

OSHER GREAT DECISIONS – CHAPTER 4 – SAUDI ARABIA IN TRANSITION



Author: **Lawrence G. Potter** is Adjunct Associate Professor of International Affairs at Columbia University in New York, where he has taught since 1996. He holds a BA from Tufts University (1970), an MA from the University of London (1971), and an MPhil and PhD from Columbia University (1981 and 1992). Woo-hoo! He has written or co-authored at least 7 books on Persian Gulf countries between 2002 and 2014.

Some Brief Facts About Saudi Arabia

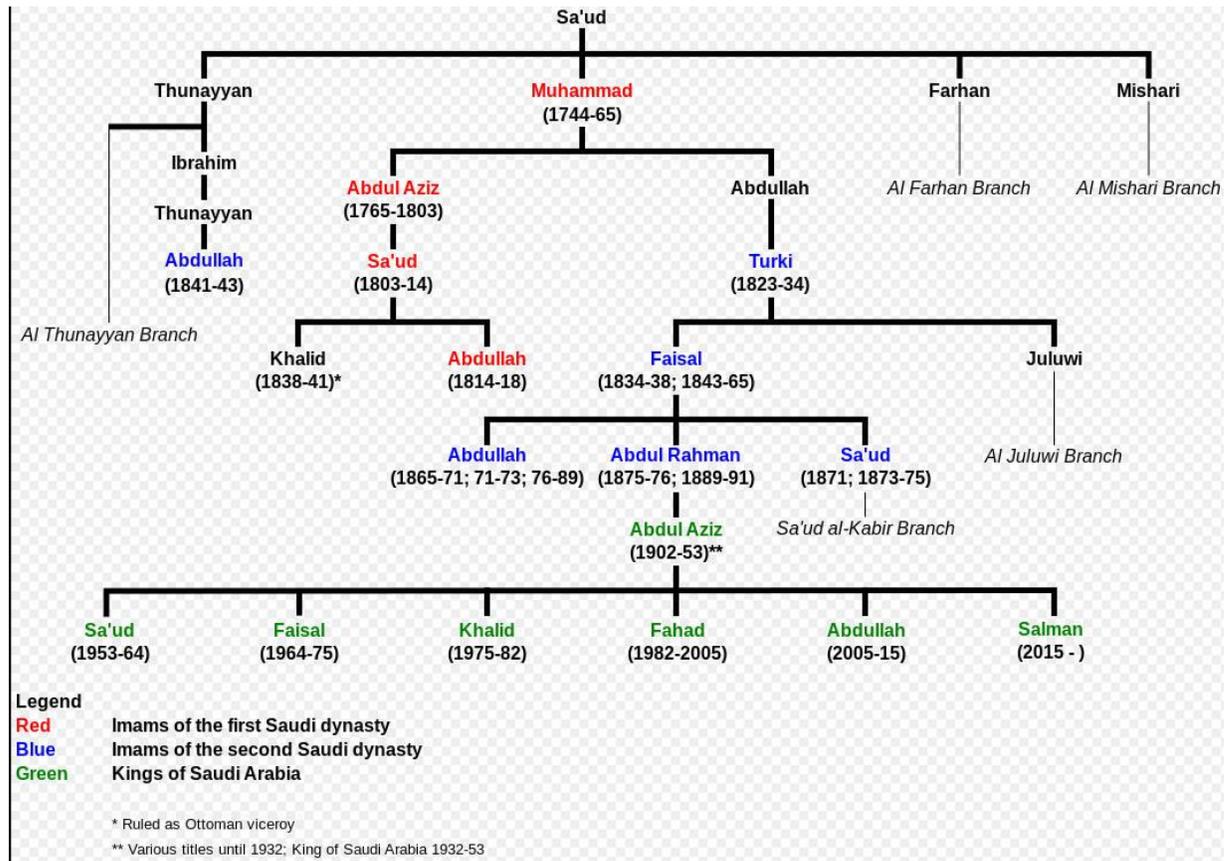
- The current population of **Saudi Arabia** is **32,618,361** as of April 2017, based on the latest United Nations estimates.
 - In contrast, the 5 largest countries by population are:

1		China	1,387,042,537
2		India	1,339,338,972
3		U.S.A.	325,999,102
4		Indonesia	262,918,602
5		Brazil	210,905,313

- Saudi Arabia population is equivalent to **0.44%** of the total world population of 7.5 billion.
- Saudi Arabia ranks number **41** in the list of countries by population..
- The population density in Saudi Arabia is 39 people per square mile.
- The total land area is **2,149,690** square Km.
 - By comparison, the 5 largest countries in Asia by area are:

Rank ⇅	Country ⇅	Area (km ²)
1	 Russia*	17,125,200 ^[1]
2	 China	9,596,961
3	 India^[2]	3,287,263
4	 Kazakhstan*	2,455,034
5	 Saudi Arabia	2,149,690

- The **median age** in Saudi Arabia is **28.6 years**.
- The U.S. currently has **no Ambassador** to Saudi Arabia.



Salman bin Abdulaziz al Saud

The new King from 2015, Crown Prince 2012 - 2015, Deputy Prime Minister, Minister of Defense

Born in 1935, Salman was named as the country's new crown prince in 2012, succeeding his brother Nayef. He is also one of the seven sons born to Ibn Saud's favorite wife, Hassa bint Ahmed al-Sudairi. In 1962, he became governor of Riyadh Province and ruled the province until he became defense minister in 2011.

Salman has played an increasingly prominent role in Saudi politics in recent years. He is known to favor close political and economic ties with the West.



Mohammed bin Salman

Deputy Crown Prince from 2015, Defense Minister

King Salman appointed his son Prince Mohammed bin Salman as deputy crown prince in April, making him second in line to the throne. Born in 1985, he holds the positions of defense minister, deputy premier and head of the Economic and Development Affairs Council.

Religion in Saudi Arabia

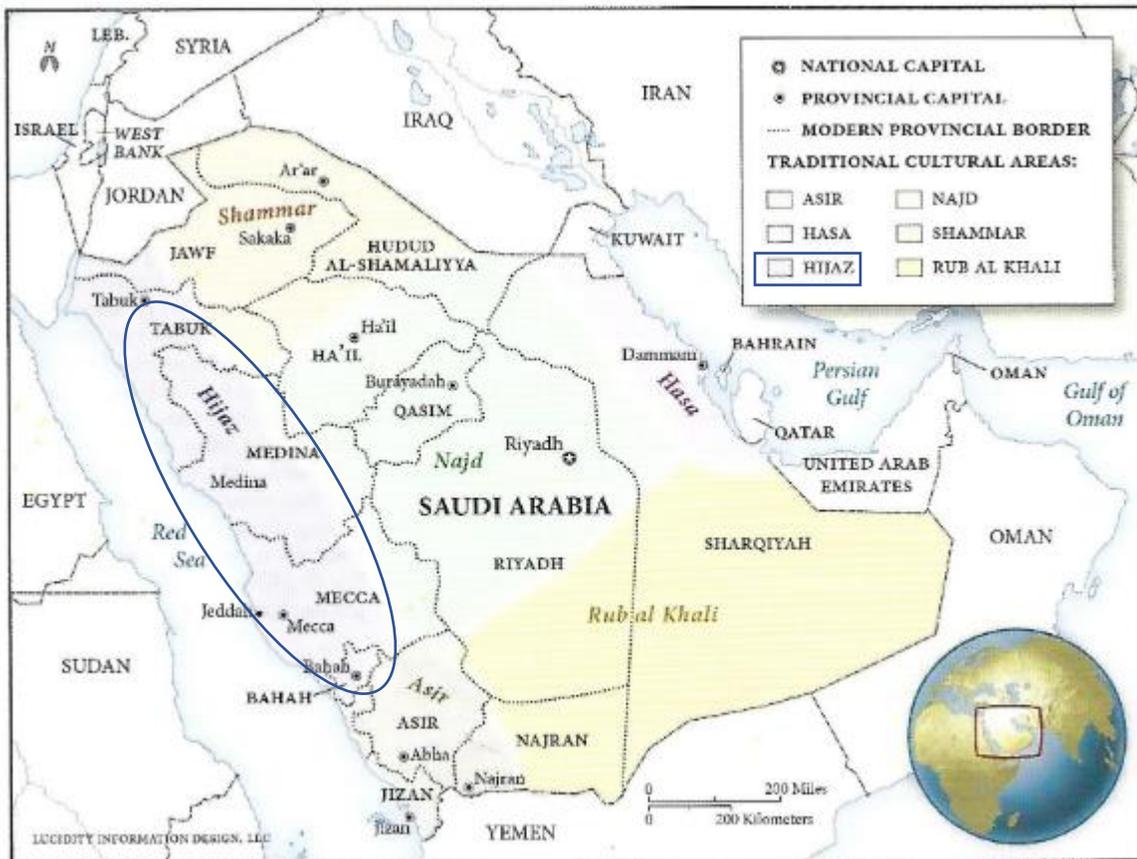
Islam is the state religion of Saudi Arabia and its law requires that all citizens should be Muslims. The government does not legally protect the freedom of religion. Any non-Muslim attempting to acquire Saudi nationality must convert to Islam. Saudi Arabia has been criticized for its implementation of Islamic law and its poor human rights record. As no faith other than Islam is permitted to be practiced, no churches, temples, or other non-Muslim houses of worship are permitted in the country. **Foreign workers are not allowed to celebrate Christmas or Easter.**

The large number of foreign workers living in Saudi Arabia, 8 million expatriates out of a total population of 32 million, includes non-Muslims. Proselytizing by non-Muslims is illegal, and conversion by Muslims to another religion (apostasy) carries the death penalty, although there have been no confirmed reports of executions for apostasy in recent years. Saudi Arabia has officially identified atheists as terrorists.

The holy land of the Hijaz (which includes Mecca and Medina-see map on next page) has been forbidden territory for non-Muslims.

Disbelief in God is a capital offense in the kingdom. Influential conservative clerics have used the label 'atheist' to apply **not to those who profess to believe that God does not exist**, but to "those who question their strict interpretations of Islamic scriptures or express doubts about" [Wahhabism or Salafi](#).

According to "anecdotal, but persistent" evidence, the number of atheists in the kingdom has been growing. According to some estimates, Saudi Arabia is claimed to have the highest rate of atheists in the Arab World and is the first Muslim-majority country to have its atheist population exceed five per cent, or **1.5 million people**.



Key Acronyms, Abbreviations and Terms:

AQAP = Al-Qaeda in the Arabian Peninsula formed in 2009 from a merger of Saudi and Yemeni branches

GCC = Gulf Cooperation Council consisting of all Arab states of the Persian Gulf except Iraq

ISIS = Islamic State in Iraq and al-Sham a.k.a. simply as IS, or Islamic State of Iraq and Syria, or ISIL, or Daesh, led by Abu Bakr al-Baghdadi

JASTA = Justice Against Sponsors of Terrorism Act a law that authorized US citizens to sue foreign states. Set up to allow citizens to sue Saudi Arabia as a sponsor of terrorism as a result of 9/11. Obama vetoed the bill but it was overturned.

NTP = National Transformation Program is designed to help achieve Saudi Arabia's Vision 2030 to reduce economic dependence on oil.

Wahhabism = Predominant form of Sunni Islam in Saudi Arabia. Opposes innovation and seeks a return to a purified faith. Critics argue this strictness has fueled Islamic extremism.

85-95% of Saudi citizens (~24 million) are Sunni Muslims and 10-15% are Shi'a but roughly 25-30% of the population of Saudi Arabia (~8 million) is made up of foreign workers. The Shi'a divided with the Sunnis over the proper successor of the Prophet Muhammad.

Relationship with the U.S.

One of the major tenets of Donald Trump's presidential campaign was his promise to bring about "complete American energy independence," a promise that won him the unwavering support of the U.S. fossil fuel industry and several key endorsements. After his election, Trump appeared to remain committed to this pledge, vowing in November 2016 to block all oil imports from Saudi Arabia in order to secure domestic energy independence from "our foes and the oil cartels."

But Saudi Arabia did not stay on Trump's list of "foes" for very long. Trump's first meeting in March 2017 with a member of the Saudi royal family – Deputy Crown Prince Mohammed bin Salman –marked a "historic turning point," not only for Trump's own policies regarding the Gulf monarchy, but for U.S.-Saudi relations as a whole, according to a statement issued by the Saudis after the meeting. The statement, issued by the deputy crown prince's senior adviser, added that U.S.-Saudi relations during the Obama era "had undergone a period of difference of opinion." "However, today's meeting has put things on the right track, and marked a significant shift in relations, across all political, military, security and economic fields. All of this is due to President Trump's great understanding of the importance of relations between the two countries and his clear sight of problems in the region. After this historic meeting today, cooperation between the two countries will be in its upmost level."

Trump's Cabinet picks are longtime friends of the Saudi government and their Persian Gulf allies. Defense Secretary Jim Mattis has worked with the Gulf governments for decades on military issues, and Secretary of State Rex Tillerson has deep ties from his time as an executive at Exxon/Mobil. Both Mattis and Tillerson are agreed that political reform and human rights concerns should be discarded as conditions for U.S. military aid.

On the security side, the White House touted increasing collaboration on counterterrorism, military cooperation in Yemen and increasing pressure on Iran. But on the thorny issue of Saudi Arabia's own complicity in spreading radical Islamic ideology, **the Trump administration has said exactly nothing, and the Saudis have promised the same.**

Iran is increasingly becoming a more attractive potential ally in the region, despite decades of animosity in U.S.-Iranian relations, as Saudi Arabia continues to struggle economically due to its economic reliance on oil exports. While Saudi Arabia's oil dominance has allowed it to wield great influence in the region for decades, **declining oil prices in recent years have taken a drastic toll on the Saudi economy.** Trump voiced his support for a new U.S.-Saudi program in which the U.S. will invest – both directly and indirectly – **more than \$200 billion dollars in the struggling Saudi economy over the next four years.** Supporting such a massive investment plan is a clear method of appeasement, considering that Trump **recently proposed "dramatic reductions" in foreign aid. Saudi Arabia will likely be excluded from these reductions – just as it was excluded from his temporary travel ban.**

What does the Great Decision chapter say about all of this?

Oil prices fell from a peak of \$145 per barrel in 2008 to below \$30 per barrel in 2016, ending the year in the \$50 range. As of April 18, 2017, the price was around \$52 per barrel, down 65% from its high. Realizing that oil won't sustain them forever, the Saudis have a plan for major reforms and spending reductions called Saudi Vision 2030. That's only 13 years away and President Trump, as we know, has said the US will invest more than \$200 billion over the next 4 years. Late last year, the IMF cited a breakeven oil price for Saudi Arabia of \$80 per barrel, 60% higher than where it is now. This isn't likely to happen for a while. One way to raise a huge amount of money would be to sell 5% of Saudi Aramco, the state oil company. While nobody can put an exact dollar **value on Aramco**, based on its reserves **the best estimates are between 3 and 10 trillion dollars so 5% could be between \$150 billion and \$500 billion.**

The Saudi government faces a challenge from ISIS which they regard as a "deviant sect." ISIS typically targets Shi'a mosques but in July 2016 it attacked the Prophet's Mosque in Medina, and their declaration of a caliphate in 2014 was a direct challenge to Saudis claim to be the leaders of the Islamic world.

As show in the brief facts, the median age is under 30 years of age, what they call a "youth bulge," and they **need to create about 225,000 jobs a year** but in 2015 only 49,000 were added. The new generation is used to entitlements and are not likely to want to work hard. Governments no longer have a monopoly on information anymore, thanks to smart phones and satellite TV. Younger clerics have millions of followers on social media, mainly Twitter. That is distressing to the older rulers, who now face criticism.

The role of women is still quite limited. They cannot drive, and without permission of a male guardian, they cannot leave their homes, get a passport, marry, travel or receive higher education. Women make up 60% of university students but there are few jobs for them. It's likely that the younger generation will make many changes in this regard in coming years.

Human rights is still a thorn in Washington's side when it comes to the Saudis, but it stays relatively quiet about it. Besides, the Saudis aren't interested in US advice about their domestic affairs. In fact, in October, Saudi Arabia was re-elected to the UN's Human Rights Council.

The Saudis and the United Arab Emirates have a coalition to wage war in Yemen. They call it a war of necessity because an unstable state on their border would be a haven for terrorists or people that are proxies for Iran. The concern is that Shi'a are mostly loyal to Iran and not the countries where they live. The good news is that there seems to be a strengthening of Israeli ties with the GCC states over their common hostility to Iran and aversion to radical Islamic groups. During talks over the Iran nuclear issue, Israeli intelligence communicated with their Arab counterparts in Gulf states and both are unhappy about the agreement but the Saudis publicly endorsed it. Real normalization, though, is unlikely without a settlement of the Palestinian issue, and good luck with that happening anytime soon!

The Iranians have no love for Wahhabism and they blame it for furthering terrorism in the Middle East. The Hajj (annual pilgrimage to Mecca) incident in which a stampede near the holy mosques killed more than 700 people and injured 900 more (more than 2 million Muslims are in Saudi Arabia every year for The Hajj) had Iranian officials saying the Saudi government is not qualified to manage The Two Holy Mosques.

The greatest concern of the US is the country's export of their Wahhabi theology that has served as the rationale for jihadist groups such as Al-Qaeda and ISIS, where an important goal is the overthrow of the ruling Al Saud family. Wahhabism is not the only source for terrorism especially in places like Syria where there is little hope for change for their people under Assad and Internet recruiting is rampant.

The main relationship between the Saudis and the US stems from post WW-II years: the Saudis would supply oil to the US and its allies, and the US would guarantee its security. The Arab Spring started the deterioration of US-Saudi ties when the US did not prevent the overthrow of Egypt's Mubarak, a close Saudi ally. When Obama was asked if he regarded the Saudis as friends, he replied, "It's complicated." Obama also stated his view that Saudi Arabia and the GCC needed to rely less on the US for their security in the future. On the other hand, many believe that Saudi Arabia, especially now, is too important to lose as an ally. It is one of the few functioning states in the Middle East and continues to supply the world with 13% of its oil and is the 2nd largest supplier to the US itself. And it bought some \$110 billion of arms sold under the Obama administration. At a time when the US is struggling to find Middle East partners for counter-terrorism efforts, is Saudi Arabia indispensable?

Thoughts and Questions:

- If Saudi Arabia didn't supply the U.S. with so much oil, do you think we'd worry about them as much? Is there a space for economic partnership beyond the production—and consumption—of crude?
- Should Saudi Arabia "share the neighborhood" with Iran, as President Obama suggested?
- Should the U.S. continue to pooh-pooh the Saudi record on political, civil and human rights?
- At what point will Trump eventually be forced to choose between the economic interests of the U.S. (think Iran) and its long-standing alliances in the region?
- Saudi Arabia supports the Palestinian Authority, but it has also at times helped finance its rival, Hamas. In both Pakistan and Syria, the Saudi government and Saudi private charities often prefer to finance armed Islamist forces rather than US-backed 'moderates.' What do you think our response should be?
- How should the U.S. address the Wahhabism/radicalism exportation problem, or should we ignore it, or should the United Nations play a bigger role?
- Could lack of support from the United States lead to the overthrow of the Saudi regime? What would that mean in the Middle East and to us?
- Saudi Arabia and Iran support opposing sides in Syria's civil war, and the prospects for peace depend significantly on cooperation from both countries. What are the odds?
- What do you think is the biggest misconception that Americans have about Saudi Arabia?