Saudi Arabia: What Has Changed, What Hasn't

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Articles & Testimony

An expert discusses persistent questions about Saudi policy two decades since the September 11 attacks, explaining why some of them are still so difficult to answer definitively.

What a difference 20 years makes. Or does it? Saudi Arabia seems by most counts to be the leading contender for most changed country in the Middle East, but one crucial factor has not altered. The kingdom retains an air of mystery, which can confound even the most experienced experts. What has really changed?

In the weeks after the 9/11 attacks, newly arrived American ambassador Robert Jordan went to see the Governor of Riyadh Province, Prince Salman bin Abdulaziz al-Saud. Jordan later told Fareed Zakaria on CNN that the prince said: "This had to be an Israeli plot. The Mossad must have done this." Jordan got the same response from the hardline Interior Minister Prince Nayef, Salman's full brother, which was more than just outrageous. According to a briefing I received, Nayef, along with another brother, Defense Minister Prince Sultan, had been paying off Osama bin Laden so the al-Qaeda leader would direct his energies to targets outside the kingdom.

Nayef and Sultan are dead, but Salman is now king and the ultimate authority in the kingdom, although, de facto, Saudi Arabia is run by his favorite son, Crown Prince Muhammad bin Salman, known as MbS, who, at 36, is one of the youngest rulers in the world. Quite where the line between their roles is drawn is subject to debate. The kingdom has not joined the now year-old Abraham Accords between Israel and the Gulf states of the United Arab Emirates and Bahrain, but Riyadh clearly approved of the diplomatic breakthroughs. After all, there are now direct daily flights through Saudi airspace between Tel Aviv and both Bahrain and the UAE. But a fiction blurs the achievement: the

flights detour through Jordanian airspace, lending ambiguity to the meaning of "direct."

Is Salman, now 85 and ailing, aware of all this? It is not clear. But he is certainly the brake on more formal ties, apparently because Palestine remains an important issue to him, and, in particular, Muslim control of Jerusalem. Under Benjamin Netanyahu, it seemed as though there was momentum towards a breakthrough, but this has slowed, if not halted. Prime Minister Naftali Bennett has too many other issues on his plate perhaps. However, the intelligence and security cooperation, which has expanded in recent years because of shared concerns of Iran, no doubt continues. There is also a growing amount of trade, although no Saudi has yet spotted a "Made in Israel" label in their local supermarket.

The Role of MbS

It is clear that Saudi Arabia has been transformed in the last 20 years, particularly under the influence of MbS who only emerged as a significant player in 2015 when his father became king, and he was appointed defense minister. MbS is the architect of Vision 2030, an ambitious plan to transform the country, both socially and economically. A parallel activity is a decline in influence of the religious leadership, which seems to have accepted a downgrading of its status and influence, even though the king retains the formal title of "Guardian of the Two Holy Places," meaning Mecca and Medina.

But despite an energetic public relations campaign, MbS's activities have also had a reputational cost, in particular the murder and dismemberment of the dissident journalist Jamal Khashoggi at the Saudi consulate-general in Istanbul in 2018. The incarceration and financial shakedown of several hundred prominent Saudi businessmen and princes in the Riyadh Ritz-Carlton in 2017 has been—and, to an extent, still is—a red flag to some foreign investors. The transformation is certainly not towards any form of democracy. The kingdom remains an autocracy. The expansion of civil rights is a gift from the ruler rather than any response to pressure. Women activists who campaigned for the right to drive ended up in prison. So, a school report on Saudi Arabia in the last 20 years could contain the following notes.

Relations with the United States

Considering that 15 of the 19 9/11 hijackers were Saudi, relations between the governments in Washington and Riyadh weathered the initial crisis well. There appeared to be a view in Washington that, because of oil, it was vital to maintain a working relationship. Perhaps like many, our leaders were incredulous that the Saudi leadership might allow, even perhaps encourage, such an outrage. By contrast, public attitudes have been more cautious. Memories of the 9/11 attacks remain vivid for many and there is huge skepticism of Saudi denials of government involvement or knowledge. The 9/11 civil law case against the kingdom, a legal breakthrough overwhelmingly supported by Congress, proceeds slowly. Whether it produces compensation for victims or their relatives is yet to become clear. Even if the case is won, the willingness of Riyadh to pay out on a settlement is doubtful. Khashoggi is another challenge. The Biden White House is keeping MbS at a distance, letting the relationship be handled by MbS's notional counterpart, Defense Secretary Lloyd Austin.

Oil Policy

Ironically, the idea of Vision 2030 is to transition the kingdom away from oil and into a non-hydrocarbon future. But to fund that investment in future technologies, the kingdom needs its oil revenues as much as ever. Hence continuing relatively high Saudi production and its push for maximum prices. This September, Riyadh led OPEC and other non-OPEC suppliers in restraining output, a decision designed to squeeze price increases. Even so, oil revenues are not enough to balance the Saudi budget. Saudi officials privately admit that "Vision 2040" may prove to be a better label but for the present, the fiction continues. A new twist, picking up public concern about the climate, has energized copy writers in Saudi Arabia spinning the optimism of MbS's line. A *Financial Times* story in August

provided a more skeptical and probably more accurate take. “Saudi Arabia’s grandiose climate plans struggle to take off” read the headline, with the sub-head “Skeptics question whether kingdom’s pledge to lead ‘next green era’ will be matched by tangible action.” Not much of a progress report for the “green initiative” announced in March 2021 by MbS. He had promised that 50 percent of power generation would be via renewables by 2030, with the rest coming via natural gas (rather than oil). He also said the kingdom would plant 10 billion trees in the next decades.

Leadership of the Islamic World

Along with its status in the Middle East and its reputation as the largest exporter of oil, the kingdom has cherished the fact that its territory includes the holy cities of Mecca and Medina, the two principal pilgrim destinations for Muslims. Of the three, the religious role is said to be the most important to most Saudis, at least in the past. The COVID era has led to drastic cutbacks in the number of pilgrims allowed, but the authorities take pride in the smoothness of the arrangements they have had to introduce. Those details are handled by the ulema, the clerical leadership, who were 20 years ago essentially partners, albeit junior ones, in coalition with the House of Saud governing the kingdom. But that has changed; their power is much diminished, as is the power of the wider House of Saud. Essentially, the kingdom is ruled by the King Salman/MbS duopoly, with a significant junior role being played by deputy defense minister Prince Khalid bin Salman, aka KbS, a younger brother of the crown prince.

Domestic Social Policy

Foreign visitors to Riyadh are sometimes almost ecstatic about the relaxation of previous mores that they observe. Some women continue to wear hijab but some wear western garb. Unrelated members of the sexes mingle in coffee shops. The once-feared religious police are nowhere to be seen. Because women now drive, if you order the local equivalent of an Uber, the driver may well be a woman. But that’s in Riyadh and other major cities where at least the upper middle class and their offspring are fully “wired,” even westernized. What is happening in smaller, more traditional, provincial towns? The reporting is sketchier.

Domestic Economic Policy

The transformation of the Saudi economy is a work in progress. There is still reliance on a huge foreign labor force although there are regular reports of illegal workers being arrested and deported. Saudi domestic reporting on the changes seems to be full of “happy talk.” Young people want jobs and relish the opportunity to go and find them. The reality is probably more nuanced. Prices are increasing, subsidies are being reduced. People need jobs in order to maintain their less than royal standard of living. Saudi per capita income has always been among the lowest of the Gulf Cooperation Council member states. Perhaps worryingly, the clearest evidence of economic transformation are the plans to build Neom, the $500 billion futuristic city, a high-tech hub, in the north-west of the kingdom, abutting the Red Sea coast. Currently little more than an airport and new palaces for the king, MbS, and a few other royals, the project invites incredulity because of its ambition and the apparent belief that people would actually want to live and work there.

Relations with Israel

The late King Abdullah reportedly told a U.S. president that Saudi Arabia will be the last Arab state to recognize Israel. The latest spin on this is that the kingdom will not be the last to do so. Intelligence liaison has existed for years, dating back even before 1977 when the long-serving intelligence chief Prince Turki al-Faisal began his term of office. More recently, the British used to facilitate long dinners for both sides at a London hotel. Trade has been a fundamental element in the relationship. Security has been a growing dimension. The reported provision of Israeli spyware, used reportedly to monitor associates of Jamal Khashoggi, has combined both elements. But the relationship has yet to be consummated. King Salman is judged to be the obstacle. The idea that Israel should bequeath some of Jordan’s current rights in Jerusalem is often suggested as the bait MbS wants, even though it could

have a possibly devastating effect on Jordan, domestically and regionally.

Regional Relations

A year ago, when the Abraham Accords were signed between Israel and the UAE and Bahrain, the dividing lines in the region seemed clear. The "moderate" countries were listed as being the UAE, Bahrain, Saudi Arabia, Egypt, Jordan, and Israel. They were up against Iran and the Muslim Brotherhood. Turkey and Qatar did not deserve the moderate label but were also not quite in the camp of Iran and the MB. But in January, to the apparent irritation of the UAE and Bahrain, MbS led a reconciliation with Qatar, which had been ostracized for nearly four years. And with the new incumbent in the White House, it slowly dawned on the Gulf states that the degree of support they could expect from the U.S. was likely to be less than under President Trump. In the last couple of months, Saudi Arabia has been reaching out to both Iran and Turkey. There have even been contacts between the UAE and Qatar.

Afghanistan has thrown all the previous assumptions up in the air. Once again, the degree of support a Gulf country can expect from Washington is being questioned. In the last few months of the Trump administration, there were dozens of high-level visits to, for example, Bahrain. Under Biden, there have been, at least until the end of August, none. And Saudi Arabia has seemingly abandoned its traditional role as leader of the Gulf states, effectively allowing little Qatar to take the most credit for tricky diplomacy with the Taliban and temporarily hosting evacuees. Riyadh has been "missing in action," offering zero explanation for not handling a single evacuation flight. Was MbS waiting to be asked, as one former senior Saudi official suggested to me? Or did Riyadh want to just keep its distance from the whole mess?

If it is the latter, this suggests that the kingdom is more nervous about its standing in the region and the Islamic world than its advances of the last six-plus years may have implied. Perhaps progress, however defined, is not linear but retains at least some circular aspects.

Simon Henderson is the Baker Fellow and director of the Bernstein Program on Gulf and Energy Policy at The Washington Institute. This article was originally published in the ***Fall 2021 issue of inFocus Quarterly (https://www.jewishpolicycenter.org/2021/10/13/saudi-arabia-what-has-changed-what-hasnt/)***. ❖

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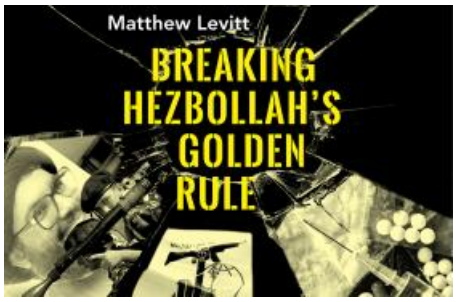

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