funded by Saudis. This clergy was strengthened in Afghan jihad through massive donations which promoted Wahhabi Islam and its violent side in Pakistan. The extremists in Pakistan are still sympathetic to Saudi Arabia and derive strength from its religious policies of intolerance (Saqib, 2012).

Sunni coalition for military intervention against the Houthis in Yemen had provoked sectarian violence in Pakistan and Afghanistan. In fact, both countries had supported the Saudi-led air campaign in Yemen and were under heavy pressure to contribute military forces in case of a ground invasion. For Saudis, Pakistan has always been a vital ally, offering its military and nuclear weapons as a protection for the kingdom. In exchange, they have provided substantial financial assistance to the Pakistani military. However, in recent years, Pakistan's political leaders and the military have been working to forge a close relationship with Iran because of the US and India's strategic alignment. Therefore, balancing its relationship between the two regional contenders in the backdrop of a significant power shift in the region becomes a hurdle for the current Pakistani leadership. Afghans have a bitter memory of the proxy war between Saudi Arabia and Iran in the 1990s, which caused destruction and bloodshed in the capital city Kabul (Aljazeera, 2015).

The rise of sectarian strife on south Asian soil

After the Soviet invasion of Afghan war Pakistan was led towards sectarian conflicts and the society was divided. Saudi Arabia financially supported the Sunni whereas Iran aided the Shia community in Pakistan and Afghanistan. These ideological differences gave birth to sectarian strife in Pakistan which threatened the security of Pakistan. The Islamic revolution in Iran had great influence on its neighboring countries. The Shia communities get organized due to this revolution. Iran supported the Shia groups of Pakistan and Shia version of new militancy emerged. The Shia institutions especially in Kurram Agency, Hangu, and Peshawar district got assistance from Iran. Islam was divided by sectarianism through Iranian Shia and Arab Sunni. Iran and Saudi Arabia share a couple of advantages; both have petro dollars they can use to finance their campaigns both draw religious sectarian and ethical appeal to preempt ready-made blocks of supports. Saudi Arabia other Muslim countries and NGOs funded the Sunni group in Pakistan against Iranian inspired activism. This rivalry between the two Islamic countries led Pakistan towards sectarian strife

between the Sunni and Shia groups. During that time Lashkar e Jhangvi, the most violent Sunni organization was formed. In fact, the controversy between the two Islamic countries the Iran and Saudi Arabia, with two different sects failed to comprehend that their clash would create insecurity in the other Muslim countries (Afzal, *et al.*, 2012). As reported in following news:

‘...There have been reports of Gulf funding for extremists in the Syrian conflict, while the WikiLeaks disclosures of 2009 also attributed comments to Hillary Clinton linking Saudi funds to militant groups. Another cable claimed donors in Saudi Arabia and the UAE were pumping millions into south Punjab, with much of these funds ending up in the hands of jihadis. Even Interior Minister Nisar Ali Khan admitted recently in a written reply to a question in the Senate that madressahs were receiving funding from “Muslim countries”. This cash is used to fund terrorism and extremism, and things become problematic. If the authorities have reasonable evidence that funds from the Gulf or elsewhere are being funneled to militants, the issue needs to be taken up with the countries concerned...’ (Daily Dawn January 22, 2015).

‘...Pakistani security agencies reportedly busted an IS cell in Sialkot most of whose members formerly belonged to Jamaatud Dawa, a front for Lashkar-e-Taiba and with links to the Salafi movement historically associated with Saudi Arabia. Even more troubling are the reports of Pakistanis travelling to Syria and Iraq to join various militant groups including IS. There have also been instances where Shia volunteers have been recruited to fight along pro-Iranian forces in the Middle East. An international wire agency recently reported that the funeral of two Pakistani fighters killed in Syria took place in Tehran. Similar reports about Iranian recruitment have emerged from Pakistan’s tribal regions, fueling sectarian tensions. There is a real danger of Pakistan becoming a battlefield for the Saudi-Iran proxy war if timely measures are not taken to stop these recruitments. The ideologically motivated and battled-hardened could become the biggest challenge for the security agencies on their return home. One can only hope the government and the security agencies stop playing ostrich...’ (Daily Dawn, by Zahid Hussain, January 6, 2016).

Sectarianism spreads not only on Pak afghan soil but also on Bangladeshi soil .South Asian Terrorist Portal (SATP) stated that Jamaat-ul-Mujahideen Bangladesh appears to be connected with putatively non-violent, legal Islamist group or groups in Bangladesh, Defend democracy speculating that Jamaat-ul-Mujahideen Bangladesh is a proxy established by the legal Jamaat-e-Islami Bangladesh party to push the center of gravity of the political debate toward radical Islamism and make Jamaat-e-Islami appear more centrist. According to SATP, "many members of the JMB and JMJB have invariably been found to be cadres of the Islami Chhatra Shibir (ICS), student wing of the Jamaat-e-Islami, a partner in the ruling coalition" with the Bangladesh National Party under Prime Minister Khaleda Zia that came to power in 2001. JMB allegedly received financial assistance from individual donor in Kuwait, UAE, Bahrain, Pakistan, Saudi Arabia and Libya. Reports have claimed JMB received funding from international NGOs like Kuwait based Society of the Revival of Islamic Heritage (RIHS) and Doulatul Kuwait, Saudi Arabia based Al Haramaine Islamic Institute and Rabita Al Alam Al Islami, Qatar Charitable Society and UAE-based Al Fuzaira and Khairul Ansar Al Khairia (Palma, 2020).

The consequences of Iran-Iraq war were also seen in Pakistan and it became a battleground for Iran and Saudi Arabia of supporting their relevant sects with funds in shape of money. The external powers intervention led Pakistan towards sectarian violence.

Damaging Effects of This Conflict on South Asian Countries

This tension affected the region's political stability, law and order and economy. This conflict has significant impact on the independence of foreign policy of Pakistan and Afghanistan.

a) Religious intolerance among masses

The decades long rivalry between the two regional superpowers had assumed a false sectarian divide between the Sunni and the Shia Muslims, or even worse between Arabs and Iranians. Almost all south Asian states including Pakistan Afghanistan and India and Bangladesh continue to experience terrorism, sectarianism, religious, ethnic and political violence. In these conflicts numbers of casualties occurred which has threatened the very existence of life. Sectarianism is a real threat to the security of South Asia. It has shaken the basic foundation of Pakistan and has created disturbance, violence, hatred and disorder in society. From last three decades' sectarian conflicts have increased suicide bombings, bomb blasts, assassinations, and terrorist attacks. Although Pakistan has threats from India from time to time, but the immediate threat is sectarian strife (Dabashi, 2016).

'...The most significant strategic dimension of the Middle Eastern conflict is linked to the region's sectarian mire and its political manifestations, including violent ones. Though not a party to it, Pakistan feels the heat of the conflict, mainly in terms of how to adopt a neutral position to impede its sectarian consequences at home...' (Daily Dawn, by Muhammad Amir Rana, January 12, 2020).

b) Impact on Foreign policy or mutual relations

Pakistan cannot complicate its relationship with Iran by becoming party in a Middle Eastern conflict, mainly because of its geopolitical proximity with Iran and the fear of sectarian discord and violence. Some would argue that Pakistan's position vis-à-vis Iran and Saudi Arabia cannot be called an absolute neutral position. Yet, most hold that this posture of neutrality has significance in political and diplomatic terms.

Pakistan has its own geopolitical and economic challenges, with India-held Kashmir and Afghanistan being at the top. It is trying to gain the international community's political and diplomatic support through its renewed approach towards the Afghan reconciliation process, which is crucial for its economy as well as its stance on Kashmir. Interestingly, Pakistan failed to get full support from its Arab friends after India revoked the special status of held Kashmir. The Arabs, especially Saudi Arabia and UAE, showed a pragmatic approach, but they would always expect unconditional support from Pakistan whenever required (Daily Dawn, 2020).

As tension between the and Iran fuel fears of war, economists and international relations experts warn that any armed conflict between the countries will deal a blow to Bangladesh's export-import, and overseas job market in the Middle East

China being confronting a burgeoning insurgency in its Muslim-populated regions, particularly in Xinjiang, Beijing is also worried about how worsening sectarian disputes in the Middle East will further fuel extremist ideology, providing a haven for international terror groups, which have China in their crosshair.

Conclusions

Iran and Saudi Arabia have gone through many phases in the history of their relations: from a strategic alliance in the years before the 1979 Islamic Revolution to a cold war in recent years. During the 1960s and 1970s the two countries were in a strategic alliance with considerable political, military and security interactions. The West, and the US in particular, used these two states to deter the influence of Soviet communism in the Middle East. Saudi Arabia accused Tehran of attempting to export its revolution to the Gulf Arab monarchies. Creation of the Gulf Cooperation Council (GCC) in 1981, in an attempt to deter Iran, and the 1987 massacre of Iranian pilgrims in Saudi Arabia, US led invasion of Iraq, Khobar tower bombing, proxy wars in Yemen, Bahrain, Lebanon and the execution of Nimr al Nimr further deteriorated the already strained relations between the two Muslim countries.

Sectarianism is latest feature of this and Saudi Arabia and Iran it can be concluded that both the rivals have security fears from each other and they fought for regional dominance by using different methods of destruction for each other economy, and gain more power by fighting proxy battles. These proxies reached in Pakistan Afghanistan, and in Bangladesh mainly, due to their economic dependency and oil import from both rivals. This conflict didn't affect the Malaysia and Singapore because their governments suppressed such sort of practices. Some internally weak policies of the government are responsible for bringing this conflict into south Asian countries one of which is allowing other countries to use their land and people for their own purpose in return of money, investments and infrastructural schemes. It is concluded that Iran-Saudi conflict affected those countries of South Asian region which are firstly the Muslims, economically weak and dependent, and pathetic and poor governance. This conflict disturbed the whole south Asian region especially the Muslim countries in form of sectarian based bloodshed, kidnappings, target killing, blackmailing, influencing the foreign relations of the affected country.

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