



Rivalry by Delegation: Strategic Insecurity, Proxy Networks, and State Fragility in Saudi-Iran Competition

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ABSTRACT

Why does the Saudi-Iran rivalry continue to destabilize regional arenas even when direct diplomatic relations improve? This article examines the mechanisms through which strategic competition is translated into proxy conflict and, in turn, into weakened state authority. Drawing on semi-structured interviews with eight Saudi-based diplomats conducted between November 2024 and February 2025, the study uses a theoretically informed thematic analysis to connect balance-of-power reasoning with contemporary scholarship on conflict delegation. The findings show that the rivalry is not adequately explained by sectarian difference alone. Instead, strategic insecurity and status competition generate a demand for indirect influence; sectarian identity supplies a language of legitimacy and mobilization; and proxy sponsorship provides differentiated military and political instruments. Saudi Arabia is perceived as relying more heavily on financial leverage, diplomatic coalitions, conventional military capacity, and airpower, whereas Iran is viewed as pursuing strategic depth through embedded armed networks, asymmetric capabilities, and durable local partnerships. These strategies diffuse arms, empower actors with autonomous agendas, fragment political authority, and restrict humanitarian access. The article develops the concept of delegated balancing to explain how regional powers seek equilibrium through local partners while transferring the principal costs of rivalry to conflict-affected societies. It further argues that interstate détente may reduce immediate escalation without automatically dismantling proxy infrastructures. Sustainable de-escalation therefore requires a layered settlement combining bilateral dialogue, local political inclusion, limits on external military support, and the restoration of state institutions.

Keywords: proxy warfare; conflict delegation; sectarianism; balance of power; state fragility; Middle East

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1. Introduction

The rivalry between Saudi Arabia and Iran is one of the most consequential organizing forces in contemporary Middle Eastern politics. Its effects are visible not only in bilateral crises, but also in the ways local wars become connected to wider contests over security, status, ideology, and regional order. Iraq, Syria, Yemen, and Lebanon have each provided arenas in which domestic political struggles intersect with external sponsorship. Yet describing these conflicts as Saudi-Iran proxy wars can oversimplify the relationship between regional powers and local actors. It may imply that local groups merely execute instructions, that sectarian identity automatically produces alignment, or that diplomatic normalization between Riyadh and Tehran should readily calm conflicts across the region. Each assumption requires closer examination. The restoration of Saudi-Iran diplomatic relations announced in Beijing in March 2023 sharpened this analytical puzzle. The agreement affirmed sovereignty, non-interference, and the resumption of formal relations (Ministry of Foreign Affairs of the People's Republic of China [MFA-PRC], 2023). It demonstrated that leaders can compartmentalize rivalry and choose de-escalation when economic, domestic, and security incentives converge. However, formal détente does not by itself remove armed organizations, patronage networks, weapons flows, contested institutions, or accumulated threat perceptions. A distinction is therefore needed between interstate de-escalation and regional disentanglement. The former concerns official communication and crisis management; the latter requires changes in the relationships through which external powers influence local conflicts.

Existing scholarship has generated three important but partly disconnected explanations. A balance-of-power perspective emphasizes competition for regional influence and responses to shifting distributions of capability (Paul et al., 2004; Wu, 2018). Research on sectarianization shows how political elites activate Sunni-Shia identities to define threats, construct constituencies, and justify intervention (Ezbidi, 2023; Mabon, 2023). Proxy-war and conflict-delegation scholarship focuses on the strategic benefits and control problems that arise when states support non-state armed groups (Farasoo, 2021; Karlén et al., 2021; Rauta, 2021b; Thaler, 2022). These explanations are frequently presented as alternatives. In practice, they are better understood as linked stages of a common process. This article asks: How do Saudi-based diplomatic experts interpret the mechanisms through which Saudi-Iran competition is converted into proxy conflict and regional instability? It answers through semi-structured interviews with eight diplomats conducted after the resumption of diplomatic relations, between November 2024 and February 2025. The interview material is especially useful because diplomatic practitioners work at the junction of official threat assessment, regional bargaining, and the interpretation of conflict. Their accounts do not provide a neutral or exhaustive representation of every actor in the region, but they offer an informed view of how the rivalry is understood within a Saudi diplomatic environment.

The article makes three contributions. First, it develops the concept of delegated balancing. Regional powers do not balance only through alliances, armaments, or direct intervention; they also seek to alter local distributions of power through supported actors. Delegation allows sponsors to gain access, deniability, intelligence, local legitimacy, and strategic depth, but it also generates control problems because recipients possess their own constituencies and objectives. Second, the article specifies the role of sectarian identity. Sectarian narratives are not treated as a timeless cause but as a strategic grammar that translates abstract rivalry into recognizable categories of threat, obligation, and solidarity. Third, the findings connect proxy sponsorship to state fragility. External support does more than prolong combat. It redistributes authority away from national institutions, strengthens armed veto players, fragments accountability, and makes civilian welfare dependent on bargaining among actors that cannot easily be controlled by a peace agreement between two regional capitals. The remainder of the

article reviews the literature on regional rivalry, sectarian legitimization, and proxy relationships; develops the delegated-balancing framework; explains the qualitative design; presents five themes; and discusses theoretical and policy implications.

2. Literature Review and Analytical Framework

2.1 From bilateral rivalry to regionalized competition

Saudi-Iran relations have moved between accommodation and confrontation rather than following an uninterrupted path of hostility. Before 1979, both monarchies operated within a US-supported regional order and shared interests in containing Soviet influence and managing oil markets, even though Iran possessed greater population, military capacity, and strategic confidence. The Iranian Revolution altered this relationship by replacing a conservative monarchy with a revolutionary Islamic republic that claimed a transnational political mission. For Saudi leaders, the change created both an external security challenge and a domestic legitimacy concern. The Iran-Iraq War then institutionalized mutual suspicion, with Saudi Arabia supporting Iraq as a barrier against Iranian expansion (Alsultan & Saeid, 2016; Elyassi, 2018).

Subsequent shocks widened the competitive arena. The removal of Saddam Hussein in 2003 weakened a traditional counterweight to Iran and opened Iraqi institutions to new forms of political and militia influence. The Arab uprisings after 2010 weakened several states and generated contested transitions in which regional actors could support rival coalitions. Fawcett (2013, 2023) argues that the Iraq War and its aftermath helped reconfigure regional order by empowering Iran, increasing sectarian polarization, and drawing Saudi Arabia and other pivotal states into more activist policies. In Syria and Yemen, domestic conflicts became regionalized as local actors sought resources and external powers sought influence.

Balance-of-power theory captures the broad strategic logic. States respond to perceived concentrations of capability by building internal resources, forming alliances, or supporting arrangements that constrain rivals (Paul et al., 2004). In a region marked by uneven state capacity and porous political orders, balancing can occur inside other states rather than only between them. Ekşi (2017) describes a shift from a conventional balance of power to a balance of proxy wars, while Ahmadian and Mohseni (2021) show that Iran's Saudi strategy has changed in response to regional opportunities, threat perceptions, and shifting diplomatic conditions. The key theoretical question is therefore not simply whether balancing occurs, but how regional competition is operationalized through relationships with local actors.

2.2 Sectarian identity as legitimization and securitization

A sectarian account begins from a visible feature of the rivalry: Saudi Arabia claims religious leadership within the Sunni Muslim world, while the Islamic Republic presents itself as a defender of Shia communities and revolutionary resistance. These identities shape narratives, alliances, and threat perceptions. Yet Sunni and Shia communities are internally diverse, and periods of Saudi-Iran cooperation demonstrate that doctrinal difference does not mechanically produce interstate confrontation. Treating sectarianism as a fixed primordial cause also underestimates how governments, clerics, media organizations, and armed groups construct and amplify identity boundaries.

Recent scholarship instead emphasizes the political production of sectarian threat. Ezbidi (2023) argues that security imperatives and sectarian temptations reinforce one another: strategic rivalry encourages sectarian framing, while sectarian framing expands the legitimacy and mobilizing capacity of strategic action. Mabon (2023) similarly situates states, sects, and regional order in a relational framework, showing that local and regional politics continuously reshape one another. Farasoo (2021) adds that proxy alignment can emerge through converging processes of securitization in which actors define common enemies and recognize overlapping

interests. This approach does not minimize religion. It specifies its causal role. Sectarian language can identify communities that deserve protection, portray rival influence as existential, and connect local organizations to transnational patrons. It can also harden bargaining positions by presenting political compromise as betrayal of faith or community. In this article, sectarianism is conceptualized as a strategic grammar: a repertoire of symbols and claims through which security competition is narrated, alliances are justified, and proxy relationships gain social meaning.

2.3 Proxy war, delegation, and armed-group autonomy

Proxy warfare has become a central concept in debates about contemporary conflict, but definitions remain contested. Rauta (2021b) proposes that proxy war should be understood through material, processual, and relational elements rather than as any instance of external assistance. The focus is on a sustained relationship in which a sponsor uses another actor to pursue conflict-related objectives. Rauta (2020, 2021a) further argues that proxy warfare is not reducible to cheapness or deniability; it constitutes a strategic bargain through which actors cope with threats or coerce adversaries. Conflict-delegation research highlights both benefits and liabilities. Sponsors can avoid direct casualties, reduce reputational exposure, acquire local knowledge, and extend influence into settings where their own forces would lack legitimacy. Recipients gain weapons, finance, training, diplomatic protection, and bargaining power. However, the relationship is not equivalent to command. Karlén et al. (2021) demonstrate that delegation can involve multiple principals, intermediary actors, and chains of support. Thaler (2022) places relationships on a spectrum from delegation to sponsorship and autonomy, depending on the extent of material dependence, goal convergence, and control. These distinctions matter in the Middle East, where Hezbollah, the Houthis, Iraqi armed groups, and Syrian factions have domestic constituencies and may cooperate with sponsors without surrendering independent preferences. The autonomy problem challenges simplistic descriptions of local actors as puppets. Juneau (2016), for example, argues that Iran's relationship with the Houthis has historically produced a limited return on a modest investment, cautioning against assuming complete control. Conversely, Iran's partnerships in Syria and Lebanon have often been deeper and more institutionalized. Saudi relationships with armed and political actors have also varied across countries and over time. The empirical task is therefore to identify portfolios of influence rather than to assign a uniform proxy label.

2.4 Delegated balancing: an integrated mechanism

The article integrates these literatures through delegated balancing. Delegated balancing is the attempt by a state to offset a rival, create strategic depth, or shape a regional order by providing resources, legitimacy, or security assistance to actors operating within another political arena. It differs from direct balancing because the supported actor retains some agency; from a conventional alliance because the relationship is often asymmetric, contested, and embedded in a civil conflict; and from generic external support because the activity is connected to a broader rivalry. The proposed mechanism contains five linked elements. Strategic insecurity and status competition generate incentives to prevent the rival from consolidating influence. Sectarian narratives legitimize alignment and define communities of protection and threat. Sponsors then deploy differentiated portfolios of financial, military, political, and diplomatic support. Armed groups use these resources but may pursue autonomous goals, producing arms diffusion and control slippage. Finally, local authority fragments, civilian protection deteriorates, and the resulting insecurity feeds back into sponsor threat perceptions. Interstate détente can interrupt escalation at the first stage, but proxy infrastructures may persist unless local incentives and relationships also change.

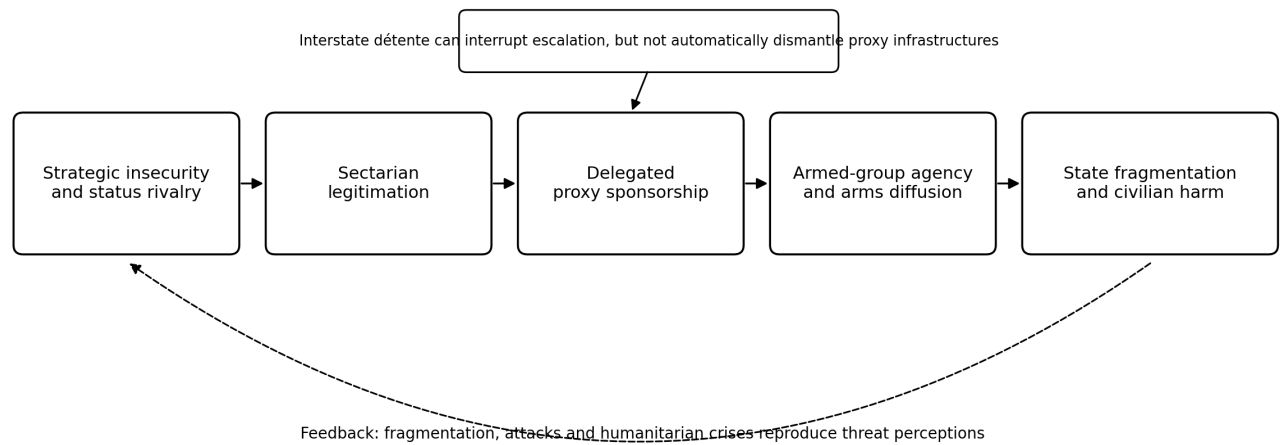


Figure 1. Delegated balancing and the reproduction of regional instability.

3. Methodology

3.1 Research design and context

The study adopted an interpretivist qualitative design to examine how diplomatic practitioners understand the causes, instruments, and consequences of Saudi-Iran competition. This design was appropriate because the research question concerns meaning, strategic interpretation, and causal narratives rather than the measurement of a single variable. Expert interviews are particularly useful in international-relations research when the phenomenon involves elite decision environments, restricted information, or specialized professional knowledge. The article draws on the interview dataset developed for the underlying study. For journal-level analysis, the material was reorganized around mechanisms rather than around the original sequence of research questions. This avoided reproducing a thesis-style chapter structure and allowed historical, geopolitical, military, and humanitarian observations to be interpreted as connected stages of delegated balancing.

3.2 Participants and data collection

Thirteen diplomats in Jeddah, Saudi Arabia, were approached through purposive expert sampling; eight agreed to participate and to have their interviews recorded. Participants are identified as DP1-DP8 to protect anonymity. Before each interview, the researcher provided a university authorization letter and explained the purpose of the research, voluntary participation, note-taking, audio recording, anonymity, and the expected duration. Interviews lasted approximately 30-40 minutes and were conducted mainly at participants' workplaces between November 2024 and February 2025. The semi-structured protocol covered four domains: the historical development of Saudi-Iran relations; geopolitical, religious, and economic drivers; military, political, and humanitarian consequences; and possible pathways to de-escalation. Open-ended questions enabled participants to distinguish religious rhetoric from strategic motivation, compare Saudi and Iranian methods of influence, and discuss how regional sponsorship affects governance and civilian life.

Table 1. Study design and analytic decisions

Element	Specification
Design	Interpretivist qualitative expert-interview study

Element	Specification
Participants	Eight Saudi-based diplomats, anonymized as DP1-DP8
Recruitment	Purposive approach; 13 contacted and eight participated
Period	November 2024 to February 2025
Interview length	Approximately 30-40 minutes
Core domains	Historical roots; geopolitical, religious and economic drivers; military, political and humanitarian consequences; de-escalation
Analytic approach	Iterative thematic analysis supported by NVivo; article-level reorganization around mechanisms of delegated balancing
Quality safeguards	Transcript review, code-theme comparison, analytic memos, attention to negative or qualifying evidence, and an audit trail of interpretive decisions

3.3 Data analysis

Interview transcripts were imported into NVivo and reviewed for completeness. Coding began inductively with descriptive labels covering historical rupture, threat perception, sectarian identity, regional status, energy and trade routes, external powers, military strategy, armed groups, governance, humanitarian access, and peace proposals. Codes were compared across participants and grouped into candidate themes. Matrix comparisons were then used to examine recurring relationships, especially the connections between religious framing and political motivation, between sponsor strategy and armed-group autonomy, and between external support and state sovereignty. The article-level analysis followed a reflexive thematic logic in which themes were treated as interpretive patterns rather than simple frequency counts (Braun & Clarke, 2006, 2021). The balance-of-power and conflict-delegation literatures were used abductively after initial coding to refine the mechanism linking strategic insecurity, legitimization, sponsorship, and institutional fragmentation. Analytic memos documented changes in theme boundaries and instances in which participants qualified a common claim. For example, statements describing sectarianism as central were read alongside statements that political ambition was the stronger motive. This comparison generated the theme of sectarian identity as strategic legitimization rather than an independent cause. Because the sample is composed of diplomats working in Saudi Arabia, the analysis does not claim representativeness across the Middle East. The goal is analytical transferability: to develop a theoretically coherent explanation from informed accounts while clearly identifying the positional limits of the evidence.

3.4 Research quality and ethical considerations

Credibility was supported through sustained comparison across interviews, retention of contradictory or moderating observations, and the use of representative quotations. Dependability was strengthened by maintaining the interview protocol, coding structure, and analytic memos. The manuscript also separates participant interpretation from external factual claims: interview statements are treated as perceptions held by diplomatic experts, not as independently verified evidence of every sponsor-recipient relationship. This distinction is

important in research on proxy war, where secrecy, contested attribution, and strategic narratives complicate data quality. Participants were informed about the purpose of the study, recording, anonymity, and voluntary participation. Identifiers were removed from the article. Journal submission should include the institution's formal ethics approval or waiver reference in the declarations section.

4. Findings

4.1 *Managed coexistence became a security and legitimacy rivalry*

Participants did not portray sectarian difference as sufficient to explain the rivalry. Their historical accounts emphasized that Saudi Arabia and Iran cooperated before 1979 because strategic alignment outweighed identity difference. They described a functional but unequal relationship in which Iran under the Shah possessed stronger conventional capabilities, while both governments operated within a US-aligned order and coordinated within OPEC. DP2 summarized the pragmatic character of this period:

"Despite their sectarian differences, the two countries were allies within the U.S. orbit, opposing communism and supporting Western interests in the region. Their collaboration was evident in forums like OPEC, where they coordinated oil policies." (DP2)

The 1979 Revolution was interpreted as a dual rupture. It changed the distribution of regional power and introduced a competing claim to Islamic political legitimacy. Participants repeatedly connected Saudi threat perceptions to Iran's revolutionary message and to concerns that such ideas might resonate with Shia citizens inside the Kingdom. The important shift was therefore not from religious similarity to religious difference, but from manageable difference to securitized difference.

The Iran-Iraq War deepened this transformation. Saudi support for Iraq was described as an effort to contain Iranian expansion and preserve a regional order threatened by revolutionary export. Later events enlarged the geographic field of competition. The removal of Saddam Hussein in 2003 was viewed as creating opportunities for Iranian influence among Iraqi political and armed actors. The Arab uprisings then opened additional arenas in Syria, Yemen, and Bahrain. DP7 linked these moments directly:

"The Iran-Iraq War and the U.S. invasion of Iraq in 2003 significantly influenced the conflict. The power vacuum created by Saddam Hussein's removal allowed Iran to expand its influence, particularly among Shia militias." (DP7)

This historical narrative suggests a cumulative process. Each regional shock altered the perceived balance, generated new partners and vulnerabilities, and made subsequent intervention appear defensive to the sponsor even when it looked expansionist to the rival. Proxy warfare became a method of preventing the other side from converting local instability into durable strategic advantage.

4.2 *Sectarian identity legitimizes competition more than it determines it*

Participants consistently recognized the Sunni-Shia divide, but they differed on how it should be interpreted. Some described it as the foundation of the rivalry because each state claims leadership of a transnational religious constituency. Others explicitly argued that religion is used to justify goals rooted in security, status, and influence. The combined pattern is not contradiction but layering: political competition creates incentives for sectarian framing, and sectarian framing makes political competition easier to mobilize. DP2 captured this distinction clearly:

“Both countries use religion to justify their geopolitical goals. Saudi Arabia’s support for Sunni states and Iran’s backing of Shia groups are often more about gaining influence over the region than simply advancing religious causes.” (DP2)

Sectarian categories perform three functions in the interview accounts. First, they establish claims of leadership: Riyadh presents itself as a protector of Sunni interests, while Tehran presents itself as a defender of Shia communities and revolutionary resistance. Second, they facilitate partner selection by identifying communities and organizations with apparently compatible identities. Third, they moralize intervention. Support can be framed as defense of an endangered community rather than pursuit of strategic access.

Participants nevertheless resisted the idea that alignment is automatic. Economic interests, regime security, alliance relationships, and access to territory and trade routes were repeatedly described as equally important. DP8 connected these elements by arguing that religious support functions as a tool, while oil wealth and regional power remain primary drivers. This interpretation supports the idea of sectarianism as strategic grammar. Identity supplies a persuasive vocabulary, but the direction and intensity of policy are shaped by changing calculations of threat and opportunity. The instrumental use of sectarian narratives also makes conflicts harder to settle. Once domestic opponents are linked to an external sectarian patron, compromise can be presented as capitulation to a regional enemy. Local political disputes then acquire a transnational meaning, and national institutions become sites of regional competition.

4.3 The rivals use asymmetric portfolios of indirect influence

The interviews identified proxy warfare as a substitute for direct war, but they did not describe Saudi and Iranian strategies as mirror images. Participants perceived Saudi Arabia as possessing greater financial resources, conventional military technology, diplomatic access, and airpower. Iran was described as compensating for conventional and economic constraints through asymmetric warfare, missiles, local militias, and long-term embedded partnerships. DP4 contrasted the two portfolios:

“Both Saudi and Iran have realized that full-scale war would be disastrous, so they engage in proxy wars that are less costly for them militarily. Iran’s strategy is about building local militias to fight on their behalf, while Saudi Arabia uses financial power and air superiority.” (DP4)

This contrast has several implications. Conventional superiority does not automatically translate into political control. Air campaigns and financial support can rapidly alter battlefield incentives, but they may not create cohesive local institutions or reliable partners. Conversely, embedded militia relationships can generate persistence and strategic depth, but they expose the sponsor to agency loss, reputational cost, and escalation initiated by local actors. The strategic value of a partner therefore depends not only on material capability but also on organizational cohesion, social embeddedness, and the sponsor’s ability to shape decisions.

External powers complicate these portfolios. Participants linked Saudi security to US weapons, training, and diplomatic assurances, while Iran’s position in Syria was connected to Russian military and diplomatic support. The interviewees did not portray Washington and Moscow as the sole drivers of Saudi or Iranian policy; rather, great-power involvement changed the resources available to each regional actor and the expected cost of escalation. This multi-level patronage makes conflict delegation more complex than a single principal-agent relationship. Economic geography also appeared as a security concern. Participants mentioned oil markets, the Strait of Hormuz, and strategic trade routes. These issues were not presented as separate commercial disputes. Control, access, and vulnerability in energy corridors affected perceptions of deterrence and national survival. DP6 stated that competition extends beyond

oil prices to the ability to maintain access to chokepoints and regional trade networks. The findings therefore support a portfolio view of proxy rivalry. Sponsors combine military assistance, political recognition, economic resources, religious narratives, media influence, and external alliances. The mix varies across theaters. A relationship in Lebanon cannot be assumed to operate like one in Yemen, and an armed group may move along a spectrum from dependent delegate to autonomous partner.

4.4 Proxy sponsorship fragments authority and locks in humanitarian harm

The strongest convergence across interviews concerned the consequences for conflict-affected states. Participants argued that external support empowers armed organizations, increases the supply and sophistication of weapons, and creates multiple centers of political authority. Governments struggle to monopolize force or negotiate nationally binding settlements because local factions possess external resources and protection. DP8 described the political effect in Iraq as polarization that prevents governments from sustaining a unified position. Similar dynamics were identified in Syria and Yemen, where rival sponsorship was seen as reinforcing fragmented institutions and competing claims to legitimacy. Participants repeatedly used sovereignty in practical rather than purely legal terms: a state is weakened when decisions about security, negotiation, and territorial control depend on external actors or armed organizations beyond accountable national command. Arms proliferation intensifies this problem because support received for one conflict can outlast the sponsor's immediate objective. Weapons, training, and organizational capacity increase the autonomy of local forces. DP5 warned that regional militarization creates a volatile environment in which a limited confrontation can escalate and in which weapons circulate beyond state regulation. The resulting security landscape contains veto players with incentives to protect wartime authority and economic interests.

Civilian harm is not an incidental outcome of this fragmentation. Participants connected prolonged conflict to displacement, food insecurity, destroyed infrastructure, interrupted healthcare and education, and restrictions on humanitarian access. DP3's description of Yemen was especially direct:

"In Yemen, Iran and Saudi Arabia are using the local population as pawns in a broader geopolitical struggle. The humanitarian disaster is immense, with millions of civilians suffering from the effects of starvation, disease, and violence." (DP3)

The accounts also showed how humanitarian assistance becomes embedded in conflict strategy. Organizations such as the United Nations and the Red Cross were regarded as essential, but their access could be restricted by fighting, blockades, political bargaining, and security threats. DP5 characterized aid as a bargaining chip. This observation points to a humanitarian lock-in: as state institutions weaken, civilian survival depends more heavily on external relief, while the same fragmented authority that creates need also constrains delivery.

The long-term concern was not simply continued violence but the institutionalization of fragmentation. Participants anticipated that damaged infrastructure, militia power, sectarian distrust, and external sponsorship would make national reconstruction difficult even after battlefield intensity declined. Proxy war produces political constituencies and economic networks that may benefit from institutional weakness, creating obstacles to disarmament and reintegration.

4.5 De-escalation must connect interstate diplomacy to local settlements

Participants supported direct Saudi-Iran dialogue and neutral mediation, but their proposals went beyond bilateral diplomacy. They advocated limits on arms transfers, humanitarian access, ceasefires, accountability, trust building, and support for local governance. DP2 emphasized direct negotiation and regional diplomacy, while DP4 called for

neutral mediators and multilateral frameworks. DP1 and DP6 linked durable peace to rebuilding trust and meeting civilian needs.

These proposals imply that diplomatic normalization is necessary but insufficient. Riyadh and Tehran can reduce hostile signaling, reopen embassies, and establish crisis channels. Yet local actors may still fear disarmament, lose economic benefits from conflict, or distrust national institutions. Sponsors may also retain proxy capabilities as insurance against future breakdown in relations. A layered settlement is therefore required: bilateral arrangements to reduce sponsor competition; theater-specific negotiations that include local political actors; verification of weapons and support commitments; and institutional reconstruction that gives communities alternatives to militia protection.

The participants' emphasis on governance is especially significant. A peace process focused only on Saudi-Iran relations risks reproducing the same externalized view that treats local societies as arenas rather than political agents. De-escalation becomes sustainable when local institutions can deliver security and services, represent diverse groups, and prevent external support from becoming the principal route to political influence.

Table 2. Themes, evidence, and theoretical interpretation

Theme	Empirical pattern	Theoretical interpretation
Historical securitization	1979, the Iran-Iraq War, post-2003 Iraq, and the Arab uprisings cumulatively transformed managed competition into a regional security rivalry.	Shifts in the regional balance create recurring incentives for indirect containment.
Sectarian legitimization	Sunni-Shia identity defines leadership claims and partner categories, but participants repeatedly identify political power and security as stronger motives.	Sectarianism operates as strategic grammar and securitizing repertoire.
Asymmetric influence portfolios	Saudi financial, diplomatic and conventional tools contrast with Iranian emphasis on embedded networks, missiles and asymmetric warfare.	Delegated balancing varies by sponsor capability and theater.
Proxy agency and fragmentation	Armed groups gain resources, autonomy and veto power; governments lose control over security and negotiation.	Sponsor-recipient relations involve control slippage and can move toward autonomy.
Humanitarian lock-in	Conflict destroys services and increases aid dependence while blockades and fragmented authority restrict relief.	Proxy rivalry externalizes costs to civilians and reproduces insecurity.

Theme	Empirical pattern	Theoretical interpretation
Layered de-escalation	Bilateral dialogue must be joined to arms restraint, local inclusion, humanitarian access and institutional rebuilding.	Interstate détente does not automatically produce regional disentanglement.

5. Discussion

5.1 From balance of power to delegated balancing

The findings extend balance-of-power theory by identifying delegation as a mechanism through which regional balancing occurs inside conflict-affected states. Classical formulations emphasize military capabilities and alliances among sovereign states. In the Saudi-Iran rivalry, however, regional influence is often accumulated through access to parties, militias, political movements, ministries, territory, and infrastructure. The object of balancing is not only the rival state's army. It is the rival's networked capacity to shape decisions across the region. Delegated balancing explains why proxy relationships persist even when direct war is undesirable. Both sponsors seek strategic effects without accepting the full cost and risk of interstate combat. Yet this strategy differs from simple risk transfer. It can produce capabilities that are valuable precisely because they are locally embedded and not fully controlled. The sponsor receives reach and resilience; the partner receives resources and bargaining power. The relationship survives when interests overlap, but it can become unstable when local goals diverge from sponsor priorities. This interpretation complements Rauta's (2020) view of proxy warfare as a strategic bargain and Thaler's (2022) spectrum of delegation, sponsorship, and autonomy. It also supports Karlén et al.'s (2021) argument that conflict delegation involves complex arrangements rather than a single principal and agent. Saudi-Iran rivalry is best visualized as interacting networks of state and non-state patrons, intermediaries, recipients, and external powers.

5.2 Sectarianism is consequential because it is politically activated

The participant accounts reject both primordial and purely instrumental treatments of sectarianism. Identity is not an illusion that can be removed from the analysis, because religious institutions, historical memories, and community fears shape political behavior. At the same time, doctrinal difference cannot explain why cooperation occurred before 1979, why rivalry changes in intensity, or why actors with similar identities sometimes compete. The mechanism lies in political activation. Strategic actors use sectarian narratives to securitize political disputes, create friend-enemy categories, and establish moral claims to intervention. Local actors also use these narratives to attract support and strengthen their position against domestic rivals. Sectarianization is therefore co-produced across levels. This finding aligns with Ezbidi's (2023) argument that security and sectarianism are mutually reinforcing and with Farasoo's (2021) account of securitization alignment. It further suggests that de-sectarianization requires more than interfaith rhetoric. It requires reducing the security incentives that reward sectarian mobilization.

5.3 Détente without disentanglement

The post-2023 context makes a crucial distinction visible. Interstate détente can reduce the probability of deliberate Saudi-Iran escalation by restoring communication, improving diplomatic access, and enabling negotiated restraint. It may also create incentives for regional economic cooperation. However, the networks built during periods of confrontation possess organizational inertia. Armed groups retain weapons, constituencies, territorial interests, and

relations with other patrons. National political systems may remain structured around factional competition reinforced by external support.

This is *détente* without disentanglement: the bilateral relationship improves faster than the regional infrastructure of rivalry can be transformed. The finding does not imply that diplomacy is ineffective. It identifies the conditions under which its effect will be limited. Bilateral agreements need theater-specific implementation, including clarity about acceptable support, mechanisms for crisis communication involving local actors, and incentives for armed organizations to enter accountable political arrangements.

5.4 Proxy rivalry produces order as well as disorder

Proxy war is often described as a source of chaos, but the findings indicate that it also produces an alternative political order. Armed organizations provide security, welfare, patronage, and representation in places where states are weak. External support can institutionalize these roles. The result is not an absence of authority but a fragmented distribution of authority across governments, militias, parties, tribes, international organizations, and foreign sponsors. This order is difficult to reverse because it creates beneficiaries and dependencies. Communities may rely on armed groups for protection; political elites may rely on foreign sponsors; humanitarian agencies may negotiate with *de facto* authorities; and sponsors may view local partners as strategic insurance. State-building programs that ignore these relationships can strengthen formal institutions on paper while leaving coercive and financial power elsewhere. Sustainable stabilization therefore requires negotiated reallocation of authority, not only military defeat or diplomatic reconciliation.

6. Theoretical and Policy Implications

6.1 Theoretical implications

The concept of delegated balancing offers a bridge between international-relations theory and civil-war research. It identifies how systemic rivalry enters domestic conflicts and how local agency reshapes regional competition. Future balance-of-power research should therefore examine network position, access to armed and political partners, and the institutional depth of sponsorship alongside conventional military and economic indicators. The findings also refine proxy-war theory by placing legitimacy between threat perception and sponsorship. Material assistance alone does not explain durable alignment. Sponsors and recipients require narratives that make cooperation defensible to domestic and local audiences. Sectarian identity can provide such narratives, but nationalism, resistance, regime survival, and anti-imperialism may play similar roles in other cases. Finally, the study connects proxy warfare to institutional fragmentation. The effect of sponsorship should be assessed not only through battlefield outcomes or sponsor gains, but also through changes in the distribution of authority, accountability, public service delivery, and humanitarian access.

6.2 Policy implications

Policy should move from a single-track model of Saudi-Iran dialogue to a layered architecture of de-escalation. At the bilateral level, sustained diplomatic channels, military incident communication, and mutual restraint regarding critical infrastructure can reduce escalation. At the regional level, agreements should address missiles, drones, maritime security, and the transparency of military assistance. At the theater level, local actors must be included in negotiations rather than treated as extensions of external patrons. Arms restraint is unlikely to succeed through broad declarations alone. Monitoring should focus on specific routes, categories of equipment, training arrangements, and financial channels, with incentives for compliance and consequences for violations. Because some armed organizations are partly autonomous, sponsor commitments must be paired with direct engagement, disarmament or integration options, and credible security guarantees for local constituencies. Humanitarian

access should be insulated from political bargaining through negotiated corridors, monitoring arrangements, and explicit prohibition of aid diversion or obstruction. Reconstruction funding should strengthen nationally accountable services rather than consolidate parallel patronage systems. The diplomatic objective is not merely to lower tension between Riyadh and Tehran, but to reduce the value of coercive intermediaries and increase the value of legitimate state institutions.

7. Limitations and Future Research

The study has four principal limitations. First, the sample is small and composed entirely of diplomats based in Saudi Arabia. Their accounts provide expertise and strategic insight but may reflect institutional narratives, national security assumptions, and unequal access to information. Future research should include Iranian diplomats, officials from conflict-affected states, armed-group representatives, humanitarian practitioners, and civilian communities.

Second, the article analyzes perceptions of proxy relationships rather than independently verifying the command structure, quantity of support, or decision autonomy of every armed organization mentioned. Future studies could combine interviews with event data, financial tracing, weapons documentation, and network analysis. Third, the cases appear through a regional comparison rather than full within-case process tracing. Separate studies of Yemen, Syria, Iraq, and Lebanon could identify how state capacity, social structure, and the number of external patrons alter the mechanism. Fourth, the interviews were conducted after diplomatic restoration but within a limited time window. Longitudinal research is needed to determine whether détente changes sponsorship practices or merely moderates public rhetoric. A particularly valuable agenda would compare successful and unsuccessful disengagement. Researchers could examine when sponsors can reduce support without exposing partners to retaliation, when armed actors accept integration, and how local institutions regain legitimacy after prolonged external sponsorship.

8. Conclusion

The Saudi-Iran rivalry is neither a simple religious conflict nor a conventional interstate contest displaced onto foreign battlefields. It is a multi-level struggle in which strategic insecurity, claims to regional leadership, sectarian legitimation, and differentiated networks of support interact. The interviews show why proxy warfare remains attractive: it allows both states to pursue influence and deterrence while limiting the immediate risks of direct war. They also show why the strategy is destabilizing. Supported actors acquire resources and autonomy, national authority fragments, and civilians absorb the costs through displacement, deprivation, and weakened public institutions.

Delegated balancing captures this combination of strategic utility and political harm. It explains how sponsors seek equilibrium through local partners and why the resulting relationships cannot be switched off as easily as diplomatic hostility can be reduced. The 2023 restoration of Saudi-Iran relations created an important opportunity for de-escalation, but durable stability depends on converting détente into disentanglement. That process requires bilateral restraint, locally inclusive settlements, controls on external military support, humanitarian guarantees, and the reconstruction of accountable state authority. Without these linked measures, the region may experience quieter interstate relations while retaining the infrastructure for renewed proxy conflict.

Declarations

Ethics approval and consent to participate: Participants were informed about the purpose of the study, recording, anonymity, and voluntary participation. Insert the formal institutional ethics approval or waiver reference before submission.

Consent for publication: Not applicable to identifiable personal information; all participants are anonymized.

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Conflict of interest: N/A

Data availability: The interview data are not publicly available because of participant confidentiality. A de-identified coding framework may be made available subject to institutional and ethical approval.

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