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CHANGE IN SAUDI ARABIA



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THOSE EXCEPTIONAL SAUDIS

by **Charles Hill**

“Exceptionalism” was long claimed for America, at least until a president informed us that every nation considers itself exceptional. However that may be, one place now merits that description: The Kingdom of Saudi Arabia, where past, present, and future are entangled as nowhere else; a family, a state, a religion, and an empire variously maneuver for prominence depending on the lens through which the outside world views them. Which is it? What is Saudi Arabia? And how much can it move the political markets of world affairs?

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The Ways of Warfare

A country's originating "point of departure," Tocqueville declared, shapes and directs its current character in myriad ways. For Saudi Arabia, that birthing and sustaining point is warfare, traceable to the early 1800s when the Hijaz, the littoral on the Arabian east was fought over by two foes coming from outside. From deep in "the Empty Quarter" rode the God-intoxicated warriors of the radical Wahhabi faith under the military command of the House of Saud, an alliance that never thereafter faltered. In opposition, from across the Red Sea, came an imperial multiethnic expeditionary force under Mehmet Ali, Pasha of Egypt, viceroy of the Ottoman Sultan in Istanbul. We know who won.

From then on, the question of war gets the reply, "Let me count the ways." Most notoriously there was Lawrence of Arabia's hand in stimulating an Arab revolt against the Ottomans who had unwisely gone to the side of the Kaiser in the Great War. In recompense, the British heedlessly had promised post-war power to the Arab nation. What they delivered was fratricide. By installing Sharif Husain of Mecca as "King of the Arabs" Abd al Aziz Ibn Saud, a devout Wahhabi, was compelled to wage war for the site of the two Holy Mosques of Mecca and Medina and for all Arabia as his forebears had done a hundred years before. Within a few years, Ibn Saud would declare "The Kingdom of Saudi Arabia" which would be at once an empire and a state.

The 1973 "Yom Kippur" war shook the globe when, in response, Saudi Arabia declared an oil embargo, created OPEC (Organization of Petroleum Exporting Countries) cartel, and exulted as "petrodollars" washed over the world's financial system.

Across recent decades Saudi Arabia showed the way for Arab regimes to divert the ire of their own ill-governed populations by indoctrinating successive generations to devote themselves to the "plight" of the Palestinians by employing the full-variety of ways of unconventional warfare.

The Saudi war in Yemen, now in its fourth year, has drawn in Middle Eastern and African forces and the U.S. as well. The ferocious fighting has unnerved and puzzled the outside world. With its "proxy" – versus Islam – character it may hold for the Saudis a significance resembling the pre-World War II Spanish Civil War.

A Turning Point Time?

From our twenty-first century perspective, we see that several disparate events between the mid-1970s and mid-1980s began to concentrate the strategic Saudi mind in new directions. First among these obviously was the sudden employment of Saudi wealth and power via the oil weapon grasped from the 1973 Arab-Israeli conflict. Other developments brought transformative change.

- An additional consequence of the 1973 war, downplayed assiduously, was the obvious conclusion by the Arab regimes that they would fight no more conventional wars against Israel on behalf of the Palestinians. Instead, the regimes would inspire, arm, train, sponsor terrorism, and take fiercely pro-Palestinian political positions in international organizations, but the course of the conflict now would be for Palestinians to determine. At the time this was regarded as a triumph for the PLO, but later was revealed to be a futile form of irregular warfare against one of the world's most capable armies, an almost endless battle fought "to the last Palestinian."
- In 1979 came an unimaginable shock when the Grand Mosque of Mecca was suddenly seized by an extremist Mahdist movement calling for the overthrow of Saudi royal rule. A new reality had to be faced, that the Saudis no longer had a monopoly on the most far-reaching interpretations of the Faith.
- 1979 also produced the shock of the Iranian Revolution bringing Shia Islam – rapidly rising demographically – into the seat of power in a diplomatically recognized state. Paradoxically, Iran was now propelled by a theologically-backed ideology opposed to the established international state system and suffused with a sense of historical Persian imperialism. Suddenly Saudi Arabia inescapably faced a major rival in, and for, the Muslim world. This caused the once-dominant Arab narrative to shift as it no longer was plausible to denounce Israel as the sole source of all the problems of Arab-Islamic governance.
- At this pivotal point in time, came the sale to Saudi Arabia of American state-of-the-art AWACS (airborne early warning and control system) approved by Washington despite huge political counter-pressures from Israel and within the U.S. Congress. This arms transfer definitively altered the U.S.-Saudi strategic relationship.

In the years since this time of turning points, momentous challenges demanding Saudi decisions have eventuated. These become clearer when imagined how they appear from Riyadh.

On the domestic front, Saudi rulers face questions whose answers affect the future of the country. What will be the distribution of precedence and influence among family, state, kingdom, empire, and religious authority? What will the post-fossil fuel economy look like? What new role, if any, will women take in the society? All these must be addressed in recognition of Tocqueville's warning that the dangers of revolution actually rise during times of positive reform.

Imagine yourself these days in Riyadh. You might feel a sense of being surrounded. Iran has put in place a corridor of control all across the northern swath of the entire region, and another arm of Shia leverage now runs down the Gulf to Yemen. Layered above this are the two trajectories of China's "One Belt, One Road" strategy – what's that all about? Thus, geostrategically, to the north the Saudis see Hezbollah, Iran's Revolutionary Guards, and the "bitter enders" of ISIS. To the east the Gulf Arabs are sharpening their long-submerged mutual animosities, and Iranian Shia meddling has to be a worry from Bahrain down into Saudi Arabia's own Eastern Province. In the southwest is the Iran-backed Houthi war in Yemen and an array of highly consequential rivalries for the vital Red Sea – Horn of Africa matrix. Only on the West can relative stability be found – with Egypt and Israel!

Saudi Arabia, by its own doing, is inextricably bound to the Israel-Palestinian situation which, even if no longer the claimed key to Middle East peace and security, nonetheless continues to generate world attention beyond its urgency. Substantial aspects of power diplomacy hinge on Saudi moves. The "Arab Initiative" put forward by Saudi Arabia in 2002, endorsed by the Arab League, and reaffirmed in 2007 was of course omnidirectionally rejected at the time as are all promising proposals. But there remains much to be worked with in this Saudi idea, particularly in the context of rising "Palestinian fatigue" in both regional and world politics. Managed adroitly to deepen Pan-Arab solidarity (with Iran in mind), the initiative could be shaped to ease West Bank/Gaza Palestinian fears that any engagement with Israel will bring "death to the Palestinians" at the hands of the most extreme Islamist factions. Similarly, such an effort could encourage all relevant parties to see that the U.S. decision

to open the American Embassy in Jerusalem could also be read as a form of invitation to the Palestinians to open an embassy of their own in Jerusalem, and that Israel, whose grand strategy since 1948 has been to root itself as a state within the international state system, would benefit immensely from a two-state solution to the conflict, even as such a solution would be a devastating setback to Islamist, and Iranian, ambitions.

There is Saudi Arabia's preeminence in Islam, something not for the non-Muslim world to address, but nonetheless an undeniable reality on the world scale: the Hajj as an international phenomenon; the Sunni-Shia divide and the Middle East balance; and the Saudi policy, long in effect, of establishing a global network of Wahhabi madrassahs and mosques on the platform of pan-Islamic "Arabization" as a rooted Arabic-language civilization circling the world. The decisions coming out of Riyadh are pivotal to all these questions.

And most dangerously consequential of all is the nuclearization or de-nuclearization as set out in the international system's Non-Proliferation Treaty and as a matter of common sense international security. Will Northeast Asia nuclear weaponize in reaction to North Korea's astonishing leap into the realm of international nuclear threat? Iran's nuclear program is clearly alive and well, if partially on hold, regardless of what the U.S. or others do to alter, or not, the JCPOA (Joint Comprehensive Plan of Action). Will Saudi Arabia feel the necessity to nuclearize in response? Have they already begun?

This vast agenda reveals Saudi Arabia as "exceptional" and calls for placing policy with, and towards, Riyadh at the top of America's own agenda.



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SAUDI ARABIA'S REFORMS AND THE UNITED STATES

by **Bernard Haykel**

The reign of King Salman of Saudi Arabia (since January 2015) represents a significant watershed in the history of the kingdom's system of governance as well as in its domestic and foreign policies. These changes reflect the priorities of the king, who is an absolute monarch. The first, and most important, of these is the handing over of de facto rule to a prince of the younger generation: the king's 32-year-old son and Crown Prince Muhammad bin Salman (known in the West by his acronym MBS), who will become the reigning monarch upon his father's passing. MBS has consolidated power, and in so doing sidelined virtually every senior prince of the House of Saud. Power today is centralized at the very top and is no longer shared with high-ranking members of the royal family, as was the case from the 1960s until the death of King Abdullah in 2015. In practical terms, this means the end of policy-making by consensus and interminable deliberation. Instead, speedy reform and significant social and economic change is the order of the day. Second, MBS has subdued and restrained the official religious establishment as well as more autonomous Islamist activists, such as those inspired by the Muslim Brotherhood and its radical offshoots. He has done this through a series of measures that include cooptation, intimidation and coercion. Because of this, all organized forms of opposition to MBS's authoritarian rule have been tamed, and popular political mobilization in the streets is difficult to imagine in the near future, but it is not inconceivable. Moreover, the regime is signaling that the promotion of Islam, and in particular

the intolerant Wahhabi version of the faith, is no longer a principal source for its legitimacy. Instead, nationalism, populism, and the state's provision of order and economic opportunity will become its foundations. Third, beginning in November 2017, MBS has detained several hundred of the country's business and administrative and royal elite, claiming they were involved in widespread corruption. He has reached financial settlements with most of these detainees after which they were released. This is intended, according to MBS, to stanch the culture of corruption, which pervaded the system and cost the country around 20 percent of its annual budget, and to recover over \$100 billion for the public treasury. In short, King Salman and his crown prince have shaken the system to the core, changed the rules of power so that it is unrecognizable from what it had been until early 2015.

According to MBS, these moves represent more than an exclusive power grab. Rather, they are about national reform, modernization and empowerment—a Saudi version of the Japanese Meiji Restoration albeit with profound differences between the two countries. The Crown Prince argues these steps are necessary to enable the kingdom to transition to a new and necessary stage in its history and development, one in which it must accomplish two imperative and intertwined goals to guarantee its survival into the future. These are: 1) the diversification of its economy away from the state's overwhelming dependence on oil revenues for its fiscal

obligations. In short, the building of a non-oil economy. And 2) the transformation of the kingdom into a regional political and military power, able to project influence and defend itself from external aggression, and especially to stand up to its nemesis Iran. The latter goal should also be understood as a desire to diminish Riyadh's dependence on U.S. military protection, but not to end the strategic alliance that has bound the two nations since 1945.

The government's desire to diversify the Saudi economy dates back to the 1960s when the country's rulers and leading technocrats realized that economic dependence on a single commodity, and the vicissitudes of the global oil market, is dangerous and unsustainable in the long term. Yet, successive kings have failed to accomplish this because, frankly, it is an exceedingly difficult task. Oil wealth, especially when it accrues to the state and is then distributed to the population in the form of wages for public sector employees and entitlements of various kinds to the citizenry (e.g., free health care and education, cheap energy), has pernicious effects on the economy. This is called the "Dutch disease" or the "resource curse" which invariably entails high domestic wages and prevents the non-oil sectors of the economy from flourishing, such as manufacturing. To compound matters, the oil industry, in both its upstream and its downstream and other energy-intensive sectors (e.g., petrochemicals, refining, aluminum smelting), generates relatively few jobs, and certainly not enough to absorb the hundreds of thousands of young Saudis looking for work. For example, Saudi-Aramco, the world's largest oil company, employs only around sixty thousand workers. This is the main reason the government has over time created a bloated public sector, which now employs around 70 percent of the working population and whose wages constitute the largest share of the fiscal budget.

Saudi Arabia is in effect a nanny state with a system of cradle-to-grave entitlements for its population that ensures obedience to the state but which it can no longer afford. Moreover, it has to create three hundred thousand new jobs annually for at least five years to absorb the young population (70 percent are under 30 years of age) that is coming on to the market, and which is a result of the country's large demographic youth bulge. Because the situation is fiscally unsustainable, MBS must find ways to help create more employment in the private sector and stop employing people in the government. The future stability of the Saudi regime depends on the success of this effort, especially as

oil is replaced by alternative sources of energy and potentially loses its market value over the longer term.

As noted earlier, the second goal King Salman has set for MBS is to transform the kingdom into a military power in the Middle East. This desire is rooted in recent history, and in particular the country's fraught relationship with the United States after the 9-11 attacks. Since 1945, when Saudi Arabia struck an agreement with the United States whereby it would become a reliable supplier of oil in return for U.S. military support and protection, the kingdom's rulers deliberately kept their own military weak—a parade-ground army as opposed to a real one that can defend the homeland. This was in order to prevent military officers from fomenting a coup against the rulers as had become the norm in country after country of the Arab world throughout the 1950s and 1960s. This arrangement worked well for over four decades: the regime remained coup-proof and the U.S. led a military coalition force which defended Saudi Arabia from an invasion in 1990 after Iraq occupied Kuwait.

The attacks of 9-11 and their aftermath, however, altered considerably the nature of the relationship between the two countries. First, a serious questioning arose in the U.S. about the benefit of the strategic relationship with the kingdom because 15 out of the 19 hijackers were Saudi nationals, and because the kingdom is widely perceived to have spread the virulently anti-American ideology of jihadism across the world and which Al-Qaeda advocates. Second, the Saudis were adamantly against the U.S. invasion of Iraq in 2003, seeing, quite correctly as it turned out, that this would hand the country over to Iran and its Shiite allies. The Saudis nonetheless reluctantly supported the invasion, offering their territory and bases to the U.S. military as well as logistical help. Third, and to make matters worse, the Obama administration seriously undermined Saudi Arabia's trust in America's support for Riyadh. From Riyadh's perspective, President Obama's sins were multiple and included his abandonment of President Hosni Mubarak of Egypt, a longstanding ally, in January 2011 during the Arab Spring revolt in Cairo. Another error was President Obama's favoring of the rule of the Muslim Brotherhood, an Islamist group that Riyadh sees as posing a serious challenge to its own system of rule. And then President Obama spoke of a pivot in America's priorities to the Far East, which implied the U.S. abandoning the Middle East. Last, though certainly not least, was President Obama's desperate push for a nuclear agreement with Iran—the JCPOA—and his favorable mention of Iran,

such as when he stated that the Arabs had to learn to “share” the region with Tehran.

All these American moves were perceived by King Salman as amounting to a downsizing by the U.S. of its relationship with the kingdom, perhaps even signaling its eventual abandonment of the strategic alliance. And he certainly did not appreciate what he saw as Obama’s policy of appeasement toward his mortal enemy, Iran. The lesson that was drawn from this was that the kingdom had to build its own military capacity, a real army that would be able to defend the country. In the words of the perceptive scholar Gregory Gause, Saudi Arabia was now militarily going “to carry its own water.” It is well understood by MBS that this effort will take time to accomplish, and will involve a change in the culture of the military, just as the economic diversification will require a change in the work habits of the population at large. The model army he seems to have in mind is something akin to the U.A.E.’s military—highly professional special forces units that can perform well and in cooperation with a first-rate air force.

How should the U.S. view and respond to these developments in Saudi Arabia? As the kingdom’s principal long-standing and strategic ally, the U.S. should welcome these efforts at reform in the kingdom and also realize that it plays an inordinately important role in influencing events. If successful, these changes in Saudi Arabia will strengthen the kingdom and make it less dependent on the U.S. for military protection and

less economically vulnerable in terms of dependence on the rents that accrue from oil. Yet, the road to success is fraught with difficulties and pitfalls, and the kingdom needs all the advice and support it can get from America. And since these efforts are being driven from the very top, and by a single individual, that is MBS, access to him and his team of advisors is important. In particular, several points need to be stressed. Among these are: the importance of building institutions that deliver good and accountable governance and services; the management of expectations of ordinary Saudis since the economic transformation is likely to be painful; the concentration of the reform efforts on a few areas rather than taking on every task all at once; and, finally, giving thought to, and then implementing, processes that allow for broader political participation. These are just a few areas and suggestions in which the U.S. can play an important role as a guide and friend to the kingdom. The ultimate goal should be to see a prosperous and powerful Saudi Arabia, which can continue to be a partner to the U.S. and help secure stability and order in this turbulent region of the world.



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Official White House Photo by Shealah Craighead

BIN SALMAN AND THE PROMISE (OR PERIL) OF REFORM

by Nadav Samin

A mass drugging is how one young Saudi man in Riyadh described to me Mohammad Bin Salman's Vision 2030, eight months after its ostentatious launch in April 2016. Smoke and mirrors, he meant. Since then, the energetic and youthful Saudi crown prince has surprised his critics by upending a number of his country's political, economic, and cultural norms. But can he safely deliver more change to an already rapidly changing society? How much tinkering can one do with a fragile polity before it cracks under the pressure?

Bin Salman's first and most consequential move was to get himself installed as heir to the throne. His cousin Mohammad Bin Nayef broke through the conceptual barrier by being the first of the grandsons of Abdul Aziz to be positioned for direct succession, but his status proved tenuous. The uncertainty concerning the precise path of transition from the generation of the sons – who have ruled the kingdom since 1953 – to the generation of the grandsons was resolved in decisive fashion with Bin Salman's ascent.

The Saudi crown prince's neutering of the kingdom's commercial elite in the now famous Ritz Carlton roundup took the world by surprise. Bin Salman's maneuver shattered the traditional *laissez faire* approach to business in the kingdom, whereby the royal family gave the commercial elite room to manage the private sector, while skimming regular tithes off of the top. The

business leaders who were targeted in the November 2017 crackdown were influential figures, but they were not particularly threatening, since they do not possess a large and potentially adversarial social constituency in the way of Saudi religious scholars or tribal leaders. This has in part to do with their predominantly Hijazi origin, and in part to do with how the state, an absolute monarchy, has structured politics to privilege certain quasi-political actors and exclude others. In short, clipping the wings of those captains of commerce and patronage, though shocking, was not particularly difficult for Bin Salman.

Whereas fat cats have been purged under the new regime, local tribal and clan leaders have been empowered. Two years before the so-called corruption campaign, in the midst of a significant economic contraction, King Salman announced that he would institute regular monthly stipends for local tribal leaders, who number in the hundreds, if not thousands. In June 2017, the lowest level of tribal functionary began receiving stipends of no less than \$1000 per month to serve as informal security liaisons for the state in local, often rural, Saudi communities. Saudi tribal groups, particularly the large formerly nomadic confederations such as Anaza, Shammar, and Utayba, endure as reminders of alternatives to the Saudi political order, and so the expectations of their members, both commoner and elite, must be managed diligently. The princes who rise to the top of the family pile know this lesson intuitively, and Bin Salman's salt-of-the-earth

manner certainly does not hurt him with that segment of the Saudi populace. At a comparative level, the contrasting treatment of these two royal constituencies, the business elite and the local tribal or clan leaders, sheds some light on how the often-inscrutable monarchy evaluates potential domestic threats.

Despite the endless tomes of religious commentary they produce, the Saudi ulama remain an inscrutable status group, whose relationship to material power and splendor is at best uneasy. While historically the ulama have been well coopted, the crisis of authority they face today is more severe than in earlier times. In exchange for their acquiescence to the twentieth century, Saudi court's sometimes-impious political decision making, the Wahhabi ulama were given significant control over the social and legal spheres. Bin Salman's recent move to liberalize Saudi public culture and provide a measure of empowerment to Saudi women overtly challenges the ulama's traditional monopoly. How they will react over the long term is anyone's guess – will they liberalize, reinforce their quietism, or prove Khomeini-esque?

However they respond, the ulama will face a chorus of newly energized voices – Saudi women. Undoubtedly, the young crown prince's most astute move has been his effort to reset the public norms, expectations, and laws governing the place of Saudi women in public life. With this long overdue though still courageous break from an unjust status quo, Bin Salman has created an instant constituency of massive proportions, one that has a personal incentive to promote his liberalizing reforms within diverse segments of the Saudi population, including those generally less supportive of gender equality, for example, traditionalist religious figures and many family patriarchs. The Saudi regime's arrest of seven female activists just weeks before the lifting of the driving ban, however, diminishes the crown prince's progressive credentials, even as it reaffirms the royal family's broader strategy of positioning itself as the sole legitimate provider of social benefit or sanction.

It is commonly suggested that Bin Salman has taken his radical measures in order to capture the loyalties of Saudi youth, who comprise approximately three-fourths of the country's population. Anecdotal evidence suggests that the crown prince's reform drive has been greeted enthusiastically by most young Saudis. Yet this mass of youth is by no means undifferentiated. Young people in Saudi Arabia are not all signed on to a liberalizing project for their society. Whether on account of religious, rural, or otherwise conservative norms, resistance to

rapid material change exists. Such resistance may not be diminished through the mix of economic growth and increasing social freedom currently on offer, but may in fact be unleashed by it. Islamic State's appeal among a sizeable number of disaffected Saudi youth signifies this potential for malice in the body politic, even though it does not appear sufficient to stymie the crown prince's best-laid plans.

The challenge of reform extends to the kingdom's security and foreign policies, too. Historically, the Saudi monarchy feared internal uprisings originating in the state's security services. So it spread its military installations to the far corners of the kingdom, while distributing authority across often rival and redundant security forces, thereby gumming up any coup prospects. The regime's coup-proofing strategy resulted in a reticence to commit significant troops to conflicts beyond the kingdom's borders. That, too, is changing. As a response to the Arab Spring uprisings in Bahrain, King Abdullah dispatched SANG troops to shore up that vulnerable regime's position. The late king also briefly deployed Saudi air power against the Houthi rebels in 2009. The ongoing Yemen war thus represents an extension of a policy launched almost a decade ago to more aggressively pursue Saudi regional interests with military force beyond the kingdom's borders.

Yet the Yemen war has been largely a prolonged air campaign; the Saudis have not committed ground troops to the offensive against the Houthis in Yemen, except for border defense. If Saudi citizens were to be mobilized en masse in a ground invasion of Yemen, the aftermath of that bloody campaign could mark the beginnings of popular nationalist pressures on the Saudi state. This strategy of partial committal helps explain why the Yemen conflict is dragging on without an end in sight. It is the military strategy of a state with relatively weak legitimacy, the consequence of which is to exacerbate and prolong the suffering of Yemeni non-combatants. America's reaffirmation of its strategic relationship with Saudi Arabia can help put an end to the war in Yemen. The US should leverage its strengthening ties with Saudi Arabia to broker a resolution to the Saudi-Yemen war that preserves Saudi deterrence against Iranian proxies while bringing lasting relief to Yemen's embattled citizens.

The US's withdrawal from the Iran nuclear deal presents Bin Salman with one of his biggest challenges to date. The tension between these regional adversaries has been building since 1979, with few periods as volatile as the present. Talk of regional war looms. Yet the

governments of Saudi Arabia and Iran are both rentier oil state regimes that dominate their own domestic economies; this makes them more alike than they care to acknowledge, beholden equally to larger geopolitical and energy market forces that encompass and ultimately diminish the volatility of their rivalry – so long as a stable world order persists. For its unambiguous recognition of this reality, Saudi Arabia has historically been the wiser of the two rivals. With his heavy handed charm offensive for Western and Saudi audiences, Bin Salman has sought to double down on this recognition, in fact. Yet the modern histories of both Saudi Arabia and Iran show that the application of excessive zeal can produce profoundly deleterious results.

After the failure of the Arab Spring uprisings and the reinvigorating of religious extremism and authoritarianism in the Middle East, America’s options for favorable transformations in the region are limited. The breathless accounts of Washington’s commentariat, fresh from their first encounters with the new Saudi crown prince, cannot

rosy up the quality of the choices before us. The US should never bet the farm on undemocratic partners. Abandoning our commitment to religious freedom, freedom of conscience, human rights, and democracy in Saudi Arabia as a price for our special relationship with the kingdom would be a mistake. In his pronouncements on women, religious extremism, Israel, and other topics, Bin Salman has shown unexpected iconoclasm. The structural constraints he faces are enormous, however, making it prudent for the United States to exercise caution before handing the young prince a spare key to our kingdom.



Nadav Samin

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SAUDI REFORM AND SECURITY THROUGH A GULF LENS

by Lori Plotkin Boghardt

The arrest of several of the kingdom’s most prominent women’s rights activists six weeks before the date when women would be allowed to drive came as a shock to everyone. After news of the detentions spread through informal channels, an official announcement on May 19 referred ambiguously to the detention of individuals seeking “to undermine the security and stability of the kingdom” and erode “national unity” through various activities. Local news outlets quickly vilified the activists – some well-known abroad as peaceful advocates – and branded them “traitors.”

For Americans and Europeans, the detentions came on the heels of Saudi Crown Prince Mohammed bin Salman al-Saud’s whirlwind tour of their own countries to promote his “Vision 2030” economic and social reform agenda. During a 60 Minutes interview aired immediately prior to his U.S. visit, the prince agreed that women were equal to men (“We are all human beings and there is no difference”), and maintained that “Saudi women still have not received their full rights” stipulated in Islam, but were now closer to doing so.

Much of the discussion about the arrests has focused on the paradox between what the crown prince has been promoting as part of his reform agenda and the detention of the activists. This picture is complicated by the fact that Mohammed bin Salman has enabled discernable albeit limited advances in the position and role of Saudi women – in the labor force, at entertainment venues, and vis-a-

vis new regulations surrounding such things as divorce and child custody. Furthermore, few are predicting that the promise of women’s legal entitlement to drive on June 24 will be withdrawn, despite some controversy over the issue in the kingdom.

Riyadh’s commitment to both state-driven social progress and crackdowns on popular activism encouraging such progress can be best understood as forming two pillars of a broader government security strategy. The Saudi leadership’s economic and social reform campaign above all represents part of an overarching security agenda designed to overcome threatening national and regional circumstances. Punishing (and deterring other) independent activists and potential critics represents a parallel tactic -- not a conflicting one -- to the campaign, from the leadership’s perspective. The crown prince’s reform package was never about political reform as Americans understand the term, nor does Riyadh have plans to move in that direction. The essence of the kingdom’s security strategy is not uniquely Saudi, and shared security concerns and reform efforts in other Gulf monarchies help inform what is happening in Saudi Arabia and where the kingdom is headed.

The latest Gulf reform projects by and large form part of a response to three fundamental concerns in recent years. One is the drop in the price of oil since 2014 that has ravaged Gulf budgets dependent on oil income. Most importantly, lower revenues carry implications

for governments' capacity to cement ruler-citizen ties with generous subsidies and social welfare benefits. Fewer financial resources mean that governments must find supplementary or even alternative approaches to nourishing public support.

A second concern regards the governments' inherent vulnerability to the kind of popular protests, revolutions, and civil wars emerging from the Arab Spring. The tumultuous events during the first years of the so-called spring shattered any existing sense of security in the Gulf. The rise to power of the Muslim Brotherhood in Egypt represented a particular source of anxiety for the UAE and Saudi Arabia. Continuing deadly intrastate conflict serves as a regular, unnerving reminder of Gulf states' potential susceptibility to unrest.

These two fundamental issues – one rooted in economics and the other in politics -- interact and overlap with each other to create a third challenge. That challenge is how to respond to the Gulf's burgeoning youth population. Many of the Gulf's youth are seeking out opportunities to participate in political discourse, have access to unlimited information about local and regional developments and government performance via social media, unlike generations before them, and are searching for good state jobs when many governments hope that they will join the private sector.

Finally, exacerbating all three concerns are Arab Gulf perceptions of Iran's destabilizing gains in the region, including in the Gulf peninsula itself, and private questions about the current U.S. commitment to Arab Gulf security.

To address these challenges, most of the Arab Gulf monarchies are pursuing two major tracks of reform: economic reform that focuses on expanding national economies beyond oil, and social reform that involves developing recreational, cultural, entertainment and other opportunities for residents to experience fulfilling lives and in order to contribute to national economic growth. To be sure, Gulf monarchies have harbored similar development plans for years, however, new security challenges have made these efforts more pressing. Likewise, the new push for economic and social reform has been accompanied by a more restrictive political environment.

Saudi Arabia's own blueprint for the future is its Vision 2030 plan. Vision 2030's central objective is to diversify the economy, with the crown prince comprehending the financial (and political) urgency in transitioning the

economy away from oil dependency. In an al-Arabiya television interview coordinated with the unveiling of Vision 2030, Mohammed bin Salman bemoaned the kingdom's "addiction to oil." "It is as if it were our constitution: the Quran, the Sunnah and then the oil," he stated.

According to one of Vision 2030's Saudi drafters, the national roadmap also embraces the imagination of young Saudis and their interest in such issues as education, career, and quality of life—not that of older officials hoping to seal their legacy. In this regard, the crown prince has enabled tightly controlled societal openings, while curbing the power of the religious police. Certain observable changes in society have occurred so rapidly that some worry the pace is politically risky. According to a Saudi official, a key challenge is balancing how fast the kingdom needs to change to survive economically, with how much change will be tolerated by society.

Likewise, a common Saudi narrative is that in order for the leadership to push through progressive social reform without a disruptive backlash from ultraconservatives, a tightly controlled political environment is necessary. This account can be heard both from Saudi elite actively supporting the crown prince as well as from common Saudi citizens. It is interesting that this narrative is also heard in neighboring UAE. There, many view the Emirati leadership as a bulwark against political Islamists, who it is believed would bring about regressive economic and social policies if not checked. More generally, some in the Gulf feel antagonistic toward the idea of any political activity that is understood to put "national stability" at risk.

At the same time, what is clear is that in the wake of the Arab spring's revolutions and civil wars, the rise of political Islamist groups, the rapid growth of ISIS, Iran's regional gains and support for partners and proxies in the Arab world, and an uncertain security commitment from the Americans, most Gulf governments are squeezing independent actors no matter their religious, political, or other orientation. The debate is likely to continue on whether balancing various domestic constituencies plays into Saudi decision-making about whom to arrest and when, but eliminating actual or potential critics on issues of sensitive national and regional policy remains an independent security goal. This may be increasingly difficult to achieve due to Gulf citizens' propensity for turning to social media to express their opinions, though Gulf capitals are exerting great effort to try to control this space as well.

As for U.S. policy, it's in America's interest to provide political and business support to Saudi Arabia's economic and social reform efforts. Saudi achievements in moving toward a more sustainable future would be a success for U.S. interests too. At the same time, the women's rights arrests are another reminder of the perennial challenge of balancing strategic interests with political and other values when it comes to international partners. From an American perspective, the peaceful women's rights activists should be natural allies in a country's rapid social reform campaign.

Encouraging more liberal policies toward political reform in the Gulf remains difficult when America's Gulf partners understand them to run counter to their own security interests. On issues across the board, a close working relationship at the leadership level is one dynamic

that's understood to enhance U.S. influence in the Gulf. There continue to be questions about the extent of U.S. leverage in the region. However, one can learn from the tumultuous events of the past year that the position of American leaders on the kingdom and its closest allies is much more influential on their policies than many have thought.



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Official White House Photo by Shealah Craighead

SOCIAL REFORM IN THE KINGDOM: BETWEEN “WESTERNIZERS” AND “GUARDIANS OF VIRTUE”

by Cole Bunzel

“These astonishing things that have been happening in the Land of the Two Holy Places ... if King Abd al-Aziz were to come out of his grave and witness them, he would not believe that this is his kingdom that he worked so hard to establish and unite.” So lamented Abd al-Muhsin al-‘Abbad, an outspoken Wahhabi cleric, in a late 2017 assessment of the social reforms being implemented in Saudi Arabia. The king in question was the founder of the modern realm, Abd al-Aziz ibn Sa‘ud (d. 1953), who is also the father of the present king, Salman, and grandfather of the new crown prince, Muhammad bin Salman (MbS).

Since Salman’s accession in 2015, religious conservatives in Saudi Arabia have been seething at the direction and pace of change in their country, but rarely has their displeasure risen to the surface in so direct a manner. The social reforms being overseen by MbS indeed fly in the face of the kind of conservative Islamic society that the clerics have for so long fought to maintain and uphold. These include the move in April 2016 to strip the religious police force, the Committee for the Promotion of Virtue and the Prevention of Vice, of its power of arrest, and the decision in September 2017 to permit women to drive, which comes into effect on June 24 of this year. These two changes alone will transform

everyday life in the country almost beyond recognition. Throw in the addition of movie theaters and concerts, women in the military and at soccer games—all of which have been introduced—and the country’s very identity as a conservative Islamic state is in serious jeopardy.

The Kingdom of Saudi Arabia, as it has been officially known since 1932, harks back to the ancestral Saudi polity, the First Saudi State (c. 1745-1818), which took form as an alliance between a local chieftain, Muhammad ibn Sa‘ud, and a controversial preacher, Muhammad ibn ‘Abd al-Wahhab. The alliance has endured in the partnership of the Al Sa‘ud (the family of Sa‘ud) and the Al al-Shaykh (the family of the shaykh, i.e., Ibn ‘Abd al-Wahhab), and has been remarkably successful. The partnership, as traditionally understood, entails a division of labor whereby the Al Sa‘ud dominate politics and the Al al-Shaykh and their clerical allies manage religious affairs. As the sovereign rulers, the Al Sa‘ud have long had the upper hand in this relationship, but the clerics’ role was still significant. They were empowered to police society and inculcate the exclusivist version of Islam known as Wahhabism.

MbS’s reforms, however, have called into question this centuries-old religio-political alliance. The crown prince,

who has made no secret of his plans to transform his country's economy and society, is looking for new sources of legitimacy outside the Wahhabi religious establishment. Understandably, the clerics are not thrilled.

Yet, for two reasons their views have been difficult to measure, even to ascertain. The first is that under MbS expressions of dissent have met with a heavy hand. In April 2016, for instance, following the move to weaken the religious police, a young and popular preacher named 'Abd al-'Aziz al-Tarifi voiced his disapproval of the change on Twitter. "Some rulers think that their compromising on some of the religion to satisfy the unbelievers will put an end to their pressure," he wrote. "[But] their goal is 'till thou followest their religion,'" he continued, citing a verse of the Qur'an, Q. 2:120, in which God says, "Never will the Jews be satisfied with thee, neither the Christians, not till thou followest their religion." This landed al-Tarifi in prison, where he has remained since. A bigger round-up of popular clerics came in September 2017, after some of them objected to MbS's policy of isolating Qatar.

The second reason is that some clerics, particularly those of the more establishment variety, adhere to a doctrine of self-censorship whereby advice on controversial matters is presented to the authorities only in private. The reticence of the senior scholars was on display back in September following the announcement on the driving ban. According to press reports, the new policy was supported by only "a majority of the members of the Council of Senior 'Ulama," which is probably true, since many of them, including Grand Mufti 'Abd al-'Aziz Al al-Shaykh, are on record vehemently opposing the idea that women be allowed to drive. Indeed, just months before the announcement, the mufti was calling the prospect of women driving a "danger" that must be prevented. Yet, on this and other controversial issues, the mufti and his colleagues have been silent when things have not gone their way.

The case of 'Abd al-Muhsin al-'Abbad, then, is both an exceptional and an illuminating one. The 79-year-old cleric, who does not abide by the culture of self-censorship, has been fulminating against the crown prince's reformist agenda on his website for the past several years, and somehow has gotten away with it. It may be that al-'Abbad is seen as unthreatening given his reputation as reactionary even by Wahhabi standards (he is still fighting the long-lost fight against photography). Or perhaps he is seen as untouchable on account of his age

and résumé. Born in 1939, in a region north of Riyadh, al-'Abbad is by no means the most influential cleric in the kingdom; the highest position he has held is vice president of the Islamic University in Medina. Yet, having taught in Medina for decades and trained countless numbers of students (one of whom, incidentally, is a top sharia official in the Islamic State), he is not to be dismissed as irrelevant. His views on social reform are likely reflective of the thinking of a large swathe of the clerical class.

For more than a decade now, al-'Abbad has been criticizing a perceived Westernizing trend in the kingdom in his numerous lectures and essays. The trend emerged, as he sees it, during the reign of King Abdullah (r. 2005-2015), and the precipitating factor was the death of two venerated Wahhabi scholars, Abd al-Aziz bin Baz (d. 1999) and Muhammad al-Uthaymeen (d. 2001). In the absence of these two charismatic clerics, there was no one to play the role of "bulwark against Gog and Magog," and an opening was created for the "Westernizers" in the king's retinue to exercise greater influence. Their handiwork could be seen in the unprecedented displays of men and women interacting in the media, the appointment of women to the Shura Council, and the election of women to municipal councils, among other things.

The trend only worsened during the reign of Salman. In a late 2016 commentary, al-'Abbad decried three new developments in particular: (1) The weakening of the religious police and the blow to its prestige; (2) the establishment of a General Entertainment Authority that would pave the way for the opening of movie theaters; and (3) the appointment of a woman as deputy director of the General Sport Authority. In March 2018, he penned a more general indictment of the kingdom's reforms, portrayed as senseless concessions to an implacable West—the same argument made by al-Tarifi and that led to his imprisonment.

In al-'Abbad's view, the struggle for Saudi Arabia today comes down to a contest between two sets of advisers. This idea, he notes, comes from a hadith according to which the Prophet said, "No Caliph is appointed but has two groups of advisers: One group advises him to do good and urges him to adopt it, and the other group advises him to do bad and urges him to adopt it." For al-'Abbad, the Westernizers, or "the murders of morality and virtue," are the advisers counseling the king to do bad. The clerics, or "the guardians of virtue," on the other

hand, are those advising him to do good. It is a duty to warn against the evil of the Westernizers, and this is “the greatest form of jihad.”

The question left unaddressed here is whether, as one group of advisers appears to triumph over the other, the jihad advocated by al-'Abbad could one day take on a more violent character. The elderly cleric, of course, would not be the one to lead this struggle. But if a conservative backlash were to materialize—and it has happened before, in 1979 and in the early 1990s—it would surely be motivated by the ideas he has been espousing.

It is the fear of such a backlash that partly explains the recent roundup of Saudi female activists just weeks before women are officially permitted to drive. The arrests are an attempt to maintain the balance between social progressives and conservatives—between Westernizers and guardians of virtue— and more such

efforts may well be in the offing.

As critics are right to point out, MbS’s reforms are not be mistaken for any sort of political opening. Saudi Arabia is becoming more authoritarian, not less, and that is not to be celebrated. But the social progress being made is no less real or unsettling, as the protests of al-'Abbad and others indicate. The hope is that the reforms are not destabilizing and that the repressive policies are only temporary. But the opposite outcomes should not be ruled out either, and must be prepared for accordingly.



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SAUDI ARABIA AND THE ELECTRIC CAR REVOLUTION

by Afshin Molavi

“Everyone has a plan,” the great American boxer Mike Tyson once quipped, “that is, until you get punched in the face.”

Saudi Arabia, as the world knows by now, has a plan. In fact, the Saudi Vision 2030, unveiled in dramatic fashion in April 2016 with a roll-out similar to the launch of a new iPhone, has become one of the most well-known national transformation plans in the world. It has become almost a by-word for the changes dawning in the Kingdom, and the calling card for the reformist credentials of the Crown Prince Mohammad bin Salman.

The plan envisions a Saudi Arabia less reliant on oil, with more efficient government, sophisticated global investments, and driven by its stated ambition to become a trade hub for three continents. The Vision -- and the general policy thrust around it -- also includes significant reforms to education, healthcare, infrastructure, and the recreation and entertainment sector.

The plan has rightly been hailed as forward-looking, necessary, and a refreshing departure for a Kingdom all too resistant to the structural changes required to thrive in the 21st century. Of course, questions abound concerning the capacity to implement such an ambitious plan, but the larger question may be the one that Mike Tyson posed: where will the punches come from? And how will those punches be absorbed?

Big Oil vs the Electric Car Revolution

To understand one of the longer-term punches, it may be helpful to hop on a bus in Shenzhen, China, the modest fishing village of the 1980s that has today been transformed into a global tech hub and a thriving urban metropolis of some 12 million people. The bus will feel quieter than your usual urban transport vehicle, though not any less crowded. That quiet hum owes to the fact that the Shenzhen bus -- along with more than 16,000 others across the municipality -- is not your typical gas-guzzling, smoke-belching people mover. Shenzhen has an all-electric bus fleet, a barometer for what is to come worldwide.

In fact, according to Bloomberg New Energy Finance, electric buses will account for more than half the total fleet worldwide by 2025 and will account for some 85% of new sales by the year 2030. China, the greatest source for new oil demand over the past decade, will lead this electrification charge.

As for electric cars, Bloomberg New Energy Finance suggests that by the year 2025, they will become cheaper than their internal combustion engine counterparts, mostly due to the rapid fall in the price of batteries. And by 2030, 30 million electric cars will be sold, accounting for 28% of new sales, and 60 million sold by 2040.

What's more, the internal combustion engine is becoming more fuel efficient every year, driven by strict regulatory

requirements from Brussels to Beijing. In addition, ride-hailing services from Ola in India to Didi in China to Uber worldwide are eroding car sales.

Given the fact that about a quarter of global oil production is used by autos, these trends exert downward pressure on oil demand - a subject that should capture the attention of policy-makers in Riyadh.

Peak Demand and the End of Oil?

This downward pressure has prompted debates around Peak demand for oil, supplanting the debates of a few years ago around Peak oil (supply). Now, the question is no longer the abundance of fossil fuels, but rather the abundance of demand.

Estimates vary across the major multinational energy players and independent agencies, but the most aggressive estimates suggest that demand may peak in the mid to late 2020s, then gradually decline, but the world will still be producing and guzzling more than 100 million barrels per day. Rising middle classes in Asia will still need more and more of the products that oil lubricates: airplane travel, petrochemicals, plastics, to name only a few.

In these scenarios we are not, as some might suggest, headed for the "End of Oil" - a nightmare scenario for Saudi Arabia and other major producers. Saudi Arabia derives some 90% of its export earnings from the petroleum sector, which also accounts for almost half of its GDP. Crown Prince Mohammad bin Salman was right when he told Al-Arabiya television that, "We have developed a case of oil addiction in Saudi Arabia."

While the End of Oil scenario may not be afoot, we are headed for a period of energy transition. The Norwegian energy giant Statoil and the Anglo-Dutch Royal Dutch Shell seem to be the most alarmist about Peak demand, suggesting that we are headed in that direction by either 2025 or 2030. Saudi Aramco, the national oil company, does not take the idea seriously. "I am not losing any sleep over peak demand," its CEO, Amin Nasser, said recently.

The Mike Tyson Scenario

But not so fast. If you listen to award-winning author and clean energy disruption specialist Tony Seba, we may be headed for a more radical shift -- that punch is coming.

He argues that conventional forecasts of electric vehicle adoption fail to capture what he calls the S-Curve

nature of the disruption we are facing. Like televisions, refrigerators, and mobile phones, the adopters and buyers move the chart up at a gradual pace over time until a sudden rise skyrockets the product up in an almost straight line.

That straight line is the disruption, and Seba sees it headed our way in the electric vehicle market sooner than most traditional forecasters. Seba argues that "we are on the cusp of one of the fastest, deepest, most consequential disruptions of transportation in history," and that, by 2030, "95% of U.S. passenger miles traveled will be served by on-demand autonomous electric vehicles owned by fleets, not individuals."

This disruption "will have enormous implications across the transportation and oil industries, decimating entire portions of their value chains, causing oil demand and prices to plummet, and destroying trillions of dollars in investor value — but also creating trillions of dollars in new business opportunities, consumer surplus and GDP growth."

While Seba's vision clashes with conventional forecasters, it is worth noting that conventional forecasters, with their linear forecasts, rarely get the S-curve explosions right in any industry. This is a message that Saudi Arabia should heed. For all of its talk of diversification, Saudi Arabia is still heavily reliant on oil to meet its budgetary needs and to fuel its private sector.

Global bankers have already gotten part of Seba's message. Financing for renewables projects are much more likely to be approved than the kind of long-term financing needed for large, conventional mega oil exploration projects, according to a new study by Goldman Sachs. Governments across the world -- from India to the United Kingdom -- are lining up behind the electric vehicle revolution, offering generous subsidies to buyers and deadlines for the elimination of all new sales of traditional cars.

Ironically, the sentiment surrounding the coming electric vehicle revolution and renewable energy can actually bolster oil prices over the next two decades, Goldman notes, calling this era the "Age of Restraint." After all, the restraint on investment in new traditional oil exploration means that markets need not fear oversupply. This will boost Saudi coffers and put some wind in the sails of the Saudi Crown Prince.

This means that Saudi Arabia has at least a decade to shore itself up for what disruptions may come, and it also underscores the importance of the Vision 2030 plan to

begin with. The IMF warned in a recent note that the government should “resist the temptation to re-expand government spending in line with higher oil prices.”

The Saudi Crown Prince and Moore’s Law vs Mike Tyson’s Law

Gordon Moore, the founder of Intel, got it right more than fifty years ago when he predicted that computer processing power would roughly double every two years. That forecast presaged the technology and information revolution upon us: a supercomputer (a smart phone) in half the world’s pocket and growing, unprecedented connectivity from rural Africa to urban Asia, industrial automation reshaping manufacturing, the dawn of the electric vehicle, and the Fourth Industrial Revolution driven by artificial intelligence, data, and robotics about to be unleashed on the world.

Much has been made of the relative youth of the Saudi Crown Prince, but the stability that comes with knowing who will be the man on top for possibly the next four or five decades can be leveraged for the kind of long-term strategic planning needed in facing the seismic disruptions coming our way.

One way for Saudi Arabia to “hedge” a future disruption would be to double down on its copper mining investments in the Kingdom and worldwide. For the electric vehicle revolution to become a reality, the world will need a lot of copper -- an essential ingredient in electric batteries.

Saudi Arabia’s national mining company, Ma’aden, is

engaged in a joint venture with Barrick Gold of Canada, to mine copper in the Kingdom. Last year, the venture produced 43 million pounds of copper, and the mine is estimated to hold 626 million pounds of proven and probable copper reserves. This will not get Saudi Arabia anywhere near the copper heights of countries like Chile or Australia, but future global investments in copper and other metals essential for batteries should give the Kingdom an opportunity to participate in the electric car revolution.

The combination of Mike Tyson’s Law -- the punches will come despite the best-laid plans - and Moore’s Law on computing means that changes that disrupt entire industries often come gradually, and then all of a sudden.

This returns us to the essential logic of the Vision 2030 plan. It’s one thing, however, to lay out a smart plan, but entirely another to deliver it. The ultimate test of Crown Prince Mohammad bin Salman will be delivering on the structural transformation of Saudi Arabia inherent in the plan, while navigating the punches that will inevitably come.



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SAUDI ARABIA, THE UNITED STATES AND THE ANTI-IRAN FRONT IN THE MIDDLE EAST

by F. Gregory Gause, III

Though he fancies unpredictability a useful negotiating tool, President Trump has been remarkably consistent about the Middle East. He campaigned against the Iran nuclear deal and in May 2018 withdrew the United States from it. He promised, as most presidential candidates have done, to move the American embassy in Israel to Jerusalem. Unlike any other successful candidate, he actually did it, also in May 2018. The one Middle Eastern country about which his campaign rhetoric and his policies have substantially diverged is Saudi Arabia. During the campaign, the President tended to lump the Saudis in with what he saw as other free-riding American allies, not paying their fair share for American security. He supported Congressional legislation enabling the victims of the 9/11 attacks to sue the Saudi government in American courts, at least tacitly endorsing the notion that Riyadh had something to do with the al-Qaeda terrorists.

The President's reversal on the Saudis has been dramatic. Saudi Arabia was the first foreign country he visited during his presidency. He endorsed the rise of Mohammad bin Salman to the position of Crown Prince and effective decision-maker in the Saudi government. He backed the Saudis (and the UAE) in their stand-off with Qatar, undercutting efforts by his secretaries of state and defense to mediate the conflict when it emerged in the spring of 2017. He, like his predecessor, actively supports the Saudi/Emirati military campaign in Yemen.

And the Saudis and the Emiratis were clearly enthusiastic about his harder line on Iran, initiating contact with the Trump circle immediately after the election (or, if current reports turn out to be true, even before the election).

But the President remains profoundly transactional, and he clearly wants things from the Saudis. To some extent, he has gotten them. The Saudis committed to major arms purchases during Trump's visit of May 2017 (though many of them were already in the works, and others were more general agreements rather than actual contracts). But, as the Administration's policy toward Iran begins to gel, it appears that the President also wants a more robust commitment from Riyadh in confronting Tehran. The White House has approached the Saudis about sending troops to Syria, replacing the American forces it hopes to draw down in the near future. The President appears also to have demanded that the Saudis and other Gulf states contribute more financially to the anti-Iranian campaign than they have. That might mean straight cash and it might mean oil production decisions meant to avoid price spikes if the more confrontational stance toward Iran leads to oil market disruptions, or it might mean both.

The problem is that the Saudis are unlikely to deliver on either issue, at least in ways that will satisfy President Trump.

The chances that Riyadh will send its own ground forces into Syria, particularly in the absence of American forces there, is next to nil. Muhammad bin Salman is more of a risk taker in foreign policy than previous Saudi leaders. He has deployed the Saudi air force, and very limited ground forces, in the Yemen civil war. But we need to unpack the Yemen intervention to understand the limits on the Crown Prince's risk propensity. First, the Saudis have used their own ground forces very sparingly in Yemen, and always close to the Saudi border. It is the United Arab Emirates that has borne the brunt of the ground fighting in the Saudi-Emirati campaign. Second, Yemen is the regional conflict arena where the Saudis are least likely to come into a direct confrontation with Iranian forces. Syria is the most likely. That elevates the risk factor for Riyadh considerably. Third, the Saudis have not done that well in Yemen. The intervention is now in its fourth year. While Riyadh and Abu Dhabi have been able to push the Houthis back from southern Yemen and advance toward Sana'a, they have not been able to take any major city besides Aden from the Houthi forces. With Saudi Arabia still engaged in a difficult, expensive and increasingly controversial campaign in Yemen, the likelihood of Saudi troops in any numbers being sent to Syria is miniscule.

While no one would doubt that the Saudis are rich, their ability to simply turn over large amounts of cash to the United States government – as they did during the Gulf War of 1990-91 – is limited by their own current economic woes. Since the collapse of oil prices in late 2014, the Saudi economy has been hurting. Muhammad bin Salman's plans to restructure the economy, decrease its reliance on oil and spur on the private sector, expressed in his Vision 2030 economic plan and subsequent documents, are certainly necessary, but the steps taken so far have depressed local economic activity in the short run, exacerbating the effects of the oil price decline of 2014. The Saudis have reacted by spending down their reserves (which have fallen from nearly \$750 billion in 2014 to just north of \$450 billion now) and going on the international debt market to sustain government spending. The Crown Prince's crackdown in November 2017 on many of the leading figures of the Saudi private sector, the "Ritz Carlton roundup" that saw the luxury hotel turned into a high-class prison for Saudi elites, has added to the uncertainties in the Saudi economy. An aggressive tin-cup campaign by the Trump Administration might not go down so well in Riyadh.

The Trump Administration might also be looking for the Saudis to act in the oil markets to restrain prices, at a time when the American re-imposition of sanctions on Iran could push prices higher. President Trump

has recently called oil prices "artificially very high." As American prices drifted above \$70 per barrel and other indices approached \$80 per barrel, Saudi Arabia in May 2018 engaged Russia in negotiations about increasing production levels to restrain prices and restrain investment in expensive shale oil exploration in the United States. But the overall trend in Saudi oil policy since 2016 has been to push prices higher, not restrain them. In 2016 the Saudis brought Russia and OPEC together in a successful effort to limit production and reverse the downward trend in prices. That collaboration, along with improvements in the world economy, led to more than a doubling in world oil prices from their lows of 2015. The Saudis need prices to stay up to avoid having to draw down their financial reserves even further and accumulating more debt. While Vision 2030 sets ambitious goals for weaning the Saudi state away from oil dependence, in the immediate term oil revenues continue to fund the state's coffers and drive the economy. The Trump Administration might want the Saudis to push prices down to increase the economic squeeze on the Iranian government, but that would squeeze the Saudis in a very uncomfortable way as well.

Washington is likely to be disappointed in what Saudi Arabia can offer militarily, financially and in oil policy to the Trump Administration's efforts to roll back Iranian regional influence and pressure the government in Tehran. But Riyadh can contribute to the Administration's anti-Iranian moves substantially in one area – Iraq. For years, the Saudis have refused to engage with the Iraqi government, seeing it as absolutely aligned with Iran. But Muhammad bin Salman has over the past few years re-engaged with Baghdad in an effort to give Iraqi leaders an alternative regional ally, meeting with Iraqi Prime Minister Haidar al-Abadi and other cabinet ministers. In July 2017, he even met with Shi'i clerical firebrand Muqtada al-Sadr. The Saudi courtship of Iraq, combined with the recent election results that have scrambled the Iraqi political scene, offers at least the hope – if the United States is willing to play a long game here – of reducing Iran's influence in Iraq. That might not satisfy President Trump's desire for fast results in the campaign against Iran, but it is an area where the Saudis are willing and able to play an important role.



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SAUDI REFORM: ESSENTIAL BUT PERILOUS

by Ali Shihabi

Saudi Arabia is undergoing a perilous, but essential transformation. Those wishing to safeguard one of the last bastions of Middle East stability should support Crown Prince Mohammad bin Salman's (MBS) dramatic socioeconomic reforms and also appreciate the challenges, resistance, and limitations amid which he is forced to operate. As rapid reform risks destabilizing the kingdom's broad and deeply divided political base, rule by consensus will not work. Only a strong hand can balance Saudi Arabia's competing constituencies.

MBS ascended to power at a time of growing political and economic crisis. The collapse in oil prices made the state's cradle-to-grave welfare system and its role as the primary engine for job creation and economic growth untenable. At the same time, the kingdom found itself squeezed by an expansionist Iran and transnational Salafi jihadist groups.

Political paralysis exacerbated the scope and severity of these challenges. The royal family had grown numerous, fractious, and insular. Despite holding a near-monopoly on power, successive monarchs, fearing backlash from conservative elements in society, perpetually begged off difficult decisions. Meanwhile, a deeply ingrained tradition of deferring to their elders prevented younger would-be royal reformers from speaking up. With so much depending on a monarch whose chief role was to arbitrate widely divergent views among his myriad constituencies, change occurred at a glacial pace, if it occurred at all.

With the tripartite threat of an unsustainable socioeconomic model, jihadists, and Iran looming, the kingdom reached a tipping point. But for change to come, the country needed a bold leader with the drive and strength to steamroll decades of overdue reforms.

Under MBS, Saudi Arabia has its royal strongman and is now modernizing at a breakneck pace. While the scope and speed of reform invites resistance from those who benefited under the old system, there is no alternative. Although oil prices have recently recovered, the American shale revolution and rapid development of alternative energy makes the reemergence of the \$100 barrel improbable.

Confronted with this reality, Prince Mohammad has prioritized job creation and the social and economic empowerment of women as he strives to privatize state assets and invest the returns in new industries that will diversify the kingdom's economic base. He has also begun closing the kingdom's budget deficit by cutting subsidies and introducing value-added and excise taxes, while also creating a fiscal safety net for the poor.

Last autumn's anticorruption drive netted over \$100 billion in ill-gotten assets. But this sum was not nearly as significant as the message sent by detaining high-profile individuals known for their graft (not their political power). Clearly communicating that the era of excessive elite entitlements had ended should significantly reduce corruption-related "leakage" in the national budget and

foster a more level playing field. Long term, this will pay dividends for the economy. And the recent uptick in cash inflows suggests that some investors agree.

The Aramco IPO may also generate as much as \$100 billion. But as with the corruption clampdown, the long-term economic implications, rather than cash, are what is important. The kingdom needs to move gradually toward international transparency standards to encourage investment without destabilizing the economy. Listing Aramco on the Saudi, rather than an international exchange first, may be the best way to achieve this balance, while setting a precedent for future privatizations and generating foreign interest in the kingdom's stock market.

Socio-religious reform has accompanied socioeconomic reform. The participation of Saudi citizens in the horrific September 11 attacks, Riyadh's bloody 2003–06 war with al-Qaeda, and the fight against ISIS convinced the kingdom's leadership that it must drain Islamic extremism of its ideological currency. To this end, the crown prince circumscribed the powers of the dreaded religious police; detained dozens of clerics, many of whom had ties to extremist groups like the Muslim Brotherhood; and publicly stated his intent to move the kingdom back toward moderate Islam.

MBS set strict controls on the clerical class's international proselytization activities to ensure compliance with the domestic laws of foreign states. He also nominated a moderate cleric as secretary general of the Muslim World League, an important transnational Islamic organization, and encouraged his message of intra-Islamic tolerance and interfaith dialogue. And he lifted prohibitions on women's driving, a move many clerics staunchly opposed as the thin end of the Westernization wedge.

Even so, as the second pillar of the Saudi ruling order, religious elites still wield enormous power and influence; conservative blowback, in some form or another, is probably inevitable. To preempt this eventuality, MBS has limited free speech and political activism. Silencing both religious reactionaries and progressive liberals is, unfortunately, the best guarantor that the swift implementation of sweeping and controversial reforms will not provoke civil strife in what remains a deeply divided country.

Saudi Arabia has also cracked down on terror financing, provided intelligence support in the war against ISIS, and engaged al-Qaeda in Yemen. But Sunni radicals, at

home and abroad, are just one side of the extremist coin; the other is Iran.

The United States' war in Iraq left a power vacuum that Iran has spent fifteen years filling. Across the region, Tehran has used the Islamic Revolutionary Guards' extraterritorial wing, the Quds Force, to radicalize Arab Shia, indoctrinate them into Khomeinism, and train and arm them as proxies. As one close confidant of Supreme Leader Ali Khamenei boasted, Iran then used these proxies to capture "four Arab capitals"—Beirut, Damascus, Baghdad, and Sana'a. Tehran also backed an insurgency in Bahrain and terror cells in Bahrain and Kuwait.

Riyadh adopted a multifaceted approach to counter the Iranian threat. In Yemen, the Saudis launched a multilateral military campaign to prevent Iran-allied Houthi militias from controlling the kingdom's southern border. And in Iraq, the Saudi government pledged billions of dollars for reconstruction and development projects and has sought to bridge sectarian divisions by reaching out to Shia nationalist leaders like Muqtada al-Sadr who reject Tehran's transnational theocratic model.

To avoid overreliance on the United States, Riyadh has built up its special forces and combat capabilities while working to reform its military bureaucracy. Warming ties with Russia allow the kingdom to coordinate oil production policies with the world's largest non-OPEC producer. Moscow, as the Middle East's newest power broker, is also an important interlocutor and a potential source of arms.

Saudi Arabia strengthened its security alliance with Abu Dhabi, increasing its ability to take multilateral action, as it did in Yemen. And the kingdom has attempted to hold its allies accountable, most notably Qatar, which Saudi Arabia, the UAE, and Bahrain boycotted after decades of what they saw as Doha's repeated attempts to undermine their internal security.

Washington has an important role to play in advancing the kingdom's reforms. Supporting Saudi Arabia's pursuit of peaceful nuclear power will redirect locally consumed oil to export markets, and upholding the kingdom's uranium enrichment rights will allow the country to exploit untapped mineral reserves. In addition, Washington can encourage US companies to forge strategic partnerships with Saudi firms and directly invest in key industry sectors, most especially energy, tourism, entertainment, manufacturing, and technology.

The Saudis also need the United States to continue helping to roll back Iranian influence. In the near term, Riyadh will want Washington to keep providing targeting and refueling support for the war against Iran's Houthi proxies in Yemen. The kingdom, which views Yemen as a "war of necessity" in order to prevent the emergence of a new Hezbollah on its southern border, will continue fighting as long as the Houthis refuse to negotiate. Under these circumstances, the United States' technological and logistical superiority will ensure that civilian casualties are kept to a minimum.

Riyadh, which believes Tehran never gave up its pursuit of nuclear arms, welcomed the Trump administration's decision to withdraw from the Joint Comprehensive Plan of Action (JCPOA). From the Saudi perspective, the JCPOA's sunset clauses and failure to account for Iran's expansionism and ballistic missile program made it an incomplete agreement at best and a fatally flawed plan at worst. Saudi Arabia will support Washington's reimposition of a strict and wide-ranging sanctions regime that covers all three components of what it sees as Tehran's regional domination strategy. Riyadh will also want Washington to keep forces in Iraq and, if possible, in Syria, as a check on Iran as well as ISIS. Ultimately, the Saudis hope that sanctions, coupled with ongoing protests spurred by Tehran's diverting billions of dollars from domestic development to foreign adventurism, will

finally force Iran to become more state than revolution.

A prosperous, moderate, and secure kingdom is the surest safeguard against instability and extremism. And while the new Saudi Arabia has made missteps and experienced reversals, supporting MBS's push for socioeconomic reform and his opposition to Sunni and Shia revolutionary radicalism serves Washington's interests. Critics of the crown prince also need to consider the cost of failure. History shows that the collapse of heavily centralized Arab countries with enormous oil wealth, underdeveloped institutions, and regional, tribal, and sectarian cleavages yields near-perpetual conflict among myriad armed militias and fiefdoms. Considering that Riyadh also provides essential strategic depth to the smaller Gulf states, an unstable kingdom would yield almost incalculable ramifications for global stability and economic prosperity.



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SAUDI ARABIA AT A CROSSROADS

by Elham Manea

Saudi Arabia, a kingdom grounded in a dynastic religious alliance, stands at a crossroads. Some observers and journalists, both Western and Arab, eyeing the new assertive leadership of Crown Prince Mohammad bin Salman (henceforth MbS) and his promised economic and social reforms, have rushed to declare him a ‘reformer’.

Last November, Thomas Friedman, in the *New York Times*, famously pronounced the changes in the kingdom to be an ‘Arab Spring, Saudi Style’, one that would change not only “the character of Saudi Arabia but the tone and tenor of Islam across the globe.”¹ Friedman has been wrong before, but here he was obviously hoping that the young MbS would make good on his 2017 promise to go back to “a moderate Islam that is open to all religions and to the world and to all traditions and people.”²

Again, that prediction would have been welcome, if only it was accurate.

Rather, the changes in Saudi Arabia follow an established pattern in its political history: Whenever religious considerations have clashed with the state’s national interests and survival, the state has chosen to secure its national interests.³

To survive economically, the kingdom must liberalize and open up socially. Thus, it must moderate some of the Wahhabi religious dogmas and clamp down on some religious figures (especially those following a politicized form of Wahhabi Salafism), which were deemed unsupportive of the new strategy. However, these reforms

will be limited. We should not expect to see meaningful political reforms, good governance or accountability; nor will these changes resolve the question of the kingdom’s long-term stability.

Historically, politics in the kingdom has often aimed to strike a balance between several influential social groups. The arbiter of this system, absolute in its resolve and supremacy among Saudi social and political actors, was always the ruling royal family. But it was Salafi Wahhabi Islam⁴ that contributed considerably to its leadership and legitimized its authority.⁵

Given this alliance, the Saudi dynasty has had to depend on two forms - not just one - of Salafi Wahhabism.

One is represented in the Wahhabi traditional establishment, with its quietist apolitical form of Salafism. That is, it offers its allegiance to whoever takes power, following a Sunni principle that ‘a tyrannical Sultan was better than perpetual strife’.⁶ This form has been useful in sanctioning the dynasty’s controversial decisions and delegitimizing any dissent. Think of the famous fatwas (religious edicts) issued by the ulama, the Council of Senior Scholars, to support the Saudi request for American assistance during the Second Gulf War in 1990, or the banning of public protests and demonstrations during the Arab Spring of 2011.⁷

The second form is a mixture of a politicized and a jihadi form of Salafi Wahhabi Islam. This form was necessary to establish the kingdom in the first place and to propagate pan-Islamism at a later stage. Different kings used it

during different periods. The founder of the Kingdom of Saudi Arabia, Abdulaziz Ibn Saud (1875-1953), was quick to see its potential when he settled the Bedouin tribes of Nejd in hijar, or colonies, and provided them with military and religious training, turning them into an army of Wahhabi warriors – the Ikhwan army – which he used to expand his territory.⁸

Similarly, King Faisal (1906-1975) exploited a politicized form of Wahhabi Islam to counterbalance the regional spread of communism and pan-Arabism, which threatened the regime's legitimacy and its regional position. Highly educated Egyptian members of the Muslim Brotherhood were tapped to transform Wahhabism into a global ideology that was systematically disseminated, through Islamic centres, mosques, publications and organizations.⁹

This reactionary politicized form of Wahhabi Islam took a more militant shape after 1979. That remarkable year witnessed the Iranian Islamic revolution, the occupation by radical Salafis of the holy Kabaa in Mecca, and the Soviet invasion of Afghanistan. Iran contested Saudi Arabia's leadership of the Muslim world; the radical Salafis attacked its religious credentials; and the Soviet invasion of Afghanistan compounded its fear of the communist threat, especially given Soviet support of communist regimes in South Yemen and Ethiopia.

A more assertive and active Islamist policy was needed. Hence, religious leaders (sahwa), who espoused the politicized jihadi form of Wahhabi Islam, were given the resources and platform to spread their ideology. Their dogmas were zealously enforced within Saudi regions and simultaneously used to recruit Arab Afghans and send them to fight the Soviet Union in Afghanistan.

But this politicized jihadi form of Wahhabi Islam was merely a tool – part of a strategy to serve the national interests of Saudi realists. Indeed, the realist streak expressed itself continuously whenever religious considerations clashed with the state's national interests and survival. For the state always chose to secure its national interests.

Hence, when the Ikhwan rebelled against Ibn Saud in 1929, demanding a continuation of their 'holy war' and permission to raid territories under the protection of Great Britain, Ibn Saud was left with a difficult choice: confront Britain and possibly lose the land his army had already captured, or crush the rebellion? Ibn Saud chose realism. He told his troops to halt and turned to Britain for military help to defeat his own Ikhwan warriors.¹⁰

Likewise, in 1990, after Riyadh's invitation to the United States during the Second Gulf War, several well-known sahwa leaders criticized the monarchy's decision and questioned its legitimacy. The monarchy reacted swiftly, arresting those leaders while working together with the United States and the international coalition to defeat Iraq and end its occupation of Kuwait.¹¹

In both of these cases, the monarchy turned to its trusted quietist and apolitical traditional Wahhabi establishment, as it often did during times of crisis, seeking religious sanction for its actions. And the establishment's senior religious leaders dutifully complied, always ready to make religious edicts.¹²

The current changes introduced by the young crown prince are in keeping with this tradition. His social and economic reforms are certainly welcome given the suffocating stagnation the kingdom was experiencing.

They aim to diversify an ailing economy heavily dependent on oil, turning the country into an attractive economic hub, while emphasizing local tourism and entertainment and women's active participation in the labour force.¹³ All these objectives necessitate a relaxation of the draconian Wahhabi social control of society and of women's mobility, and more favourable religious attitudes towards entertainment.

So we see that all the liberalization measures are meant to facilitate these objectives: curtailing the powers of the country's religious police, ending the ban on women driving, relaxing (but not ending) the unrestricted male guardianship system over women (so women can create their own businesses without male permission), and ending the 35-year ban on cinema and art performances.

Along with these measures, MbS has embarked on an unprecedented consolidation of his personal power within the royal family. He ended the customary succession method, "brother to brother," introduced by King Faisal, which relied on one's lineal proximity to Ibn Saud. He arrested prominent Islamist sheikhs and journalists who were critical of his reforms. Then he began to arrest well-known princes powerful enough to challenge his authority, under the pretext of curbing corruption.

The social liberalization measures were necessary for the kingdom to survive economically, now that all can see that the religious patriarchal order is not sustainable.

To ensure these measures would succeed, the government turned its back, yet again, on the politicized form of Salafi Wahhabi Islam, which clearly challenged its ability to implement the new liberalization measures. Look more closely at the sheikhs arrested since 2015 and it becomes clear they are mainly among the sawha leaders mentioned above, who, among other things, were calling for more religiously conformist political reforms. Still, this shift does not mean an end to Saudi support for its Salafi jihadi allies globally; just think of the Salafi militias the kingdom supports in Syria.

By the same token, these social reforms do not mean that the kingdom will do away with its alliance with its trusted quietist and apolitical Wahhabi traditional establishment. In fact, this part of the Wahhabi establishment has yet again provided the fatwas necessary to smooth the way for the government's social measures. For example, in September 2017, when the government announced the end of the driving ban, the very same Council of Senior Scholars that always said that women should be prohibited from driving cars, miraculously changed its position and issued a religious edict endorsing the government's decision.¹⁴

In other words, the changes taking place in the kingdom will be limited in scope. Liberalization does not mean real social and religious reforms that will allow freedom of expression

and religion, the end of male guardianship of women or meaningful political reforms that lead to good governance or accountability. The continuous imprisonment of Saudi blogger Raif Badawi and other prisoners of conscience, and the new wave of arrests of well-known women's rights activists, demonstrate the limits of these reforms and the top-down approach of MbS.

What, finally, of the kingdom's long-term stability? In consolidating power, MbS has undermined a major pillar of the regime's resilience: the unity of the royal house and the traditional respect for collegial consultation among senior royal family members. MbS is sure he can take hold of the system. He should be careful not to rock the boat in his haste. For some observers, he may not be the horse to bet on in the changing sands of the Arabian Peninsula.



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¹ Thomas Friedman (23 November, 2017), "Saudi Arabia's Arab Spring, at Last: The crown prince has big plans for his society", New York Times.

² Elliott C. McLaughlin (25 October, 2017), "Saudi crown prince promises 'a more moderate Islam'", CNN.

³ Elham Manea (2005), *Regional Politics of the Gulf*, London: Saqi Books, p. 126.

⁴ Wahhabi Salafi Islam is a modern religious movement founded in the 18th century in Najd, part of today's Saudi Arabia, by Mohammed ibn Abdel Wahhab. It propagated a fundamentalist interpretation of Islam that dates back to the 13th century.

⁵ Elham Manea, *ibid.*, p. 73ff.

⁶ Madawy Al-Rasheed (2002), *A History of Saudi Arabia*, Cambridge: Cambridge University Press, p. 60.

⁷ *Ibid.*, p. 147; Elham Manea (2012), "Saudi Arabia, the Arab Spring and the Regional Context", *Orient*, German Journal for Politics, Economics and Culture of the Middle East, IV, p. 10.

⁸ Elham Manea, *Regional Politics*, pp. 73ff; Nadav Safran (1985), *Saudi*

Arabia: The Ceaseless Quest for Security, Cambridge, pp. 40ff; Ahmed Sirhal (1990), *The Political and Constitutional Systems in Lebanon and the Rest of the Arab States*, in Arabic, Beirut, pp. 301ff.

⁹ Elham Manea (2018), *Der Alltägliche Islamismus*, München: Kösel Verlag (Random House Germany), pp. 158-159; Lorenzo Vidino (2010), *The Muslim Brotherhood in the West*, New York: Columbia University Press, pp. 26-27; Ian Johnson (2010), *A Mosque in Munich*, Boston: Houghton Mifflin Harcourt, pp. 182-183; Manea (2005), *Regional Politics*, pp. 123-124; NN, "Saudi and the Brotherhood: From friends to foes", *Aljazeera English*.

¹⁰ Madawy Al-Rasheed (, pp. 59-71; Manea, *Regional Politics*, *ibid.*

¹¹ *Ibid.*, p. 147.

¹² Manea, *ibid.*; Al-Rasheed, pp. 68-69

¹³ See *Saudi Vision 2030*.

¹⁴ Statement of the General Secretariat of the Supreme Council of Ulema (27 September, 2017), "Women's driving of the car is legally permissible, as long as there are legal guarantees to preserve the respect of women", *Saudi Press Agency*, in Arabic.



SAUDI ARABIA OR IRAN IN US STRATEGY

by **Russell A. Berman**

Effective US policy toward Saudi Arabia requires familiarity with the intricacies of its history and society, of course. The legacies of the foundation of the state, the traditional collaboration of political and religious leadership and the burdensome privileges of the extended royal family still weigh on the Saudi present, even as new circumstances develop, especially the ambitions of the young generation, eager for the reforms promised by the bold leadership of the Crown Prince. Furthermore, these tensions between old and new cultures inside Saudi Arabia are playing out against the backdrop of a longer term, secular shift away from the oil economy of the past. This too challenges the status quo in the kingdom in a profound way. As conservative as Saudi Arabia's institutional structures may be, change is inevitable. Hopefully, that change will be managed wisely by Mohammed bin Salman and his designates.

While these internal Saudi developments are significant, it is externally, at the regional, rather than the domestic level, that the country is most relevant for the US and the pursuit of an American strategic agenda. That agenda prominently involves curtailing the Iranian threat. In Tehran, the US faces a regime whose declared goal remains “death to America.” Until that changes, Saudi Arabia's primary importance for American strategy is as the bulwark against the Iranian threat.

In terms of US interest in the regional Saudi-Iranian conflict, the strategic difference between the programs of

the Obama administration and the Trump administration could not be greater. President Obama pursued an agenda, leading to the Joint Comprehensive Plan of Action, JCPOA, commonly known as “the Iran Deal,” which broke with decades of American emphasis on the priority of the Saudis in order to tilt the region toward Iranian influence. President Trump has reversed course on this matter, and it is worth investigating the motives behind this history.

As described in Jeffrey Goldberg's extensive account of “the Obama Doctrine,” that appeared in the Atlantic in April 2016, the Democratic administration and its leadership displayed biases and predispositions that led to the dramatic policy shift inherent in the Iran Deal. While it may be too much to say that the Obama team was culturally pro-Persian in its orientation, its systematic animosity toward the Sunni Arab world, especially Saudi Arabia, was stark and unmistakable.

As early as a 2002 speech, at a demonstration in Chicago against the Iraq War, Obama—then a member of the Illinois Senate—declared, “You want a fight, President Bush? Let's fight to make sure our so-called allies in the Middle East—the Saudis and the Egyptians—stop oppressing their own people, and suppressing dissent, and tolerating corruption and inequality.” The phrasing is noteworthy, particularly in light of his later policies. State Senator Obama chose to diminish the relationship to long-standing allies, Saudi Arabia and Egypt, with

the qualifier “so-called” in an unnecessary way. For he could surely have articulated the same criticism about “corruption and inequality” without casting doubt on the allied relationship. Instead, he called into question the relationship with the leading Arab states altogether. In contrast, later he would prove reluctant to raise any similar criticisms concerning flawed governance in Iran, as evidenced by, for example, his very muffled objections to the violent suppression of the Green Movement in 2009. This asymmetrical evaluation of Saudi Arabia and Iran betrayed a fundamental anti-Arab bias, as well as his more general predisposition to treat allies worse than enemies.

Obama’s discomfort with the Arab states and the region would continue into his presidential years and color the administration. According to Goldberg, the Obama White House resented what it viewed as excessive Arab influence in Washington think tanks, and Obama himself “questioned, often harshly, the role that America’s Sunni Arab allies play in fomenting anti-American terrorism. He [was] clearly irritated that foreign-policy orthodoxy [compelled] him to treat Saudi Arabia as an ally.” Eventually he would try to undermine that traditional alliance through the pursuit of the JCPOA in order to advantage Iran. Arguably, the prospect of demoting the status of relations with Saudi Arabia and the Arab Middle East more broadly was an unspoken driver behind the Iran Deal.

Obama’s anti-Saudi animus was at least partially rooted in his biography. His own experience of Islam involved four years of his youth in Indonesia, the most populous Muslim country in the world. Yet while Indonesia can boast a Muslim population some seven times larger than that of Saudi Arabia, it is Saudi Arabia that, for historical reasons and the location of Mecca, retains a cultural hegemony in the world of Islam. It is noteworthy that in his Cairo speech of June 2009, Obama reached out specifically to the Muslim world, but barely mentioned the word “Arab” at all, and then only in the context of a problem, the conflict with Israel.

Obama’s laudable effort to repair the Muslim perception of the US involved an implicit minimization of any Arab dimension. His perspective on the region depended on problematic biases. His evaluation of the Middle East involved a remarkable cultural contrast, loaded with Orientalist value judgments, between a dynamic Southeast Asia and a hopelessly troubled Arab world. In his own words: “I don’t think that anybody can be feeling good about the situation in the Middle East [with...] violent,

extremist ideology, or ideologies, that are turbocharged through social media. You’ve got countries that have very few civic traditions, so that as autocratic regimes start fraying, the only organizing principles are sectarian. [...] Contrast that with Southeast Asia, which still has huge problems—enormous poverty, corruption—but is filled with striving, ambitious, energetic people who are every single day scratching and clawing to build businesses and get education and find jobs and build infrastructure.” This view contrasts a violent Middle East with an ambitious Southeast Asia, as if “never the twain shall meet.” That alternative sums up the difference between the idealized Indonesia of his youth, on the one hand, and on the other, the Saudi Arabia he would turn against with the Iran Deal.

President Trump has reversed course, not only by withdrawing from the JCPOA in order to put pressure on the Iranian regime, but even before that in his demonstrative opening to Saudi Arabia. His first trip abroad took him to Riyadh, signaling a restart of US-Saudi relations. His reaffirmation of the alliance with Saudi Arabia might be seen as a return to the pre-Obama pattern of US foreign policy in the region, but with one enormous difference. In contrast to the past, Sunni concerns now appear largely aligned with Israeli security goals, insofar as both regard Iran as the primary threat to regional stability. The Trump administration has supported this rapprochement successfully. Hence the only very muted objections in the Arab world to the decision to move the American embassy to Israel. The protests were louder in European capitals than in the Middle East. That difference on the embassy question maps neatly onto the differential responses to the decision against the JCPOA, applauded in Saudi Arabia and elsewhere in the Arab world and denounced in Europe.

Defenders of the JCPOA argue that it is a valuable tool against nuclear proliferation, a claim that its critics however dismiss by pointing out the weak inspections regime, in addition to Iran’s otherwise belligerent behavior. Tehran did not take the signing of the JCPOA as an opportunity to moderate its foreign behavior in any way, but instead ramped up its support for regional violence, including threats against Riyadh. In the grand scheme, therefore, the strategic debate over the JCPOA and US policy in the region involves the binary choice of pursuing an alliance with one or the other of the two antagonists, Iran or Saudi Arabia. The terms of the debate in the US are moreover largely partisan. Defenders of the Obama legacy give priority to the need to cultivate Iran, while Trump foreign policy proponents bet on Saudi Arabia and other Arab powers.

Examining the choice between the two regimes on their merits, the appropriateness of rebuilding the relationship with Saudi Arabia is compelling, for several reasons.

First, to date at least, the Saudis have not been pursuing nuclear weapons. We now know however that Iran definitively pursued such weapons and, to make matters worse, lied about it during the JCPOA negotiations. Tehran's current denial that it is not now pursuing nuclear weapons carries very little credibility. The sunset clauses of the JCPOA raise further concerns that it at best might delay weapons acquisition but would ultimately legitimate a nuclear Iran. That development would force Saudi Arabia and the region into an arms race.

Second, while both Iran and Saudi Arabia are engaged in regional conflicts, especially in Syria and Yemen, it is revolutionary Iran rather than the conservative Saudis who, directly or through proxies, is the primary source of violence. Saudi violence in Yemen is significant and should not be minimized, but it is Iran that has supported the Houthis in launching missiles against Riyadh. Furthermore, Iranian forces share significant responsibility for the enormous destruction in Syria and the demographic disaster of the displacement of half the country's population. Add to this the fact that it is Iran, through its proxy Hezbollah, that has effectively occupied Lebanon and reduced that country's sovereignty to a sad fiction. The Saudis' conflict with Qatar is trivial in comparison to the Iranian role in Beirut.

Third, only one of these two societies has embarked on a program of dramatic reform. Saudi Arabia is certainly far from a western democracy, but it has begun to take significant steps toward liberalization. In contrast, despite its restive and often forward-thinking population, the Iranian regime has done nothing of the sort. Even under the so-called moderates of the Rouhani government, domestic repression has continued unabated. In terms of liberal values, the Iranian regime has nothing to recommend it.

The reforms in Saudi Arabia are necessary to adapt the social structures and civic institutions of the kingdom to the changes that are inevitable—due to aspirations of the very young population as well as to the inescapable shift away from an oil economy. The US has an interest in the success of this transformation, because of the values at stake, but also because Saudi Arabian and American interests are aligned against Iran's expansionist program which remains explicitly anti-Saudi and anti-American.



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