The Impact of a Rising Iran on Saudi Arabia

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Articles & Testimony

It is going to be a long, hot summer in Riyadh. True, it normally is. But this year will almost certainly be different. And the rest of the world will need to pay attention.

Iraq, Iran, Palestine, Islam, oil. Pick your preferred crisis. The chances are that all will be in play to one extent or another, and there is a Saudi aspect to each one.

Across the long northern border, Sunni Muslim tribes in Iraq still prefer to ally themselves with the Baathist insurgency and al-Qaeda, rather than seek rapprochement with the Shia-dominated government in Baghdad. There are tribal links with Saudi Arabia and a shared disdain for Shias who, according to hardline Wahhabi clerics, are not proper Muslims. (Indeed, some Wahhabis even believe that a quick death is all that Shias deserve.)

Iran is the "evil empire": Persian rather than Arab, Shia rather than Sunni. It was distrusted even in the days of the Shah. Since the 1979 Islamic revolution, it has been feared. Incidents of troublesome Iranian pilgrims at the annual Haj pilgrimage to Mecca have not helped. Nor has doubt about the loyalty of the kingdom's Shias who form a local majority in the oil-rich Eastern Province. In Iraq and in Lebanon, Iran's Shia allies appear to be on a roll. Add in the nuclear dimension. It is no wonder that the Saudi royals think their regional and religious leadership roles are under threat.

In such circumstances, Israel almost stops being an enemy and perhaps becomes an ally. After all, it doesn't actually threaten the kingdom. There is still considerable Arab nationalist sympathy for Palestinians, and religious Saudis are comfortable with the views of Hamas. But there is resentment that the financial support over many years for the secular Palestinians of Fatah seems to have been frittered (or hidden) away. And Hamas has infuriated the royals by taking money from, of all places, Iran -- a case of Shia/Sunni co-operation rather than antagonism. Small wonder perhaps that, according to news reports, a senior Saudi envoy had a meeting with Israeli prime minister Ehud Olmert in the Jordanian capital, Amman, last autumn.

All this fits into a single trend: an emerging holy war between the principal Sunni branch of Islam and its junior rival, Shi'ism. This is arguably what is happening in Iraq rather than the notion of a "civil war" that commentators seek constantly to affirm and politicians try to deny. The holy war might, of course, be said to be a continuation of the schism that started on the death of the Prophet Muhammed in 632 -- Shias are "Shia Ali" -- followers of Ali, Muhammed's son-in-law, who lost out in the succession to leadership of the caliphate. This would not suggest an end any time soon.

Into this mix, pour oil. There are still perhaps a few people out there who think they can confine their interest in Saudi Arabia to its role as the world's largest oil exporter and owner of a quarter of the world's known reserves. Most people were shocked out of this daydream by the terror attacks of 9/11, when the official Saudi preference to tolerate extremist Islam was shown to be a great danger rather a minor compromise that need not concern the rest of the world.

So, by all means, think oil, but worry too about the religious and regional dimensions to Saudi decision-making

about it. Don't be confused by the apparent strict professionalism of Saudi Oil Minister Ali al-Naimi. He is a trusted bureaucrat, but operates according to guidelines set by King Abdullah and senior princes. For the moment, he continues to play oil market sensitivities brilliantly, managing an apparently declining market. But it is not hard to imagine circumstances when Saudi oil policy might change in a more overtly political direction.

Already there has been the reported suggestion that Saudi Arabia might let oil prices decline in order to put pressure on the Iranian budget -- although it would also be painful for the kingdom. The firebrand Iranian President Ahmedinejad is by all accounts useless at running the economy, but the Tehran government has been saved from much domestic political pressure by the high price of oil. Iran is vulnerable to a double whammy: Iranian oil production is steadily declining because of a lack of fresh investment. With falling prices, revenue decline will accelerate -- and also make fresh investment by Chinese oil companies and others, not scared off by US displeasure, less attractive. Also, domestic petrol (gasoline) and heating oil is highly subsidised by the Iranian government, a luxury that the Iranian population is reluctant to give up. Petrol also has to be imported because of limited local refining capabilities. A revenue squeeze on Iran could have multiple consequences.

Are such policies being debated in Saudi Arabia? In the past, diplomats and analysts would have responded "who knows?", such is the opaqueness of Saudi society. But recently there are firm indications of not only policy debates, but also sharp policy differences. The sudden resignation in December 2006 of Saudi ambassador to Washington DC, and former intelligence chief, Prince Turki al-Faisal, was shocking for its abruptness and the lame excuse of "personal reasons". It quickly became clear that not only had Turki's refined personality clashed with the gung-ho, cowboy style of his predecessor, Prince Bandar bin Sultan, who had meanwhile become the secretary-general of the Saudi National Security Council, but there were real policy differences as well.

Actually, it was more than just differences. There was a complete policy vacuum on how to deal with Iran. Should the kingdom negotiate diplomatically -- the endless talk option? Or should the kingdom side more closely with the United States -- correction, the Bush Administration -- and adopt a tough approach of little diplomacy and a barely concealed military option? The received wisdom is that Turki favoured the former and Bandar the latter.

So public a disagreement is astonishing and suggests that policy tensions in the Saudi royal family could erupt on other issues as well. At the very least, it shows a breakdown in internal House of Saud discipline. It also suggests that King Abdullah's authority is being disputed. In the internal politics of the family, Turki, along with his brother, Foreign Minister Prince Saud, are usually seen as loyalists of Abdullah, who is otherwise a rather isolated character whose other princely supporters lack stature and ability. For Turki to make a public display of his annoyance is an insult to Abdullah. It suggests that Abdullah might have become a lame duck king.

We might be witnessing a transition to the ambitious crown prince and long-serving defence minister, Sultan, one of the so-called Sudairi Seven princes (who have been reduced in number to six since the death of King Fahd in 2005). He has the backing of his full brothers (all sons of a mother from the Sudairi tribe, hence the sobriquet) including Interior Minister Prince Nayef and Governor of Riyadh, Prince Salman.

Such a shift in political fortunes might be of limited significance but for the advanced age of the crucial players. King Abdullah is 84 years old this year; Sultan, his putative successor, is 83 years old. (Other published ages are wrong, particularly for Sultan, who has a Zsa Zsa Gabor-like reputation for trimming years.) Both men have ailments reflecting their age -- Sultan successfully battled colon cancer a few years ago. Both probably have only months, rather than years, to live. (If Abdullah survives this year, he will become the longest-living son of the kingdom's founder, Ibn Saud.) What happens after him is a matter of conjecture: a system of succession announced by Abdullah in October 2006 is, as yet, untested. Senior princes will gather to choose in secret. Given his uncertain health, and a reputation for being grossly corrupt, Sultan's accession cannot be assumed. Indeed, he might pre-decease Abdullah.

As the events and probable dramas of the year play out, remember that the real players in the consensus-driven, decision-making of Saudi Arabia are Abdullah, Sultan, Nayef, Salman et al, the sons of Ibn Saud. Not formally educated and not necessarily intelligent, they have, however, acquired the wisdom of statesmanship over the years. (Nayef's wisdom is questionable, which is why he appears to have been sidelined to some extent.) The likes of Turki, Saud and Bandar, despite being so often in the news, are only grandsons of Ibn Saud. Although they each have years of public service, they are really only advisers. (Oil Minister Naimi is merely a technocrat and has zero power.)

In watching Riyadh, remember that Riyadh is also watching Washington DC, apparently disturbed by Democratic advances in Congress and the growing sharpness of the daily political sniping at the Bush White House. The United States and Saudi Arabia have had their problems over recent years, but the current Saudi leadership appears happier with this administration rather than any alternative prospect. Hence the sudden November invitation to Vice President Cheney to visit Riyadh for a tete-a-tete dinner with Abdullah. It was one hell of a long way to go for a meal. But Abdullah wanted to know Cheney's mind and Cheney found the Saudi monarch "on top of his game" on the issues discussed. Given the year's impending crises, and Saudi Arabia's centrality, it was probably vital. Keeping the kingdom away from any temptation to dabble in the quiet support of any al-Qaeda operation, provided the House of Saud itself is not targeted, would also be worthwhile.

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