# Power and Preservation in the House of Saud

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The events of September 11<sup>th</sup> marked a turning point in the popular view of Saudi Arabia in the West. Many were shocked to learn that fifteen of the nineteen hijackers were of Saudi origin, a fact that contrasted sharply with the perception of the Saudis as the West's most loyal allies in the Middle East. A number of journalists began to question the relationship between Washington and Riyadh, and some expressed doubts over the long-term viability of King Fahd's regime.<sup>1</sup> Press reports depicted a corrupt ruling Saudi elite struggling to maintain power over an increasingly radicalized populace. The implication was that revolutionary social and political upheaval in Saudi Arabia could not be ruled out or might even be likely, a development that Western policymakers had previously failed to grasp.

In reality, this portrayal of Saudi Arabia ignores well-established trends in Saudi politics, and predictions of impending doom for the Saud ruling family are premature and largely unjustified. Saudi Arabia has continually faced contradictory pressures and objectives in both its domestic and foreign policies, especially in the last two decades. Historical analysis will highlight the adroit

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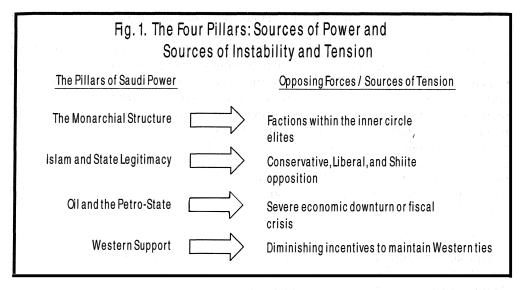
ability of the royal family to reconcile these conflicting forces and ensure its own political survival. Even in the aftermath of the September 11<sup>th</sup> terrorist attacks, the Saudis have managed to maintain a delicate balance between their need to preserve Western relationships and their desire to remain a leader in the Islamic world. Thus, relative continuity and deliberate change, rather than dramatic domestic turmoil or political revolution, are likely to characterize the future Saudi political environment.

# **The Analytical Framework**

Despite the complexity of Saudi Arabia's domestic political and socio-economic conditions, the ruling structure of the kingdom is solid and mature. The recent outpouring of news regarding Saudi affairs portrays a political landscape rife with contradiction, fraught with turmoil, and dominated by an elite perpetually embroiled in power struggles. Indeed, internal contradictions and instability have persisted for decades; and the 1990's brought some of the most tumultuous challenges to the House of Saud. However, the contradictions within the kingdom are not the result of weak governance nor are they the signs of a collapsing regime. Hardly the result of poor political strategy, these contradictory qualities are often the result of intentional measures, which have thus far proven necessary and sufficient to ensure the survival of the monarchy. In this sense, these apparent contradictions are more a product of analytical perspective rather than of weak governance.

An analytical framework to assess the sources of tension and instability within the regime must take into account the unique nature of the Saudi state, both its political structures and economic base. One must examine the foundation of material power and political legitimacy on which the House of Saud has built its kingdom. That Saudi Arabia is a rentier state, founded and maintained by the revenues of its oil production, is as important as the nature of the absolute monarchy. Moreover, the sources of Saudi power include material wealth and religious ideology, both of which employ internal and external sources of legitimacy. The analytical framework offered in this paper portrays a Saudi state that rests firmly on four pillars of support: (i) the absolute monarchial system of rule (ii) Islam, both as a source of legitimacy and influence (iii) oil, through its monetary, strategic and political value and (iv) reciprocal friendships with Western governments. Indeed, the nature of the Saudi paradox is such that each of these pillars gives rise to opposing forces, which act to erode the power of the regime. Thus, the very source of Saudi power serves as the cradle of instability and tension.

The Saudi kingdom uses a double-edged sword of appeasement and repression to assure its survival amidst countless competing claims on its legitimacy and power. Resultantly, the House of Saud has thoroughly penetrated its complex and divided society; it is a house divided, but with its power firmly



entrenched. Through the royals' adroit political management, Saudi Arabia's evolution has exhibited more continuity than change.

# Rulers of the Kingdon: The House of Saud

The structure of the Saudi governing apparatus offers insight into the elaborate design of the monarchy's control. While much has been written about the factions within the inner circle (the Saudayri Seven) and their competing political views, the reign of the House of Saud has exhibited remarkable stability.<sup>2</sup> Indeed, after the 1975 assassination of King Faysal by his own nephew, the grandson of King Ibn Saud, family politics achieved an equilibrium. The balance has served to appease factions within the ruling elite and has effectively, although in a limited fashion, represented the competing interests of the Saudi subjects. When faced with domestic unrest, the Saudi elite took concrete measures to incorporate the interests of diverse factions within their population. The political system is far from representative, but in an *ad hoc* manner it is somewhat responsive to popular demands.

Notably, it is the institutional structure of Saudi rule that provides the apparatus for absolutist rule. The King and ruling princes have full jurisdiction over Saudi Arabia's thirteen provinces through the interpretation and enforcement of *sharia*, the Islamic law. The monarchy has few institutional checks on its power. The Basic Law (Saudi Arabia's closest approximation to a constitution) simply delineates the powers of the king and incorporates the rules of succession. A Council of Ministers acts as a pseudo-legislative and executive body, its members appointed by the King, and its power only to veto royal decisions within thirty days of their announcement. The ninety-member Majlis al-Shura, the Consultative Council, simply a board of professional, religious

and academic advisors, provides the House of Saud a "finger on the pulse" of Saudi society. The Council of Ministers and the Majlis al-Shura strictly serve as instruments of the Saudi ruling class, rather than as opposing political bodies. However, members of these two bodies, though appointed and sanctioned by the King, have on occasion offered channels for dissenting voices on *status quo* policies.<sup>3</sup> The thirteen regional provinces are headed by royally appointed governors, of which a large proportion comprises local tribe leaders or members of prominent business families. In this way, as often is the case in oil monarchies, political offices are a currency with which to reward cooperation and to buy-off potential opposition.<sup>4</sup> Furthermore, the system of governance by royal appointees allows for a stable and fluid apparatus of power: when dissention arises, old appointees can be made scapegoats and deposed, and new officials can be quickly nominated.

In absolutist states, royal succession offers a ripe moment for tumult, conspiracy or coup. Yet the most recent transition of Saudi power proved to be an effective one: the result of a skillful counterbalance of political interests. Amid worsening economic conditions, King Fahd assumed the throne in 1982. Fahd would serve as king and prime minister with two chief deputies at his side: Fahd's half-brother, Prince Abdullah, as the crown prince and deputy prime minister; and a full brother, Prince Sultan (already the head of the army and air force) with the position of second deputy prime minister. Prince Sultan has always been a friendly face to the West, particularly to the United States, in his role of an interlocutor with American political military officials. The declaration of Abdullah as crown prince, despite the fact that his family faction opposed Fahd, was a calculated political move to appease familial opposition and to integrate Abdullah's reformist views into Saudi politics.<sup>5</sup> The 1992 Basic Law would codify Abdullah's position as heir to the throne; by 1997, in light of Fahd's serious illness, Abdullah became the *de facto* ruler of the Kingdom. During the tumult of the 1990's, with the economy in steep decline and foreign troops on Saudi soil, Prince Abdullah's pro-Arab views and reformist platform served as a source of popular legitimacy for the ruling family. Abdullah spoke out against corrupt family practices, called for greater Saudi influence in Arab affairs, and pushed for fiscal reforms, such as the 20 percent reduction of government spending on salaries and personal expenses. Fahd's ruling strategy has been to use political posts, and indeed the seat of the throne, to achieve internal checks on power and hence a balanced, entrenched system of rule.

The triumvirate of Fahd, Abdullah and Sultan is merely the tip of the iceberg of the Saudis' elaborate political system. Beneath these three are princes, officials and governors selected for their contribution to the legitimacy and stability of the royal kingdom as well as their ability to manage key royal relationships. Indeed Princes Bandar, Turki and Nayaf can be seen as an internal check on the limits of Prince Abdullah's power. They are ideologically quite distant from Abdullah's reformist views, and these inner-circle elites have a wide degree of latitude in how they choose to carry out political relations.

Perhaps, the most notable Saudi elite relationship was that between Prince Turki al Faisal and Osama bin Laden. Certainly, this relationship illustrates the risks of cronyist politics. Prince Turki al-Faisal when he was the head of Saudi intelligence was responsible for the management of the regime's relations with the now infamous terrorist and archenemy of the Saudi kingdom. After years of close ties between the Saudi princes and bin Laden, it was Turki who assumed the task of negotiating with his former protégé to cease his campaign against the Saudi kingdom.<sup>6</sup> What was once a cherished elite relationship is now once of the kingdom's largest liabilities.

Despite the failure of the bin Laden relationship, the intricately networked power structure of the House of Saud gives it a solid foundation with which to cope with internal oppositional forces. The family has internalized and used family factions as an arbitration mechanism, which (although not democratic) is, in a limited but sufficient capacity, representative of splits within the populace. It is an absolutist rule accented with informal trimmings of republican governance.

## **Islam: Rose and Thorn**

Islam forms the cornerstone of Saudi society. The fact that the Saudi kingdom serves as the guardian of the two holy places, Mecca and Medina, provides legitimacy for the Saudi monarchy. Arabia is the birthplace of Islam, and to this day Mecca is considered the holiest city in the Muslim world, the place to which millions of believers set out on the Hajj (pilgrimage) every year. The Saud family uses Islam to legitimize its management of internal affairs as well as the country's global role as an Islamic leader.

Politics and religion are intended to be one and the same considering that Saudi Arabia's strict interpretation of Islam, known as *Wahhabism*, is the official state religion. The Saudi legal code and quasi-constitution, the Basic Law, is based on *sharia* (Islamic Law): the *Ulema* and a force of religious police, the *mutawaeen*, enforce the interpretation and implementation of this social and legal code. The establishment of such principals is imposed autocratically: The state-controlled education, media and law enforcement strengthen monarchial power.

The salience of religion in Saudi Arabia and the House of Saud's monopoly on its interpretation have profound consequences for the stability of Saudi politics. The inseparability of Islam from public life provides the basis for social cohesion and monarchial legitimacy as well as the foundation for political opposition. Indeed, the House of Saud's role as the guardian of the religion inherently gives rise to internal challenges against their authority to interpret Islam. Domestic political opposition takes two forms: liberal opposition against the heavy-handed manner in which the Saudi state enforces Islam; and the religious conservative opposition, which calls for stricter interpretations of *Wahhabism* and generally opposes political relations with the West. A third source of potential internal instability is the Shiite religious minority, estimated at 5-10 percent of the population and located largely in the strategic oilrich Eastern province.

Facing such a diverse social spectrum, the monarchy has to counterbalance a great variety of competing claims. The Saudi monarchy's strategy must have two objectives: to maintain the credibility of devout Islam, yet to safeguard it from irredentist fundamentalism; to constrain or obstruct minority claims, but also to avert minority uprisings. Ultimately the strategy works to prevent any devolution of the monarchy's control, which demands austere political management, repression and, when necessary, conciliatory deal making. The state-controlled media and education system affords overwhelming influence to the royals; their control of centralized economy and welfare state allows for the exchange of political favors, business contracts and social welfare benefits for political quietude.<sup>7</sup> From the monarchy's perspective, the calculated mix of appeasement and repression is the necessary response of autocratic governance. Despite vast political change increasing unrest in 1990s, the strategy remains effective.

The greatest threat to the House of Saud is social unrest from religious conservative or minority groups. It is far easier to manage the claims of the professional classes, due to the monarchy's centralized control of industry and their close ties to the business community. Indeed, the House of Saud has strong incentives to establish good relations with the business classes. First, the centrality of Islam in social and political life results in coherent and powerful religious groups, which can pose serious challenges to the ruling authority. Second, groups of Islamic extremists or minority populations, such as the Shiite Muslims, have only loose ties to the ruling class and little leverage. Hence, monarchial relations with these groups tend to be more arbitrary. More often than not the preferred tactic is to repress Shiite religious practices and make sporadic arrests of religious leaders. The Saudis tried to bargain with exiled Shiite leaders in 1993, offering greater civil liberties to the minority group in exchange for a halt to resistance activities, yet the Saudis never put their full force behind the agreement, and by 1996 the Shiite community considered the deal null and void.8

From a historical perspective, Islam has also been a key component of Saudi Arabia's international power. The promotion of Islamic values and an emphasis on the Arabian Peninsula as the birthplace of the religion have long been hallmarks of Saudi foreign policy. However, the use of religious values to legitimize political power has often been problematic. The Islamic banner has undeniably served to justify Saudi regional and international leadership, yet it has historically limited diplomatic freedom of maneuver. Emphasis on Islam has made cooperation more difficult with states that favored a pan-Arab, as opposed to a pan-Islamic, approach to international problems. Moreover, the religious justification of Saudi power has made the regime vulnerable to rivals claiming to represent a "purer" embodiment of the Islamic faith.

Islam functioned as a polarizing element for the Saudis during the reign of Nasser in Egypt. The emergence of ethnically oriented pan-Arabism began to threaten the relative geopolitical isolation that the Saudis had previously enjoyed. Although they reached an initial accommodation with Nasser, the Saudis shared neither his radical view of pan-Arabism nor his visceral opposition to the West.<sup>9</sup> The Saudi kingdom, while trying to maintain a tactical position within the scope of Arab nationalist thought, favored a more moderate view that respected the sovereignty and political differences of individual Arab states. The Saudis ultimately saw Islam, not Arabism, as the unifying element of the Middle Eastern states, and this view brought them into conflict with Egypt, Iraq, Libya, and Syria. Rivadh became increasingly concerned over alleged Egyptian involvement in military coups in Iraq (1958) and Libya (1969), a fear that was realized when Egypt sent an expeditionary force to fight against the Saudiallied monarchy in Yemen after civil war broke out in 1963.<sup>10</sup> At this point, Islam represented a liability for the Saudis as well as an asset.<sup>11</sup> While serving to improve relations with some Middle Eastern states, the Saudi emphasis on Islam tended to highlight the differences between Saudi Arabia and the Egyptian-led Arab coalition.

The 1967 Arab-Israeli War marked a turning point for both the political appeal of Islam and the Saudi role in the Middle East. The Israeli victory and occupation of Egyptian, Jordanian, and Syrian territory discredited pan-Arabic nationalism, and the ideology's main proponent, Egypt, was economically devastated by the war. Egypt quickly withdrew support from North Yemen and dropped its vocal condemnation of the Saud leadership. Over the next few years, Egypt would become dependent on financial assistance from the oil-exporting states in the Middle East. After Sadat, a devout Muslim, became president of Egypt in 1970, economic and political ties between Riyadh and Cairo improved rapidly.<sup>12</sup>

As the ideology-driven opposition of Egypt vanished, a window of opportunity emerged for a new regional power to fill the political vacuum. The Saudis took modest steps in this direction and began to project a more distinctively Islamic orientation in their foreign policy. King Faisal initially used subtle means to assert that Islam, not a vague notion of Arabism, should be the basis of Middle Eastern cooperation. Saudi Arabia used its newfound wealth more overtly to propagate its message aims after oil revenues exploded in the wake of the Yom Kippur War. Saudi annual foreign aid increased from \$335 million in 1973 to \$2.8 billion in 1976, a figure that represented 7 percent of total Saudi GNP.<sup>13</sup> However, nearly all of this aid (96 percent in 1976) was provided to Muslim countries in an effort to strengthen the image of Saudi Arabia as the guardian of Islamic faith. Just as the Saudis were consolidating their political influence, Iran emerged as a challenger for the claim of Islamic leadership and demonstrated the vulnerability of the Saud regime to radical Islamic criticism. Islamic beliefs, which had previously legitimized Saudi power, suddenly represented a potential threat. The Iranian Revolution of 1979 produced a theocratic government that differed from Riyadh in both its Shi'a roots and the radical nature of its philosophy. Some Iranian leaders characterized all monarchies as "un-Islamic" and called for their immediate overthrow. This rhetoric, combined with the presence of the sizable Shi'a minority in the oil-reach Eastern provinces of Saudi Arabia, represented an element of potential domestic vulnerability. The destabilizing effects of the revolution became apparent as Sunni extremists seized the Grand Mosque of Mecca in November 1979. The inability of the Saudi government to regain control of the landmark for 10 days cast doubts on its self-proclaimed role as the guardian of the holy sites of Islam.

Saudi concerns about Iranian attempts to "export Islamic revolution" affected bilateral relations for the next decade. A diplomatic debate over the number of Iranian pilgrims allowed to make the annual Hajj to Mecca became a fullfledged confrontation as Tehran insisted that pilgrims had a religious right and obligation to engage in political demonstrations. The Saudis, who believed that such political behavior violated the spiritual significance of the Hajj, sought to confine the demonstrations to isolated areas. The confrontation reached a climax in 1987 as Saudi security forces tried to quell an unauthorized demonstration in Mecca; more than 400 pilgrims were ultimately killed, two-thirds of whom were Iranian. In response, angry crowds in Tehran attacked the Saudi embassy and detained and beat several Saudi diplomats (including one who subsequently died from his injuries). Saudi officials pointed to other events throughout the decade as evidence of Iranian attempts to infiltrate and destabilize the Saudi state.<sup>14</sup> In sum, these developments highlighted the dual role of Islam as both a legitimizing and destabilizing element of Saudi power.

## **Oil: Power and Dependence**

The modern history of the Arabian Peninsula speaks to the power of petrol. Oil is the blood of the Saudi kingdom, and the domestic implications of Saudi Arabia's dependence on this single resource are far reaching. At the international level, the newfound importance of petroleum in the late 1960s and early 1970s transformed the Saudi kingdom into a major political power. Annual oil revenues rose from approximately \$1 billion in 1964 to a high of \$102 billion in 1981.<sup>15</sup> Today, Saudi Arabia accounts for approximately 12 percent of global oil production and has an estimated 25 percent of worldwide reserves. Yet dependence on oil poses distinct problems for Saudi Arabia. Oil rents have profoundly influenced the Saudi political structure, and volatile oil prices continue to result in significant economic fluctuations. On a subtler note, oil wealth has had a powerful sociological effect on an entire Saudi generation that has enjoyed the benefits of instant prosperity. As oil prices and production have declined, the disparity between the stereotypical image of Saudi wealth and a less opulent reality continues to widen.

The Saudi kingdom is built on the wealth of oil. The political structure, as well as the very nature of political bargaining within the kingdom, depends on Saudi Arabia's precious natural resource. The state is the quintessential example of a petro-state, a state whose very existence derives from the production and sale of oil,<sup>16</sup> Not only does oil account for the bulk of the national economy (production amounts to 35 percent of GDP); it also has grave implications for fiscal management. On average 75 percent of annual government revenues come from oil sales; hence, the ability to pay down government deficits depends on the highly volatile price of oil.<sup>17</sup> That state money comes from oil sales abroad, and not from domestic taxation, severely limits interdependencies between the population and the ruling elite. This represents one of the key features of a rentier state (otherwise known as a petro-state).<sup>18</sup> Furthermore, the massive capital and infrastructure requirements of oil extraction have afforded the Saudi rulers complete control over the management of its domestic economy. Since the oil fields are state owned and state managed, the royals wholly negotiate all foreign contracts and sub-contracts for joint ventures. Dependency on external groups, or domestic interests, is thus easily minimized. Hundreds of thousands of foreign workers are imported from Yemen, Oman, UAE, and Muslim states in Asia, affording the royals a near-complete discretion over their workforce. Non-nationals, who have no legal rights or recourse, comprise over half of the economy's workforce.

The great prosperity that oil brought to the kingdom in the 1970s and early 1980s sparked sweeping socioeconomic changes. Oil wealth allowed for the modernization of Saudi Arabia, and although this modernization effort was largely directed by the royals' staged modernization plans (presently Saudi Arabia is in its 'seventh planned modernization phase'), a professional and business class did emerge. The construction and chemical sectors boomed alongside the oil industry, and a professional class of lawyers, engineers and technocrats grew from this base. Importantly, the centralized nature of the oil industry would not produce the same effect as industrial or technological sector driven modernization, which would further integrate the business class with the ruling class. Instead, the oil boom led to an entrenchment of elite power and the centralization of political control, rather than its democratization. Hence, the House of Saud is not nearly as dependent on a business class of merchants and professionals as it is on the existence of its oil resources.

Oil also played a critical role in Saudi Arabia's rise to prominence in the international arena. While the fall of pan-Arabism after the 1967 Arab-Israeli War led to an ideological vacuum in the Middle East, it took several years for Saudi Arabia to discover the immense political power afforded by its vast oil resources. The Saudis, far more hesitant than their Arab allies to utilize the "oil weapon," consistently advocated moderation during OPEC deliberations on oil prices. Riyadh had only reluctantly participated in a limited, ineffective oil

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embargo during the 1967 war, and King Faisal stated as late as 1972 that "oil and politics [do] not mix."<sup>19</sup> Other Arab states continually pressed the Saudis to cut oil production as a point of leverage against the West and Israel, but Riyadh remained hesitant. The Saudis decided to make political use of their most effective economic weapon only after realizing that the U.S. would not pressure Israel to withdraw from the occupied territories. Once the embargo started, the price for a barrel of oil skyrocketed from \$3.01 in September 1973 to \$11.65 four months later, and the effects on the Saudi economy were equally dramatic. Saudi oil revenues jumped from \$4.3 billion in 1973 to \$22.6 billion in 1974 and eventually reached \$36.6 billion in 1977.<sup>20</sup>

Although Saudi Arabia became a global power only after the 1973-74 embargo quadrupled the price of oil, continued dependence on petroleum has proven problematic. The impact of higher oil prices devastated Western economies throughout the late 1970s and early 1980s. As a result, oil consumption fell dramatically among OECD member countries from 41 million barrels per day in 1979 to less than 34 million barrels a day in 1985.<sup>21</sup> For Saudi Arabia, the corresponding effect was twofold – lower prices and reduced production. Petroleum prices plummeted from \$40 per barrel in 1981 to under \$10 by 1986.<sup>22</sup> Average Saudi oil production fell from 10 mbd (million barrels per day) in 1981 to only 3.5 mbd in 1985, and annual Saudi oil revenues decreased from over \$100 billion to \$25.9 billion during the same period.<sup>23</sup>

Despite plummeting oil revenues, Saudi spending habits remained virtually unchanged, and the economy nose-dived into fiscal crisis. This was mostly due to irresponsible state budgeting, which did not link the budget to the price of oil, and permitted the royals to maintain high defense spending, far-reaching social services and public subsidies, and an extravagant personal lifestyle. Expenditures on national security and strategic foreign aid (in the form of \$26 billion in aid to Iraq in the 1980's and the \$55 billion Gulf War bill in the early 1990's) further exacerbated demands on the dwindling state purse.<sup>24</sup> Economic growth came to a rapid halt and even began to backtrack. During the 1980s, GNP fell by an average of almost 2 percent a year while unchecked population growth led to annual 3.4 percent reductions in per capita income.<sup>25</sup> Continued economic dependence on oil also imposed political constraints. As the Saudis enjoyed a lower average production cost and larger reserves than the other major exporters, they could theoretically assume a "swing producer" role and dictate world prices. This could provide Riyadh with significant political leverage, but strategic manipulation of oil prices would also adversely affect the Saudi economy in the short-term.<sup>26</sup> Thus, the need to ensure domestic economic stability hampered the Saudis' ability to play a more active role on the global oil market.

#### The West: Savior and Sinner

The West, and the United States in particular, has played a critical role in Saudi Arabia's evolution into a political power. Western oil companies established a presence in Saudi Arabia soon after World War II and played an important role in helping the Saudis develop their vast oil fields. In the past two decades, the U.S. has supplied advanced weapons systems to Riyadh, fought a major conflict with Iraq, and stationed American troops on Saudi soil in order to buttress the security of the kingdom. However, the relationship with the West remains problematic for the Saudi regime. Saudi Arabia has depended on Western military support to ensure its security, while the West has relied on the Saudis to maintain moderate oil prices. Yet Western concepts of modernity often clash with *Wahhabism*, and the Israeli-Palestinian conflict highlights the discrepancies between Saudi Arabia as a leader in the Islamic world and as a staunch ally of the West.

From the early twentieth century until it was replaced by America, Great Britain operated in the region according to an old colonial principle of manipulating Saudi Arabia and other Middle East countries through their chiefs. Britain appointed Saudi Arabia, Iran and Iraq as the three axes of power in the Arabian Peninsula and the Gulf, and made them dependent on British economic and political support, kept them separated and weak, and prevailed on them to follow sensible internal policies to guard against upheavals.

America's relatively late arrival on the Middle East scene overlapped with the emergence of new problems. Oil and the expected growing world dependence on it meant that America was in the Middle East to stay. The House of Saud started using its oil income to pretend it was performing a leadership role, and this has kept others from assuming it. One could say that the American desire to protect the free flow of oil and the House of Saud's need to perpetuate its rule became one and the same.<sup>27</sup>

The American presence in Saudi Arabia in the early 1950s expanded with increased oil production, the enlargement of its Dhahran airbase and the construction of an oil pipeline to the Lebanese port of Sidon (TAPLINE, or the Trans Arabian Pipeline). This ran through Jordan, Syria and Lebanon and represented the increasing economic influence of Saudi Arabia on its neighbors.

In return for American military support that guaranteed Saudi Arabia's security and regional leadership status, the House of Saud pays America directly and indirectly. Keeping the price of oil low is essentially a direct cash payment, and conditional aid to Arab and Muslim countries to keep them from turning too anti-American is an indirect one. Washington's contradictory Middle East interests consists of guaranteeing the flow of Saudi oil while maintaining its support for Israel. To reconcile the two, the State Department has allowed its field officers considerable freedom to criticize Israel while Washington assured Israel of its full support.

Despite the mutual benefits of this relationship, tension between Islamic responsibilities and Western ties has often plagued Saudi foreign policy. Saudi Arabia was hesitant to adopt the 1973 oil embargo for fear of damaging its ties with the West; soon after the embargo was actually implemented, Saudi Arabia favored loosening restrictions on oil production. Several years later, Israel would again serve as a flash point. The disclosure in 1978 that Egypt and Israel were conducting direct negotiations had immediate effects throughout the Middle East. Since Sadat, a devout Muslim, had come to power in Cairo, Saudi Arabia had enjoyed a much better relationship with Egypt, a prior source of many difficulties for the Saudis. Given this fact, coupled with the pro-West orientation of the Sadat, Riyadh was loath to undercut the Egyptians politically.

According to Jimmy Carter's memoirs, both King Khalid and Crown Prince Fahd assured the American president of "their unequivocal support for Sadat," but they would go no further, at least not publicly.<sup>28</sup> From the Islamic-Arabic perspective, Egyptian policy was a capitulation that could not be accepted. Saudi support of a separate peace agreement would have risked domestic upheaval and the scorn of neighboring Arab states. Opposition to the Egyptian initiative, if not a predictable reaction, had few costs. Once the Camp David Accords had been signed, the pressure to maintain its leading Islamic image and not to appear too "pro-Western" was irresistible; the Saudis finally agreed to participate in economic and political sanctions against Egypt.

In January 1979, Khomeini assumed power in Iran; the Mecca Mosque rebellion occurred in November, and in December the USSR invaded Afghanistan to support the puppet government of Barbak Kemal. The shock to the House of Saud was immense. Suddenly King Khalid and Crown Prince Fahd were confronted with internal and external dangers which money could not eliminate. They could not understand the inability of the United States to save the Shah in Iran, and America's lack of response to the invasion of Afghanistan further underscored the limits of American power.

In 1980 America became the world's biggest importer of Saudi oil (it was 10<sup>th</sup> in 1970). Reagan understood this simple fact. The United States depended on Saudi Arabia to provide financial backing for their executive branch "adventures" and welcomed a Saudi decision to place most of their \$100-billion-plus surplus funds in U.S. banks. In return, the Americans indicated a willingness to interfere in regional and Muslim disputes beyond Saudi Arabia's reach and capability. But the short-term policies of the Fahd-Reagan alliance were spiralling out of control: There was so much Saudi money in American banks that it led to a rush to lend money to Third World countries and eventually to the global debt crisis.<sup>29</sup> Furthermore, Fahd refused to support the Palestinians in Lebanon, and he was no longer willing to appease his people or the rest of the Arab world with periodic anti-Western rhetoric or political positions.

The end of the Iran-Iraq War left the Middle East with a militarily strong but economically unstable Iraq and an angry, defeated Iran forced to reassess its expansionist militant Islamic policies. The House of Saud prayer, "Allah vanquish Khomeini without making Saddam victorious," had not been answered.<sup>30</sup> With Iran looking inwards, the emerging threat to the Gulf was Iraq and its new regional ambitions.

A few days after the Iran-Iraq war ended, Kuwait decided to increase its oil production by pumping oil from the disputed Rumailla oilfield, which is partly located in Kuwait but mostly belongs to Iraq.<sup>31</sup> This led to a dramatic tumble in the price of oil from \$22 to \$16 per barrel. Iraq, which depended on oil for 90 percent of its income and desperately needed to rebuild its country, found Kuwait violating its sovereignty and reducing its income by over \$4 billion a year. This threatened the country with financial collapse and undermined Saddam Hussein's position with his people. But Kuwait did not stop there; it also demanded the immediate repayment of the \$8 billion it had lent Iraq during its conflict with Iran. It was clear that Kuwait did not need the money it was realizing from increasing its oil production. A Kuwaiti denial of air rights to Iraqi civilian aircraft, its hesitation to congratulate Iraq on its 'victory,' and a Saudi refusal to lend Iraq more money, led Saddam Hussein to conclude that a conspiracy to overthrow him was in the making.

For sixteen months the Iraqi-Kuwaiti confrontation, despite its serious implications for the stability of the whole Middle East, was viewed as a minor local problem. The lack of interest from the United States and Saudi Arabia was striking, and Iraq, which saw few other options, began to threaten Kuwait openly, which in turn created an atmosphere of crisis. Numerous diplomatic efforts were made by the other Arab states, with no result; Iraq invaded Kuwait on 2 August 1990, completely altering the balance of power in the Middle East.

In response, King Fahd decided to invite American troops into his country without the accord of Crown Prince Abdallah and other important members of his family.<sup>32</sup> The Saudis' acceptance of foreign troops saw hundreds of thousands of them descend on the country. The Council of Ulemas had approved the measure under considerable pressure and without knowing its full extent, and King Fahd issued a large number of debt notes to Turkey, Syria, Egypt, Pakistan, Bangladesh, Britain, France, America and others to join the holy war against Saddam. But the Gulf War achieved its purpose; it protected the oil and eliminated Iraq as a regional power capable of threatening the security of the oil-producing countries. However, by destroying the strongest secular power in the region, it created an ideological vacuum that Islamic fundamentalism could fill.

# A Lethal Cocktail: The 1990s Mix of Oil, Islam, and the West

In the 1990s, the Saudi "balancing game" became even more difficult to manage. First, domestic economic troubles made it difficult for the Saudis to ignore continued low oil prices. Historically, the Saudis had shared a common interest with their Western allies in maintaining moderate oil prices, but this was no longer the case.<sup>33</sup> Second, the rise of fundamentalist Islamic groups within Saudi Arabia and across the Middle East heightened domestic and regional pressure on the Saudi regime. In order to placate conservative opposition, Riyadh had to distance itself from the West (at least in appearance) and support repressive regimes such as the Taliban. (Saudi Arabia, the United Arab Emirates, and Pakistan were the only three states that officially recognized the Taliban.)

After the Gulf War ended, the Saudis invited the United States to maintain a military presence on its territory. American troops served a dual purpose: to deter any further aggression on the western side of the Persian Gulf and to serve as an internal stabilizing factor for the Saudi regime. Saudi Arabia has also enlisted American technical support in continuing to improve the country's armed forces -the Saudis spent nearly \$300 billion over the past ten years on defense modernization. However, the American presence vividly highlighted the internal inconsistencies of Saudi policy. Increasingly vocal Islamic fundamentalist factions criticized the presence of "infidels" in the heartland of Islam.

The Saudis found themselves in a difficult economic situation as oil prices dropped throughout the 1990s. The oil price spike, which initiated the great period of Saudi wealth in 1974, had nearly completely evaporated by 2000. Riyadh continued to run a budget deficit (just as it had every year since 1983) and had accumulated over \$130 billion in domestic debt by 2000. Lack of fiscal discipline and persistent balance-of-payments deficits increased pressure on the economy, and the Saudi stock market lost 30 percent of its value in 1998. By the mid 1990s, sixty-five percent of state expenditures went to paying government salaries and to paying down the debt.<sup>34</sup> To complicate problems further, rapid population growth of 3 percent per annum and a majority youth population (more than half of the 20 million Saudi citizens are under 20 years old) placed enormous burdens on the management of state welfare.<sup>35</sup> This precarious situation spurred numerous popular calls for state reform throughout the decade. Undoubtedly, the rising political protests, turmoil and terrorism of the 1990's derive some of its fervor from deteriorating national welfare. While it would be inaccurate to attribute the increasing radicalization of Islam strictly to economic factors, the growing disparity does not mitigate fundamentalist trends.

The intensification of domestic turmoil during the 1990s illustrated the manner in which the monarchy effectively managed and suppressed dissent. The confluence of pressures on the kingdom accelerated the public political debate and gave force to extremist groups. Most dramatically, social turmoil came in the form of terrorist attacks against United States military bases, a 1995 car bomb in Riyadh and the 1996 bombing of the Al Khobar air base, which together killed 24 U.S. soldiers. The al-Saud's (House of Saud) response was swift though not necessarily just: public executions of the suspected terrorists followed the 1995 bombing; the 1996 act was blamed on Iranian complicity. The monarchy expeditious response sought above all to bring resolution to these potentially destabilizing crises; many doubt whether there was sufficient investigation into either occurrence.

However, in response to the calls for reform from liberal and conservative protestors, the al-Saud offered a more calculated and judicious response. The 1990 business petition and 1992 "memorandum of advice" from religious scholars pleaded for reforms on justice, education, social rights and the political consultative process. Both constituencies, while coming from completely opposite sides of the political spectrum, were calling for changes in what they saw as an increasingly corrupt and unresponsive economic and political system. The al-Saud reaction was characteristically conciliatory and repressive: they created the *majlis al-shura*, the consultative council, called for by both the business and religious opposition; King Faud acted harshly against the more iridescent dissenters, ousting seven of the seventeen members of the Supreme Ulema Council in October 1992.<sup>36</sup>

While the creation of the *majlis al-shura* can be seen as a cosmetic reform — a political token of appeasement rather than a step towards democratization of governance — the council provides an avenue for the monarchy to understand and consult its opposition. The composition of the body includes members of professional and technical classes as well as member of the religious and academic communities; in 1997, its membership was enlarged to ninety councilmen. The incorporation of dissent into the institutional structures illustrates how the monarchy responded to its opposition without devolving its centralized decision making authority.

The balancing game on the international scene appeared no easier. The Saudis clearly needed to cut production and nudge oil prices higher, but this would run contrary to the interests of their Western allies. While coordinated production cuts in early 1998 were ineffective, further action a year later did succeed in pushing the price of oil up to \$16 per barrel. Washington, presiding over an unprecedented economic expansion, was initially accommodating. The response turned less favorable in 2000 as continued high oil prices contributed to a rapidly weakening American economy, and U.S. officials began to press the Saudis for production increases.

## Under the Microscope: Sptember 11<sup>th</sup>

The September 11<sup>th</sup> terrorist attacks on New York City and Washington brought all of the Saudi contradictions, both domestic and international, into

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focus. From a Western perspective, "Saudi Arabia, the dependable Middle East ally" suddenly became "Saudi Arabia, the source of global terrorism." Despite criticism from the Western public (and undoubted private pressure from Western governments), Saudi Arabia skillfully navigated the path between "bad ally" and "Western sympathizer." In deference to U.S. wishes, Riyadh severed diplomatic relations with the Taliban government of Afghanistan on September 25th. However, the Saudis, while allowing the U.S. to use a command-and-control facility at Prince Sultan Air Base to coordinate the air campaign, refused to allow U.S. planes to launch combat missions against Afghanistan from Saudi soil.

In the months following the attacks, the Saudis' willingness to appease American interests has gradually dissolved. The increasing attention from Western media and politicians has put the kingdom in an awkward position of having to defend its policies to the West and protect its prestige at home. The spotlight has been an acute threat to the credibility of the Saudi regime in both the international and domestic arenas. Criticisms from United States senators and journalists alike targeted the Saudi princes with rigor and virulence, accusing the regime of supporting, training and financing the Taliban and bin Laden himself.<sup>37</sup> As the regime fell under increasing scrutiny, the princes became more pronounced and vocal in their retorts. Prince Abdullah personally responded to the Western press, claiming that the West was attacking Islam; concurrently, the state-owned Saudi papers proclaimed the Saudi people as the unsuspecting victims of American vexations.<sup>38</sup>

Caught under an international spotlight and subject to persistent criticism, the regime will do all it can to shun attention. Accustomed to ruling with unchallenged authority in complete secrecy, Saudi princes will likely take measures to insulate themselves from Western reach. As Saudi domestic dissent has increased over the past decade, the princes have been shifting their focus to domestic, rather than international concerns. Loosening ties to the West will be necessary if this is to alleviate domestic unrest. Whether or not the Saudis will seek to diminish their most prosperous foreign relationship remains to be seen. However, it is certain that the House of Saud will seek to steer its own course in domestic and international politics.

## **Policy Implications**

The Saudi regime has vast experience in managing conflicting pressures and trends in order to maintain its grip on domestic power and play a prominent international role. We expect that the al-Saud family, through adroit manipulation of various forces, will remain the bedrock of political power in Saudi Arabia for the near future. If this is true, then what are the implications for Western policymakers? First, the West must encourage the Saudis to implement political reform. As one observer has written, America "is simultaneously the agent of political order and social revolution" in the Middle East.<sup>39</sup> The United States, along with its Western allies, should focus on convincing Riyadh to enact reform in order to relieve long-term domestic pressure on the state. However, the specific mechanisms of reform should be distinctly suited to Saudi culture and political style. The creation of the Majlis al-Shura in the 1990s arguably represents one such example, although this did more to bolster the management efficiency of the monarchy than it did to democratize politics. Yet, the creation of this council opens avenues for democratic-like reform. The Saudi royals may not believe in democratic principles, but they are acutely concerned with the interests of their subjects.

Second, the fundamental economic problems that Saudi Arabia faces will never be entirely resolved through increased oil revenues. The Saudis have realized that dramatic price increases today, while improving the short-term economic situation, will ultimately lead to lower global demand tomorrow. With 75 percent of government revenue still tied to the price of oil and little willingness to depend on foreign borrowing, the Saudi government continues to plunge itself into a crisis of liquidity. Whether the Saudis can pull themselves of this fiscal crisis is yet to be seen. Although Prince Abdullah is willing to impose fiscal tightening and has made motions towards raising revenue through industry privatization, the two decades of extravagance and mismanagement have erected formidable obstacles. The chief problems that the Saudis face today, and likely for the near to mid-term, are increasing levels of unemployment and an insufficient education system for the millions of Saudi youth. That the Saudi's import over half of the workforce from neighboring countries does not improve the situation for their own subjects. Although the current five-year modernization phase seeks to address the problems of education and unemployment, much like the management of Saudi fiscal problems, state remedies are perhaps too little, too late.

Third, our argument suggests that reform in Saudi Arabia can only be a top-down process, not a revolution from the bottom up. Whether Western governments (or Western publics) like it or not, there is not "another horse to bet on" in Saudi Arabia. Despite its supposed unpopularity, the ruling elite in Saudi Arabia has repeatedly exhibited a deft touch in implementing reform to relieve domestic political pressure. Cursory examination of the domestic political situation raises the question: what if all the alternatives would be worse, not better, than the al-Saud family. Yet, the very question of alternatives can only be asked in vain. Any opposition to the Saudi regime must first undo the elaborate network of royal and business elite that has solidified over the past two decades. There are some ten thousand Saudi princes, and thousands more of business elites with valuable relations to royals. Speculation on the future of the Saudi kingdom often leads to analogies with the situation in Iran prior to the 1979 revolution. At a superficial level, many similarities are visible: the lack of political accountability, a population dominated by disenfranchised youth, economic strife, and a hyper-salience of questions regarding the politicization of Islam.

However, there was only one Shah in Iran. There are tens of thousands of "shahs" in the Arabian kingdom. Of particular concern to Western governments is the Saudi education system, which — despite leaving one-fifth of its population illiterate — is seen by the West as a cradle for extremism. Education reform is a chief part of the agenda in the seventh five-year modernization scheme, and whether or not plans materialize, the Saudis have earmarked millions of dollars for the development and reform of schools. The educational system is a key mechanism for appeasing the *ulema* and the religious conservatives within Saudi Arabia, and the royals may face opposition if they try to usurp the power of this group. If the royals indeed want to promote reform they can take a similar approach as they did to create the Majlis al-Shura, when they made progress in a liberal direction while concurrently appeasing religious conservative interests.

Finally, the United States and Europe must reinvigorate efforts to resolve the Israeli-Palestinian conflict. Israel represents the single most complex embodiment of the conflicting pressures associated with Islam and the West. It is the central issue that continually puts regimes friendly to the West, such as Saudi Arabia, in a position of having to choose between loyalty to the Western allies and appeasement of domestic and regional anti-Israeli sentiment.<sup>40</sup> Resolution of the Israeli-Palestinian conflict may not immediately resolve this dilemma, but it certainly won't exacerbate it.

Yet this burden should not fall on Washington alone - the Saudis and their moderate allies in the Middle East must assume greater responsibility for convincing the Palestinians to accept a negotiated settlement. The House of Saud has few incentives to take an adversarial public stance against fellow Arabs. But as a historical financial supporter of Palestinian liberation organizations (including Hamas), the Saudis wield the capacity to influence the Palestinian situation from a distance. The Saudis' peace proposal submission, calling for a return of the Israeli occupied territories, was a bold and unprecedented move. Likely this was an action taken on behalf of regional stability as well as a means for improving relations with the United States. Now their leverage over the Palestinians must be incorporated into the peace process. Their ties to and support for Hamas can be used in the same carrot and stick manner that the Saudis use to maintain stability in their own kingdom. However, a more active Saudi role in Israeli-Palestinian relations would entail political risks that the kingdom may not want to assume. Saudi internal politics, as well as concerns over domestic, regional and Western relations will determine precisely how the kingdom will act.

## Conclusion

The majority of political theory stresses the instrumental role of ruling elites in fomenting revolution. In *The Republic*, Plato saw this as a fundamental tenet of political change: "Is it not a simple fact that any form of government revolution always starts from the outbreak of internal dissension in the ruling class? The constitution cannot be upset so long as that class is of one mind, however small it may be." Skillful management of fractures in their source of power has allowed the Saudis to maintain their rule.

If the greatest curiosity of Western analysts is whether or not the Saudi regime can survive the turmoil of recent years, history provides a definitive answer. Of course, historical precedent does not guarantee future trends, and the possibility for abrupt change can never be discounted. Predictions about the future of the regime are certain to neglect some unforeseen or unknown factor; however what we do know about Saudi power offers insight into how change could come about. The sources of the kingdom's power – the intricate structure of the ruling monarchy, the wealth from oil, the influence and legitimacy earned as the guardian of Islam, and the reciprocal friendship with the West – have been remarkably preserved, although all face challenges.

The greatest threat to the royals' power is the legitimacy they stand to lose if they lose control over one of these sources of power. Already, the regime has taken bold steps in the international arena, signaling that the royals may reevaluate other aspects of their foreign policy. Perhaps the fiscal crisis will intensify if oil sales do not yield strong profits through the near-term, putting pressure on the princes to curtain domestic spending and deepening the economic plight of the kingdom. If Iran's political maneuvering can successfully steal the reins of Islam away from the Saudis, the regime may not be able to credibly maintain its status as the guardian of the religion. One can envision numerous scenarios in which Saudi power can gradually erode. At the same time, it appears that the tangible sources of the royals' power are sufficiently protected in the short to medium-term. It is the long-term legitimacy of the Saudi regime that is less certain.

### Notes

- <sup>1</sup> For examples in the mainstream press, see Seymour M. Hersh, "The King's Ransom," *The New Yorker*, October 22, 2001, pp. 35-39; and Thomas Omestad, "The Kingdom and the Power," U.S. News & World Report, November 5, 2001, pp. 34-36.
- <sup>2</sup> The Saudayri Seven, known by their mother's family name, are the full brothers of King Faud; Crown Prince Abdullah is outside the seven, the son of Ibn Saud's marriage into the Shammar tribal confederation.
- <sup>3</sup> Gwenn Okruhlik, "Rentier Wealth, Unruly Law, and the Rise of Opposition: The Political Economy of Oil States," *Comparative Politics*, April 1999, pp. 298-299; and Michael Herb, *All in the Family: Absolutism, Rrevolution, and Democracy in the Middle Eastern Monarchies* (Albany: State University of New York Press, 2000), pp. 44-45 and 170-172.
- <sup>4</sup> Anderson, Seibert and Wagner, *Politics and Change in the Middle East: Sources of Conflict and Opposition* (New Jersey: Prentice Hall, Inc.) p. 243.

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<sup>6</sup> Jane Meyer, "The House of bin Laden: A family's, and a nation's, divided loyalties," *The New Yorker*, November 12, 2001, pp. 56-61.

- <sup>8</sup> Ibid; and The Economist Intelligence Unit, 2001 Country Profile on Saudi Arabia (London: EIU Country Reports, 2001).
- <sup>9</sup> This tactical accommodation was largely based on the two countries' common rivalry with Jordan and Iraq.
- <sup>10</sup> The Egyptian troop presence, which initially numbered only 8,000, eventually swelled to over 70,000 in 1966. In 1963, Egyptian aircraft also dropped bombs on Saudi border villages in an apparent effort to intimate the Saudis and cut off their support for the royalist faction in Yemen. For further details, see the U.S. Library of Congress Country Study on Saudi Arabia.
- <sup>11</sup> Elsewhere in the Middle East, Saudi relations were largely influenced by how individual states responded to pan-Arabism and newly emergent Communist influence. Despite concerns about "real" intentions in Tehran, Saudi Arabia remained on good terms with Iran; both conservative regimes were interested in maintaining the status quo.
- <sup>12</sup> Sadat undertook a number of initiatives, including the expulsion of all Soviet advisers from Egypt, halting all assistance to revolutionary groups operating on the Arabian Peninsula, and improving relations with Syria, to facilitate the improvement in relations with Saudi Arabia.
- <sup>13</sup> Ragaei El Mallakh, Saudi Arabia: Rush to Development (Baltimore: The Johns Hopkins University Press, 1982) p. 371.
- <sup>14</sup> In December 1981, police in Bahrain arrested an illegal clandestine group with ties to Tehran that had a large amount of arms allegedly supplied by Iran. Numerous car bombings, airplane hijackings, and assassinations occurred between 1982 and 1985, and riots broke out among minority Shi'a populations in the Eastern Province of Saudi Arabia and in other Gulf states.
- <sup>15</sup> M.E.Yapp, The Near East Since the First World War (London: Longman, 1996) p. 356.
- <sup>16</sup> Michael Herb, p. 11 and pp. 30-31.
- <sup>17</sup> Figures on oil production and revenues come from the Economist Intelligence Unit, 2001 Country Profile on Saudi Arabia (London: EIU Country Reports, 2001).
- <sup>18</sup> Kiren Aziz Chaudry, "The Price of Wealth: Business and State in Labor Remittance and Oil Economies," *International Organization*, 43:1, Winter 1989.
- <sup>19</sup> Robert D. Hormats, "The Politics and Limitations of Economic Leverage," in Judith Kipper and Harold H. Saunders, eds., *The Middle East in Global Perspective* (Boulder, CO: Westview Press, 1992) p. 235. Hormats provides a thorough explanation of how the Saudis used the oil weapon in the 1970s as well as their hesitancy to do so out of concern for their relationship with the United States.
- <sup>20</sup> Ali D. Johany, Michel Berne and J. Wilson Mixon Jr, *The Saudi Arabian Economy* (Baltimore: The Johns Hopkins University Press, 1986) p. 52.

- <sup>22</sup> F. Gregory Gause III, "Saudi Arabia Over a Barrel," Foreign Affairs, May/June 2000, pp. 82-83.
- <sup>23</sup> Ibid., p. 87.
- <sup>24</sup> Ibid., p. 82.
- <sup>25</sup> M.E.Yapp, The Near East Since the First World War (London: Longman, 1996) p. 490.
- <sup>26</sup> If the Saudis cut production to increase prices, they risked losing share to non-compliant partners. Alternatively, if they increased production to regain market share, the result was lower oil revenues. The resulting strategy was to maintain consistent production levels and forgo the price leader role.
- <sup>27</sup> Said K. Aburish, The Rise, Corruption and Coming Fall of the House of Saud, (New York: St. Martin's, 1994) p. 150
- <sup>28</sup> Ibid., p. 167
- <sup>29</sup> According to Anthony Sampson
- <sup>30</sup> Aburish, p. 171
- <sup>31</sup> This was in violation of OPEC agreements
- <sup>32</sup> Crown Prince Abdallah wanted to hear more about the disposition of Iraqi troops, the intended use of the American troops after they arrived and the conditions under which they would leave the country. Cheney's answer to the points raised by Prince Abdallah was vague. Instead of answering them directly, he is reported to have addressed himself to Fahd and told him that there was a strong possibility that the Iraqi invasion of Kuwait was part of an Iraqi-Yemeni-PLO

<sup>&</sup>lt;sup>5</sup> Herb, p. 105.

<sup>&</sup>lt;sup>7</sup> Gwenn Okruhlik, p. 301.

<sup>&</sup>lt;sup>21</sup> Hormats, p. 235.

plot to destabilize the Arabian Peninsula and divide it among themselves. He added that, at the moment, there was nothing to stop the Iraqi army from marching on Riyadh.

- <sup>33</sup> Unlike many other oil producers, Saudi Arabia has huge untapped oil reserves. (Some estimates predict that Saudi reserves could supply oil for at least another century.) This has led officials in Riyadh to recognize the importance of moderate prices. Sharp increases, such as those experienced in the 1970s, would lead the West to reduce consumption and intensify the search for alternative energy sources, neither of which would be in the Saudis' best interests.
- <sup>34</sup> Robert E. Looney, "Internal and External Constraints on Saudi Growth: The Role of Defense Expenditures and Remittances," in J.W. Wright, Jr., ed., *The Political Economy of the Middle East: The Impact of Competing Trade Agendas* (London: Routledge, 1999) and Gregory Gause, p. 82-83.
- <sup>35</sup> Per capita income and demographic figures are from the 2001 EIU Country Profile on Saudi Arabia.
- <sup>36</sup> Ibid., p.305-310.
- <sup>37</sup> Some of the most prominent leaders of these verbal attacks included U.S. Senator John McCain, and journalists from *The New Yorker* and *The New York Times*. By the end of October 2001, the *New York Times* columnist Thomas Friedman had published three articles in ten days carrying serious rebukes against the Saudi kingdom.
- <sup>38</sup> Naim, Mouna, "Les Dirigeants Saoudiens s'Irritent des Critiques de la Presse Americaine," Le Monde 11 January, 2002.
- <sup>39</sup> Fouad Ajami, "The Arab Inheritance," Foreign Affairs, September/October 1997, p. 146.
- <sup>40</sup> The fact that Riyadh has long considered a comprehensive settlement of the Palestinian question a key objective for Saudi foreign policy only attests to this fact.