

Introduction

It is a truism that, for much of the world, the Gulf has been a central strategic consideration for decades.¹ A perceived Soviet threat to the region, the rise of Arab nationalism, the Iranian Revolution and the two 'Gulf Wars' – the Iran–Iraq War and the Kuwait War of Liberation – have all contributed to Western concern and military, as well as political, involvement. Furthermore, the terrorist attacks of 11 September 2001 on New York and Washington have intensified Western, and particularly American, worries about the Gulf and its surrounding region. Saudi Arabia was particularly embarrassed, distressed and threatened by the involvement of its nationals in the attacks. The attacks exposed the internal contradictions between a developing, modernist state and an undercurrent of strongly conservative Islamic tradition; they put the Kingdom under a strong and largely negative international spotlight; and they threatened to disrupt significantly both official and informal relations with the United States.

There are many reasons why the Kingdom of Saudi Arabia is a pivotal state for Western interests. Its position as the world's largest oil exporter is the most obvious, but the Kingdom's role as a moderating force in Arab politics and its moral status as a leader of the Islamic world are important too. In addition, Saudi Arabia is the fulcrum of the Gulf Cooperation Council (GCC).² The similarity of GCC members' internal politics, economics and societies, their regional security interests and their relationships with the West dictate that any analysis of Saudi Arabia's security framework must also take account of the role of its GCC allies.

Although Saudi Arabia has been at the core of Western strategic planning and preparation for contingencies affecting the Gulf, the Kingdom and its GCC allies essentially have been bystanders in the conceptualisation of Gulf security policy. Their acquiescence in Western designs and activities owes as much to state weakness and narrowly defined regime interests as to rational conceptions of genuine national security interests.

Weakness of regimes does not automatically translate into instability of states – the often-heard reservation of Western policy pundits. Outsiders have so often declared the Gulf monarchies obsolete – at the time of the rise of Arab socialism, the revolution in Iraq, the threat of pan-Arab nationalism, the civil war in Yemen, the intensification of Islamic radicalism and the revolution in Iran, and the segmentation of Arab politics and the invasion of Kuwait – yet they have survived and still endure. All the same, the effect of socio-economic changes on political structures is both immense and increasingly likely to produce serious challenges to the way these states operate. The internal dimension of Gulf security is generally overlooked, even though in the long run it may well prove to be the most important determinant of security.

The security of Saudi Arabia and its fellow Gulf states is increasingly becoming an illusion. Although direct threats from external sources have abated or are held in check, the events of late 2001 demonstrate that worrying cracks are appearing in the foundations of the present conception of Gulf security. First, there are growing differences with the United States over such issues as Israel/Palestine, Iraq, Iran, military and anti-terrorism cooperation, Saudi membership of the World Trade Organisation, and increasingly negative popular perceptions on each side. Second, the appearance of deep-rooted radical Islamist activism in Saudi Arabia puts an already fragile social fabric under extra stress. The first problem is likely to persist through the life of the Bush administration, and may well grow worse during this period. The second is even more intractable, and its precise effects will depend closely on the course of political change in Saudi Arabia and its neighbours.

Two fundamental questions must be asked at the outset: why is Saudi Arabia important and what is important in Saudi Arabia?

Why is Saudi Arabia important?

Answering the first question requires an understanding of why

Saudi Arabia is the central axis around which Western conceptions of Gulf security revolve.

Geopolitical situation

The Kingdom of Saudi Arabia is the largest and most powerful state in the Arabian Peninsula. Geographically, it lies at the crossroads of Middle Eastern security. On the one hand, it is a key Gulf player because of its important presence in the Gulf, its association with the smaller Gulf monarchies and the location of its oilfields near the Gulf. On the other hand, its western boundary is the Red Sea and it has a long, porous land border with Yemen, which forces the Kingdom to be involved in Yemeni, Red Sea and Horn of Africa affairs. To the north, the country borders the Fertile Crescent, which gives rise to complicated entanglement in northern Arab politics. This, combined with its quest for legitimacy in Arab affairs and its physical proximity to Israel, make the Kingdom an important, if reticent, actor in Arab–Israeli matters.

Saudi oil

The Kingdom is arguably the world's most important actor in oil affairs. Its crude oil production during December 2001 was an estimated 7.7 million barrels per day (mbd), down from a high of 8.9 mbd in November and December 2000. This constituted nearly 30% of the OPEC total of 25.86 mbd.³ Throughout the 1990s Saudi production averaged well over 8 mbd, or roughly 13% of total world production,⁴ and in 2000 the Kingdom was the United States' second-largest supplier of crude oil, with its 14% share ranking between Canada's and Venezuela's.⁵ More recently, it has become the largest supplier. At the end of 1999 Saudi Arabia's reserves equalled 261.7 billion barrels of crude oil: 25% of the world's total of 1,046.4 trillion barrels.⁶ The Kingdom is likely to maintain this proportion of reserves well into the next several decades.

America's regional ally and partner

For thirty years or more, Saudi Arabia has served as an important regional ally and partner of the United States. American oil companies founded the Saudi oil industry and played a key role in the country's early development, and the Kingdom is a major consumer of American products and services; it also plays an important role as America's

partner in the Gulf and a moderating influence within Arab politics. Saudi Arabia has long been a major exporter of oil to the United States, Europe and Japan. (Asia and the Far East have long been the biggest regional destination, accounting in 1998 for 971.4m barrels, compared to 645.7m for Europe and 544.2m for North America.⁷) It has also long been a balancer within OPEC, and its principal goal has been to regulate OPEC production so as to maintain a steady, reasonable price. As the sole OPEC producer with significant excess capacity,⁸ it has appeared in recent years to be returning to the role it last played in the 1980s as the organisation's 'swing producer'.

Influence on the region and Islam

Saudi Arabia exerts a significant role and influence in an overlapping series of regional and Islamic arenas. It dominates the Arabian Peninsula (consisting of the other five GCC states plus Yemen). It has been a principal supporter of Jordan, maintains close ties to Syria, and brokered the accord that essentially brought an end to the Lebanese civil war. The Kingdom is home to Islam's holiest sites, and it feels it exercises a special responsibility for the welfare of Islam everywhere. Since 11 September 2001, Saudi Arabia's role has been seen also in a more negative light, as the birthplace of Osama bin Laden and a recruiting ground for dozens, if not hundreds, of his supporters.

Linchpin of the GCC

The Kingdom is, by far, the dominant power within the GCC and thus the linchpin of the organisation. The GCC secretariat is located in Riyadh, the majority of its staff is composed of Saudis, and until March 2002 the post of GCC Secretary-General was held by a Saudi.

Influence on Arab-Israeli affairs

Riyadh has always shunned direct contacts with Israel and has been a staunch supporter of Arab positions and Palestinian rights. Yet the Kingdom has also sought to play a moderating role in Arab politics, to promote the prospects of peace, and to persuade its Arab allies to keep open channels for negotiation.

What is important in Saudi Arabia?

The second basic question concerns the composition of the Saudi state and society; how developments within the country are regarded; how

the outside world is viewed; and what determines requirements and responses to the looming challenge of Gulf security.

Change in economy and society

The Kingdom has made massive efforts to advance socio-economic development in the past few decades, with expenditures of \$1.285 trillion over the period between 1970/1971 and 1999.⁹ Oil income has allowed a modern physical infrastructure for the country to be implemented and a social welfare net to be created for nearly all the population. The result has been a dramatic improvement in living standards and quality of life for most Saudis.

But economic transformation necessarily also results in social change. Advances in health care have resulted in a rapidly growing – and increasingly younger – population. The expanded educational system produces large numbers of young Saudi men and women unable to find employment; Saudis have replaced many of the expatriates in skilled positions, but the society has remained dependent on a legion of foreign workers in menial occupations. At a more profound level, family, tribal, and regional ties have loosened, as many Saudis have become urbanised and middle-class.

Stirrings of political change

Naturally, these economic and social changes have engendered pressures for political change. For many Saudis, this may represent little more than grumbling about what they see as threats to their share of the economic pie. On the one hand, they protest at the state's attempt to trim subsidies, because it lowers their standard of living. On the other, they object to the greed and extravagance of the ruling family and other elites, because they know that the pie is shrinking.

More significant political dissatisfaction tends to derive from opposite poles. There is a stubborn, arch-conservative, religious-based opposition that decries changes to the 'traditional' way, opposes the creeping 'Westernisation' of the country and attacks the hypocrisy of the royal family and allied elites. At the other end of the spectrum modernist, educated elements seek not just economic but also political liberalisation, including a rule by law, some degree of formal political participation and debate, and restrictions on the privileged status of the royal family.

Internal change and external relationships

The outside world views Saudi Arabia as primarily a Gulf state and the leader of the GCC. However, this is not how many – perhaps most – Saudis see their country. Perhaps predictably, the most important consideration for most Saudis is the country's internal differences and cohesion. Saudi Arabia's regions exhibit as much or more variation as can be found in the rest of the GCC combined and the country's boundaries are more encompassing than those of its GCC neighbours. Hence, the workings and future of the GCC may not be uppermost in many Saudi minds, as is the case elsewhere in the GCC and in the perceptions of Western observers.

Neither the Saudi regime nor its people regard the state's alliance with the West with equanimity. Even the Saudi leadership has become increasingly vocal about policy divergences. As time goes on, it is likely that most Saudis – whether the Islamic right, the educated liberals, or the great silent and 'apolitical' majority – will become more critical of the Western alliance and less supportive, albeit for different reasons. This trend became more pronounced in late 2001 and early 2002.

The impact of 11 September on Saudi policies

Many Saudis have been shocked to discover the role of 15 Saudis in the September hijackings and the involvement of hundreds more in al-Qaeda. Neither the government nor the citizenry can ever again be complacent about the appeal of radical Islam to Saudis across a wide spectrum. Equally, however, many Saudis have been offended at the way their country has been characterised in the West and especially the United States. While the mutually beneficial foundations of continuing strong Saudi–American partnership in many fields remain unshaken, the window of mutual mistrust has been opened wider. Externally, Saudi policy regarding the Taliban regime in Afghanistan ended ignominiously, and differences with Washington over Palestine and Iraq remain as sharp as ever. More than ever, the central Saudi creed of Wahabism is regarded with suspicion outside the Kingdom, and it is unlikely that Saudi Arabia will be able to regard itself so authoritatively as the protector of Islam in the foreseeable future.

Towards a viable Saudi strategy for Gulf security

A principal contention of this essay is that Western conceptions of

Gulf security do not accurately address the needs and concerns of the Gulf states. In fact, a fully developed, rational, Gulf conception of Gulf security may be diametrically opposed to the guiding principles of Western policy.

Western policy concerning Gulf security is predicated at least in part on protecting interests in Saudi Arabia and the other states of the GCC. Western policy also depends heavily on the cooperation of these states in carrying out its Gulf security goals. But does Western policy actually serve the interests of the Saudi state, the regime and/or the people?

The governments of the West and Saudi Arabia share the view that the essence of Gulf security is the protection of oil – its production, transport and sale at a stable and reasonable price. Since the collapse of the Soviet Union, Western policy has centred on maintaining Gulf security by containing Iraq and Iran, and the West has persuaded the Saudis to cooperate with this policy on the basis that it assures their own protection. Saudi Arabia, though, only partly shares the premise about containing Iraq and Iran; Riyadh acquiesces in the Western definition and cooperates with Western policy arrangements for reasons of alliance maintenance and regime survival. Saudi and other Gulf citizens, however, are increasingly sceptical that Gulf security depends on an alliance with the West that is designed to contain Iraq and Iran. Many object to close ties with the United States, because of the perceived American role in causing the plight of the Iraqi people, and because of perceived American connivance with Israel. Many believe that the United States and the West exaggerate the dangers from Iraq and Iran in order to sell arms at inflated prices to Saudi Arabia and the Gulf states. Some even believe that the United States and the West are deliberately prolonging the international quarantine of Iraq in order to sell more arms and keep the Gulf states dependent on the West. There is widespread, if naive, belief that Osama bin Laden is a hero for standing up to the West (there was a nearly identical reaction to Saddam Hussein's defiance of the West in 1990).

Growing numbers of people in Saudi Arabia regard internal developments and challenges as the most serious threats to Gulf security. They argue that effective and durable policy towards Iraq and Iran must be based on inclusion rather than exclusion. Furthermore, the divergence within the Kingdom between regime

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and popular views of Gulf security threatens to drive a wedge between rulers and ruled. Debate about Gulf security, which potentially could lead to the formulation of a Saudi concept of Gulf security, is non-existent because the government inhibits free speech and resists meaningful political participation.