

AMERICAN-SAUDI RELATIONS : AN INESCAPABLE ALLIANCE ?

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INTRODUCTION

In the 1940s, at a time when the colonial powers were competing with one another for controlling the Middle East and its petroleum reserves, the United States – an emerging power – suddenly came into the picture. Breaking with its traditional isolationism specific to the Monroe Doctrine (1823), the United States became a new player in the Middle East chessboard. Control over oil was certainly a prerequisite for any country claiming world supremacy, was it economic, political, or military. The abundant oil resources of the region were reckoned a vital need for the development of industrialized countries and aroused US interest in the twilight of the Second World War. Combined with the need to contain a likely Soviet expansion, the region became of strategic interest in US new foreign policy.

In 1945, the United States formed an alliance with a desert country believed to hold vast oil layers underneath the Arabian Peninsula – Saudi Arabia. This special relationship is based on a simple equation: no country should threaten US energy supply, then Saudi oil reserves, so nothing should threaten Saudi Arabia. Although sometimes stormy, their relationship has been redeemed by the necessity to secure oil supply and to keep the Saudi royal family safe in power.

In order to understand current issues concerning the Kingdom of Saudi Arabia, it is essential to recall some fundamentals. In 1744, the alliance between the preacher Muhammad Ibn Abd el-Wahhab and a politically-minded Muhammad Ibn Saud originated the first state of Saudi Arabia and the actual foundations on which today's Kingdom is built on. Together, they conquered the Arabian Peninsula, converting to Wahhabism, a form of Sunni Islam, the neighboring tribes on their way. This alliance has always had a great influence on Saudi religious culture, education and law. A third man is equally important regarding the foundation of the Kingdom. Abd el-Aziz Ibn Abd el-Rahman Ibn Saud, so-called Ibn Saud in the West, was the founder of the current Kingdom. He proclaimed himself king of Saudi Arabia on September 23, 1932, after three decades of conquests with few comrades-in-arms. As the founder of the first Saudi state did, Ibn Saud relied on religion to serve political and military ambitions. Ibn Saud is important for our study since he is the one who formed an alliance with President Roosevelt in 1945 on board USS Quincy. This meeting marks the beginning of official American-Saudi relations.

Have the two countries got anything in common? Obviously, they are by nature culturally and religiously much different. But, had the United States anything in common with its former Persian ally but strategic interests? Or still with Israel? Then, what drives this uneasy and secretive partnership? The close ties established between the elites must be hardly comprehensible for their respective peoples who do not share the same values. Is their partnership *Thicker Than Oil*, as Rachel Bronson's book suggests¹? Then, what kind of interests do they share? At least, they do not share the same view on Israel. Many times this

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bone of contention could have hastened the breaking-off of their arrangements. But still, both countries have continued to find interests in maintaining such close ties.

However, for a few years, and especially since September 11, 2001, when the news outlined the involvement of 15 Saudi citizens out of the 19 hijackers in the attacks, Saudi Arabia has aroused hatred in the West. All the blame has been pulled on the country accused of financing a “global Islamist conspiracy”. Both peoples would be confronted to their resurging incomprehension of the other and exposed to the dark underside driving the misunderstood American-Saudi relations. Their special relationship has never been so questioned than after September 11.

Often described as insane, many hypotheses have been made regarding the future of their partnership. Seven years after the attacks, and the tense episode between the two countries, it seems that their relationship is getting more serene as closer cooperation has resumed. After such a crisis, is it a surprise that the United States has not broken diplomatic relations with Saudi Arabia, as it did with Iran following the Islamic revolution in 1979? Surely, there has not been a regime change in Saudi Arabia, like it happened in Iran. Precisely, how can the United States justify its questionable support to some unpopular regimes more than to others, perhaps more democratic? Could the United States possibly turn on its heel and walk away from Saudi Arabia or vice-versa? On the opposite, are they “prisoners” of the alliance they formed more than sixty years ago? If so, what kind of adjustments does their alliance would need to survive?

Many complicated and embarrassing questions break the surface when the unusually close relationship between Saudi Arabia and the United States is evoked. For this reason it is essential to better understand some characteristics of an unfamiliar and secretive country such as Saudi Arabia. However, this study does not claim to be a detailed review of Saudi Arabia’s complexity, but to try to address its strategic importance to the United States, and in the region, as well as US necessary protection of the Kingdom.

Saudi influence in the Middle East is unquestionable. As the birth place of Islam, it is the guardian of the holy cities and a top actor in Near East politics. As the holder of the largest oil reserves, it is the guarantor of the continuity of the Saudi welfare state and of the abundant oil supplies in the world market. Given the huge amount of money pouring into the Kingdom in the 1970s as a result of the oil boom, the royal family was given the means to consolidate its domestic power and legitimacy as well as its regional position. Through financial aid and proselytizing, Saudi Arabia has always wanted to influence Gulf and Middle Eastern states. Especially, the conservative model of Islam embodied by the Saudi Wahhabism has aspired to contrast with its rival and revolutionary voice of Shiite Islam embodied by Iran. Through cooperation, solidarity, and consensus-making, Saudi Arabia claims the leading role in the restoration of stability in the so-called “Arab-Islamic world”. In fact, leading Muslims worldwide appears to be an uneasy mission for the House of Saud, as the Saudi leaders are closely bound to the United States – a country whose foreign policy is broadly criticized throughout the Middle East. As a result, the Wahhabi doctrine only has a limited influence and remains a local phenomenon as most of the world’s Muslims are accustomed to a more

flexible and compliant version of Islam. Saudi efforts to lead through global propaganda have found limited resonance attributable to the hypocrisy of the Kingdom's leaders. From the beginning, the royal family has been confronted to groups of opposition including fundamentalists, nationalists, Shiites, liberals, and conservatives who accused Ibn Saud of corruption, yet stripping the Kingdom's religious foundations of all credibility. Almost all following kings have been tarnished by corruption, weak moral credentials, and uneasy foreign policy choices. Nevertheless, Saudi diplomacy has been active in regional affairs, especially in dealing with the Arab-Israeli conflict, and leading Gulf politics. The royal family's purpose is not only to please American and Western ambitions, but to prove that an Islamic country can carve out a place for itself in the alliance of nations. Precisely, after September 11, Saudi Arabia's decisions have no longer been limited to America's favor but consider other countries, preferably less complicated and demanding than the United States, like China or Russia. Actually, in its attempts to push for reforms, the United States has exposed the Saudi ruling family to fundamentalist groups, hermetic to any kind of modernization. It is worth reminding that one of the foremost targets of Osama bin Laden is the House of Saud because of its ties with the United States. In this respect, Saudi Arabia has become less reserved to contradict the United States than in the past – opposing the US-led invasion of Iraq as well as any possible attacks against Iran. Saudi Arabia has always been concerned with guaranteeing political stability and cooperation within the Kingdom, the Peninsula, and more generally in the Middle East – a goal that has been jeopardized by regional leaders as well as America's response to their ambitions.

On the one hand, this study aims at examining the extent to which Saudi Arabia and the United States have formed an “inescapable” alliance. For this purpose, the terms of this alliance – in essence, “oil for protection” – will be analyzed in a view to explain how mutually shared interests have created interdependence between the two countries. During the Cold War, Saudi foreign policy orientations matched with America's, which appeared to be an efficient protector in preventing threats directed against the Kingdom. Cold War strategies designed by Washington were implemented with Riyadh's covert financial and logistical support. In the aftermaths of September 11, America's Cold War partner's intentions were openly questioned. Thus, Saudi Arabia's reliability will be addressed in a view to examine the weak position of the Kingdom in its alliance with the United States.

On the other hand, the purpose of this study is to address the question whether the alliance is likely to break off or not. Riyadh's weak position in the alliance is one of the reasons why the Saudi diplomacy has always searched regional primacy in the Arabian Peninsula and in Near-East affairs, in competition with its Persian rival. More recently, Saudi Arabia has sought to diversify its trade partners. The issue is to appreciate whether those attempts match strategic ambitions that could prejudice America's interests and eventually lead to a redefinition of their relationship, not speaking of their divorce.

PART I: THE INS AND OUTS OF THE STRATEGIC ALLIANCE

It is essential to examine the context when the United States and Saudi Arabia stroke their alliance to understand how the two countries have created mutual dependence. At least two dimensions merit consideration: first of all, the United States was determined to protect what would become of vital interest – Saudi super-giant oil fields. Secondly, the benefits of the alliance go far beyond economic considerations as establishing ties with Middle-Eastern countries allowed the Americans to counter Soviet influence and gain a foothold in the region.

1 *The unwritten rules of the alliance*

a. The oil discovery and energy dependency

Ibn Saud was the king of a poor and desert country and needed more than the revenues from the Muslim pilgrimage – the *Hajj* – to set up and ensure his legitimacy. As the United States was not the colonial threat Great Britain and France were for Saudi independence, he rent out its lands for exploration to the Gulf Oil Company, a small American company which sold its shares to the Standard Oil of California in 1933. The first drops of oil were found in May 1938 in Damman. But, due to the Second World War, real exploitation would not start before the mid-1940s, when the California Arab Standard Oil was renamed Arabian American Oil Company – ARAMCO.

For both the United States and the Kingdom, this discovery was a blessing. At that time, the US economy was quickly developing and needed fuel to thrive. Also, the United States was broadly perceived as a savior because of its role in this war, then not as a potential threat. Contrary to some of its neighbors – Iraq, Kuwait, and Bahrain – the discovery of oil fields in Saudi Arabia took place a few years later. It probably helped this country to develop bilateral relations with the United States without the coercion of the former colonial powers². From 1945, the new threat embodied by the Soviet Union justified US involvement in world political and economic affairs. And, the US administration was persuaded the oil fields found would probably expend further beneath the Arabian Peninsula. Then, the region had to be protected against the Soviet expansion³. This supplier-consumer relation was consolidated on 14 February 1945 by the pact between Ibn Saud and the US president F.D. Roosevelt on board USS Quincy, in the Suez Canal.

The Quincy pact

At that time, “*ARAMCO had been the largest single American investment in any foreign country*”⁴. And, President Roosevelt asked King Ibn Saud to have a monopoly of oil exploitation in Saudi Arabia, and committed to support Arab independence from the colonial powers. Although Ibn Saud rejected Roosevelt’s request to support the creation of the State of

² Barah MIKAÏL, *La politique américaine au Moyen-Orient*, Dalloz/IRIS, 2006, pp 60-63.

³ Guillaume FOURMONT-DAINVILLE, *Géopolitique de l’Arabie Saoudite. La guerre intérieure*, Ellipses, 2005, pp 80-82.

⁴ Gawdat BAHGAT, *American Oil Diplomacy in the Persian Gulf and the Caspian Sea*, University Press of Florida, 2003, p 45.

Israel in Palestine in 1948, ARAMCO was given a sixty-year exclusive right to explore for oil a 1,500,000 km² area in eastern Saudi Arabia⁵. In return, the United States committed to ensure Saudi security against Egypt, Jordan, Iran or any other threats coming from the region. The country was to be granted the authorization to set up military bases such as an air base in Dhahran, on the Gulf coast. This alliance marked the beginning of a marriage of convenience between Saudi Arabia and the United States.

Interdependence on oil

In the 1940s, Saudi Arabia possessed 42 percent of the world's proven oil reserves. US oil production peaked as early as 1970, when "*Saudi Arabia replace(d) the United States as the King of oil*"⁶, with a production just exceeding three million barrels per day (bpd). Obviously, the United States has become overly dependent on foreign oil supplies, accounting for one quarter of oil demand worldwide. Today, Saudi Arabia accounts for 28 percent – between 9 and 11 million bpd – of OPEC's oil production with one of the lowest cost of production in the world⁷. Also, it is the only country able and willing to instantly adjust its production in case of a crisis. Thanks to its overcapacity infrastructures at great expense, an extra 3 million barrels can be released each day, namely, the spare production capacity. In 1980, the Kingdom had no alternative but to replace most of Iran's oil production, fallen to a level of 1.9 million bpd as a result of the turmoil accompanying the collapse of the Shah. And in the 1990s, when Saddam Hussein decided to invade Kuwait and during the US embargo of Iraq, Saudi Arabia has maintained the good health of the oil market thanks to its facilities and prevented a global economic crisis. In return, the Kingdom is "rewarded" with economic and military agreements signed with the United States – providing US military industry with a top recipient for its arms sales.

In the 1970s, the Kingdom suddenly took on a major role in global economic activities, as worldwide demand for oil soured beyond any historical precedent. This period of affluence - per capita income grew from \$365 in 1970 to \$4,700 in 1974⁸ - brought concern over the reluctance of the very conservative fringe of the society, as well as increasingly serious long-term challenges, including the need for economic and political reforms. At that time, a US official recognized "*[the United States] needs their oil, and they need our protection*"⁹. Saudi Arabia is also vulnerable due to the concentration of its major oil fields. Two of them, Ghawar and Safaniya, are responsible for the production of 75 percent of Saudi Arabia's oil. Monitoring pipelines and oil facilities is also a top priority, especially since September 11, as energy security is essential to regime stability and the royal family's legitimacy, and to a greater extent, to global economy.

⁵ The Kingdom progressively took over the control of ARAMCO as Ibn Saud understood the oil wealth – pretty much the only one at that time – would be responsible for the future and unity of his country. In 1980, the Saudi government nationalized the company which was renamed Saudi Aramco in 1988.

⁶ Matthew R. SIMMONS, *Twilight in the Desert*, Hoboken, New Jersey, Wiley, 2005, p 47.

⁷ Zaid MOHAMMAD, "Oil Prices Developments challenge market expectations", *Monthly Oil Market Report*, OPEC, October 2007, p 20.

⁸ Matthew R. SIMMONS, *Twilight in the Desert*, Hoboken, New Jersey, Wiley, 2005, p 56.

⁹ Translated by the author from David RIGOLET-ROZE, *Géopolitique de l'Arabie Saoudite*, Armand Colin, Paris, 2005.

To sum up, the American-Saudi partnership is broadly justified by oil. The oil wealth provides the Saudi royal family with its legitimacy to rule as long as it is able to ensure the welfare state and buy civil peace. And, the alliance with the United States gives means to secure the regime by military facilities. The military presence of the United States is an evidence of its dependency on Saudi crude oil, which gives reasons to protect the Kingdom from external threats and take an interest in preventing internal threats as well.

b. Security dependency: in pursuance of the alliance...

The protection of Saudi oil fields has always been a top priority for the United States. Thanks to its oil wealth, the Kingdom has the financial means to purchase expensive security from the United States, but has lacked the human and technological resources to guarantee it on its own.

...Against the communist threat

By virtue of the alliance, the United States committed to assure Saudi Arabia's territorial integrity. Both states found mutual interest in countering communist expansion towards the Middle East. The Kingdom's religious identity partly justified its commitment to fighting against the atheistic Soviet Union along with the United States. After decades of Soviet support to communist and anti-monarchical insurgents in Yemen, Moscow's invasion of Afghanistan in 1979 was interpreted as "*part of a Soviet-directed campaign to encircle the Arabian Peninsula (...) and subvert the oil-rich monarchies*¹⁰". This invasion naturally conferred a rationale to closer cooperation with the United States from energy and protection to strategic cooperation. Saudi Arabia sent a vast number of foot soldiers to fight against this atheist expansion in Afghanistan, among them, Osama bin Laden. The aid program to Afghan fighters (mujahideen) "*would grow into a multibillion-dollar covert operation that relied on Saudi financing and Pakistani logistical support*¹¹". Bin Laden became the key intermediary in the arm-purchase deal made between the United States and Saudi Arabia¹².

In 1980, President Carter described the Gulf as a region of vital interest and defied any "*attempt by any outside force to gain control of the Persian Gulf region*¹³". Therefore, the United States assumed its share of responsibility for the stability of the region. Saudi proselytizing brought benefits to their shared anti-communist global concern inherent to the Cold War, but at the same time brought underestimated costs to US national security, since Brzezinski considered, at that time, the Soviet threat more dangerous than religious extremism¹⁴. After 1979, Saudi Arabia became an even more important partner for the United States in preserving stability in the Persian Gulf. As Iran could no longer be counted on the list of US allies in the Cold War, Saudi Arabia's role was reinforced in combating Soviet and Iranian expansions.

¹⁰ Rachel BRONSON, *Thicker Than Oil*, New York, Oxford University Press, 2006, p 154.

¹¹ Ibid., p 149.

¹² To clear the United States of stirring up an East-West confrontation, Saudi funds were used to buy armament on the Chinese market that was shipped to Afghanistan through Pakistan.

¹³ Jimmy CARTER, "*The State of the Union*", January 23, 1980, Public Papers of the President. American Presidency Projects, <http://www.jimmycarterlibrary.org/documents/speeches/su80jec.phtml>.

¹⁴ Richard LABÉVIÈRE, *Oussama Ben Laden ou le meurtre du père*, Lausanne, Favre, 2002, p18.

...Against the “Shiite threats”

Before 1979, Iran, ruled by the Shah Reza Pahlavi, was one of America’s allies in the region. The country experienced economic challenges that, to some extent, recall the current situation in Saudi Arabia. Corruption, excessive urbanization combined with an inequitable distribution of oil revenues fomented popular protests. Exiled Shiite religious leader Ayatollah Khomeini took advantage of the situation to proclaim the Islamic Republic of Iran, and the exportation of the Islamic Revolution.

The House of Saud has always feared an expansion of Shiism towards the Gulf and Saudi Arabia through the upheaval of their discriminated Shiite minorities. In the oil-rich Al-Hasa province, around 30 percent of the population is Shiite. In addition to the direct threat imposed on the House of Saud, Riyadh interpreted the toppling of the Shah as a failure in the American protection of its Persian ally. The Saudis feared the United States would provide a similar treatment to the Kingdom in case it would be confronted to a comparable situation. In November 1979, the storming of the holy mosque of Mecca heralded the first tensions. Several hundreds of Sunni insurgents assaulted the mosque during the pilgrimage and accused the Saudis of corruption while a civil unrest took place in Khomeini’s honor in Al-Hasa. In the 1980s, regular violence opposed Iranian pilgrims carrying Khomeinist propaganda and Saudi authorities culminating in 1987 when the altercations resulted in more than 400 deaths. In 1988, Riyadh put an end to diplomatic relations with Tehran after Ayatollah Khomeini requested the organization of the Hajj should be transferred to an international independent Islamic association¹⁵. Naturally, Saudi Arabia would back Iraq during the Iraq-Iran war between 1980 and 1988, because an Iranian victory would have posed an ideological challenge to the Kingdom. This strategic interest was shared with Washington after the violent episodes following the Islamic Revolution and especially after 1984, when the “tanker war” broke out in the Persian Gulf putting at risk the flow of oil. When the war ended, Saudi Arabia was pleased to see a weakened Iran, but was even more concerned about the ambitions of the Iraqi regime.

...Against Saddam Hussein’s threat

Saddam Hussein’s pan-Arab rhetoric was perceived as a threat to the Kingdom’s internal security, for it challenged the legitimacy of the Saudi monarchy. On August 2, 1990 Saddam Hussein’s troops invaded the actively oil-producing Kuwait, therefore increasing his control to 19 percent of the world’s oil, and putting Saudi Arabia under imminent threat of invasion, as Prince Sultan remembers: *“If Saddam were allowed to get away with the seizure of Kuwait, the independence of Saudi Arabia, and indeed the whole Arab Gulf, would be threatened. On all important matters – particularly oil policy and foreign affairs – [Saddam] would be in a position to dictate terms”*¹⁶.

Since the United States had a strategic interest in defending Gulf oil, it proposed a plan to deter Iraqi forces from crossing the Saudi border and drive them out of Kuwait. On September 11, 1990, President Bush gave a famous speech before Congress – commonly referred to as

¹⁵ Olivier DA LAGE, *Géopolitique de l’Arabie Saoudite*, Paris, Editions Complexes, 2006, p94.

¹⁶ As quoted by Rachel BRONSON, *Thicker Than Oil*, New York, Oxford University Press, 2006, p 193.

the New World Order speech – and praised multilateralism effort so as to free Kuwait from the invasion of an Iraq with “*the economic and military power, as well as the arrogance, to intimidate and coerce its neighbors—neighbors who control the lion's share of the world's remaining oil reserves. We cannot permit a resource so vital to be dominated by one so ruthless. And we won't*”¹⁷, he stated. Despite its resistance to US military air-base establishment on Saudi soil, King Fahd had no other choice than inviting 200,000 American troopers on its holy land. But his decision “*ignited an internal battle with religious extremists that continues today*”¹⁸. Though, he could not run the risk of experiencing a potential Iraqi invasion into Saudi Arabia. Therefore, American military capabilities appeared to him a better and more serious option than Osama bin Laden’s proposal to combat Iraq “with faith”.

Socio-economic threats

With the absence of means to express popular discontent, Saudi Arabia has been facing many challenges. The assassination of King Faisal in 1975 took place at a time when the Kingdom started to experience incompatibility between growing material transformation as a result of souring global oil demand – accelerated in the wake of the 1973 oil embargo – and the promotion of Islamic values. During the following decade, the decreasing oil prices exposed the vulnerabilities of the Saudi single-product economy¹⁹.

The population explosion has a major impact on Saudi economy and political stability. The country’s population has grown from 3.5 million people in 1950 to 28.1 million in 2008. Per capita earnings from Saudi oil exports went from \$24,000 in 1980 down to \$2,300 in 2002. Consequently, Saudi Arabia runs the risk of being no longer oil wealthy. As a report from the Center for Strategic and International Studies (CSIS) suggests, the Kingdom’s “*most serious threat is its own population growth*”²⁰. Saudi Arabia is facing an increasing demand of jobs as the 0-14 age group accounts for 37.3 percent of total population, and the median age is only 21.3 years old. The official unemployment rate was 8.8 percent in 2005, but the real one is considered to be between 20 and 25 percent of males. The conservative educational system does not generate enough graduate students in the subjects a modernizing society needs, such as science or engineering. This situation raises a major problem for stability, as an increasing number of young Saudis sink into crime, drugs, and religious extremism.

As a matter of fact, the stability of Saudi Arabia has been often challenged over the years. After the Soviet Union disappeared in 1991, the American-Saudi cooperation found justification by the dual hostility of Iraq and Iran in the Persian Gulf. At the domestic level, the Kingdom has two major matters of concern: the Shiites inspired by the Iranian Revolution and the Sunni Muslims denouncing their leaders’ cooperation with Christians. Saudi leadership had lost touch with the conservative base of the society hence taking the risk of domestic dissent. Similarly, the lack of economic and political reforms has given birth to the

¹⁷ Georges H.W. BUSH, “Toward a New World Order”. Speech given to a joint session of the United States Congress, Washington D.C. on 11 September 1990, available at http://en.wikisource.org/wiki/Toward_a_New_World_Order.

¹⁸ As quoted by Rachel BRONSON, *Thicker Than Oil*, New York, Oxford University Press, 2006, p194.

¹⁹ Precisely, oil exports represent 90% of total Saudi exports, 75% of state revenues, and 45% of GDP.

²⁰ Anthony H. CORDESMAN, “Saudi Arabia Enters the 21st Century: VIII. Saudi Arabia at the Start of the 21st Century: Key Conclusions”, *Final Review*, Center for Strategic and International Studies, October 30, 2002.

dissatisfaction of liberal reformists. From time to time, the alliance with the United States has been questioned but, generally, it has proven itself a requisite to the Kingdom's stability and territorial integrity. Until September 11, 2001, Saudi Arabia's inescapable ties with the United States conferred to the Kingdom the status of a predestined ally.

2 Ahead of 9/11... and beyond

From its very beginning, the relationship between the United States and Saudi Arabia could have broken many times. The creation of Israel in 1948, the oil embargo in 1973, or doubts about US capability to protect close friends when the Shah was overthrown in 1979 are non-exhaustive examples of strains between the two allies. In the aftermath of September 11, many commentators have imagined, not speaking of *predicted*, a split in their alliance. As their relationship was already at a low before 9/11, it is worth pointing out the different causes who led to such a strain in their relations.

a. The United States on Muslim land and the terrorist threat

Anti-Americanism and Islamic radicalism

After the American-led coalition expelled Iraqi forces from Kuwait in 1991, approximately 30,000 soldiers remained stationed on Saudi Arabia's territory, among them 5,000 would stay permanently. For many, this American "occupation" signified the desecration of the holy sites as well as the pillage of Gulf oil resources from the West. As evidence Bin Laden's grievance found resonance in the region as suspicion over a long-term plan to maintain US military presence in the Gulf was evoked. Many Afghan fighters, who returned to their home countries after the Red Army was defeated in 1989, were willing to continue the Jihad but against another target: the United States and its allies – Israel, Westerners, and the Saudi leadership.

Coexisting opposite perceptions – attractiveness and negative impressions towards the United States – are widespread in Middle Eastern countries. Although many elite members have graduated from American universities, criticisms are often made about US cultural interference that sometimes hurts Islamic values. And it may happen to be difficult for the citizens to understand the mutual interests shared by the elites of their countries, whose values and beliefs seem unlike. Furthermore, America's pressuring for Gulf countries to keep oil production abundant and at "reasonable" prices is viewed by many as the pillage of their resources and has provoked anger. Also, the 10-year oil embargo on Iraq gave justification for anti-American movements. The United States was made responsible for the plight of the Iraqi people and collateral damage produced by US and British air strikes onto Iraqi military facilities in the 1990s. These actions provided anti-American movements with more grounds to call for Jihad.

But, the very first cause that stirs Arabs' emotions is Palestine. The United States is accused of double standard biased in favor of Israel, for it does not push to enforce UN resolutions Israel should comply with. Responding to America's indifference to Palestinians' plight, many Arabs, especially in Egypt and the Gulf states, have made the Palestinian cause their

first concern. After the failure of Israeli-Palestinian negotiations at Camp David in July 2000, the escalation of hostilities reached a breaking point when Ariel Sharon²¹ visited the Old City of Jerusalem. Arab people expected the United States to intervene in order to calm down tensions, thus American indifference irritated Saudi leaders and exacerbated tensions between the two countries. On this occasion, Saudi Arabia's ambassador to Washington Prince Bandar delivered a communiqué from Crown Prince Abdullah in August 2001 saying: *"We were your friend when it was not fashionable to be your friend (...) in light of all that, the Crown Prince feels he cannot continue dealing with the United States. We feel that since you have taken such a decision [not to intervene in Palestine], then we also are obliged to take our own decision"*²². As a result, anti-American sermons found resonance in the Kingdom, especially among the "Afghan" returnees willing to fight the Jihad.

Bin Laden's position

After his offer to combat Iraqi troops was deflected in 1990, Osama bin Laden fled to Sudan determined to pursue a second Jihad, this time against the United States and its allies, among them Saudi Arabia. In 1996, Bin Laden enacted a fatwa to "kill Americans and their allies – civilians or military" as the Jihad appeared to be the only means to expel non-Muslims from the sacred land of the Arabian Peninsula. In August 1998, Al-Qaeda had enough resources and developed modern means of communication to plan simultaneous bombings against American embassies in Nairobi, Kenya, and Dar es-Salaam, Tanzania. In his interview with Al-Jazeera in September 1998, Bin Laden claimed the Americans *"only were parasites in the defense of Islam in Afghanistan. There has never been any agreement between them and us. We were only doing our Muslim duty and this duty matched their interests in spite of ourselves (...) the United States is our enemy"*²³. In fact, Bin Laden was protected by Saudi secret services and helped the United States in Afghanistan, but never considered them a friend.

In the wake of the Cold War, the global political context changed but Saudi Arabia's policies did not. Saudi money continued to pour into Islamic organizations when the United States stopped sharing this interest with the Kingdom. It became clear that Al-Qaeda – formally identified as an international terrorist organization led by Osama bin Laden – benefited financial support from wealthy Saudi citizens. It caused great trouble to Washington to reckon its ambiguous relationship with a still proselytizing Saudi Arabia. The existence of radical Islamic groups is one consequence of past American-Saudi Cold War strategies.

*"There was a long-term price to pay for such policies. On September 11 those costs came due"*²⁴.

²¹ At that time, Ariel Sharon was still leader of the opposition, and visited the Temple Mount with a Likud party delegation.

²² As quoted by Rachel BRONSON, *Thicker Than Oil*, New York, Oxford University Press, 2006, p 232.

²³ Translated by the author from Richard LABÉVIÈRE, *Oussama Ben Laden ou le meurtre du père*, Lausanne, Favre, 2002, p 81.

²⁴ Rachel BRONSON, *Thicker Than Oil*, New York, Oxford University Press, 2006, p 233.

Beyond 9/11

Bin Laden's declaration of Jihad against the United States and his signing of the fatwa calling for the killing of American civilians have been taken as evidence of his sponsoring of the attacks. The investigators quickly concluded that the hijackers were affiliated to Al-Qaeda. Among the 19 of them, 15 were Saudi citizens. The terrorist attacks have fundamentally challenged the foundation of the American-Saudi alliance. Saudi officials did not make any declaration in the days following the attacks and failed to acknowledge the citizenship of the hijackers. Interior Minister Prince Naif even claimed Zionism must have been behind such attacks. When they finally acknowledged their identity, Saudi officials were persuaded Bin Laden chose Saudi young men to give a Saudi-like face to the attacks in order to put the Kingdom into an uneasy position in its partnership with the United States and eventually provoke the expected breaking-off. In October 2001, Crown Prince Abdullah stated: "*we are at crossroads. It is time for the United States and Saudi Arabia to look at their separate interests*²⁵." Saudi Arabia's interests seemed not to mirror America's as they did before; and the tense atmosphere between the two allies would increase in the following months and led to a letdown in the perception of one another's population.

b. Is the Kingdom still a trustworthy ally?

Saudi Arabia's weak position

In the aftermaths of September 11, there have been many allegations faulting Saudi Arabia's government and prominent citizens regarding terrorist financing. They accused the government of turning a blind eye to domestic financial support to terrorist groups. Saudi complicity in the attacks has been effectively pointed out when a full chapter of the Congressional report on September 11 was censored by the White House. Some readers of this chapter claimed it showed links between Saudi officials and the persons involved in the attacks. As a matter of fact, former ambassador to the United States Prince Bandar's wife, Princess Haifa, was one of the persons suspected of financing the hijackers through donations to charities. However, the final report released by the 9/11 Commission only blames the limited oversight Saudi government had over charities. In the year following the attacks the families of more than 600 victims filed a suit against three Saudi princes – Sudairi al-Bayumi, Turki al-Faisal, and Muhammad al-Faisal, charities and financial institutions. Although the Princes were granted sovereign immunity by the court, the trial further increased strain between the two countries. Following the trial, Saudi investors threatened to withdraw some of the \$700 to \$800 billion invested in the United States as a way to express their loss of confidence in the United States. This trial is believed to be responsible for a 30 percent drop in American exports to Saudi Arabia and a 24 percent fall in US imports of Saudi goods.

The anti-Saudi sentiment was also spreading among American think tanks and foreign policy advisers. In 2003, Laurent Murawiec, an analyst at the Rand Corporation²⁶ briefed the members of the Defense Policy Board in the Pentagon. He presented the Saudis as supporters of US enemies and "*active at every level of the terror chain, from planners to financiers, from*

²⁵ As quoted by Rachel BRONSON, *Thicker Than Oil*, New York, Oxford University Press, 2006, p 238.

²⁶ A US government-funded think tank.

*cadre to foot-soldier, from ideologist to cheerleader*²⁷” and recommended targeting Saudi Arabia’s oil resources as well as its financial assets in the United States and holy places, Mecca and Medina. It was not the first time such a plan was formulated in the United States. As early as 1973, Henry Kissinger²⁸ imagined the option of taking control of Saudi oil fields. Though, the briefing was not seriously taken within the United States because the Kingdom has remained a partner in American policies in the region. However, Saudi officials were unhappy with it.

There was still a bit of an atmosphere months after September 11. And to add further humiliation, Washington decided to implement visa restrictions toward the Saudis, which increased anti-US resentment among them. Thus, many Saudis decided to conduct more work in Europe rather than in the United States. At the same time, student visa applications to the United States fell significantly, as they chose other destinations. Many Saudi students in the United States have experienced the downside of the quickly-implemented methods of the USA Patriot Act, signed into law in October 2001 by President Bush. This Act of Congress was passed in a timely fashion – 6 weeks after the attacks – for the stated purpose of investigating terrorism financing, conspiracies and activities. The most controversial aspects include surveillance procedures such as FBI and other law enforcement agencies’ searching telephone, e-mail communications, and financial records of suspects without a court order.

In the following years, the tone has not completely changed since President Bush has continued to promote the pursuit of the war on terror and the hunt for Al-Qaeda terrorists and leaders around the world. Moreover, the United States has demanded the Saudis to implement reforms, especially in education, which is considered a way to fight fundamentalism on the long run. The main defect in Saudi education is not to produce Islamists since only 5 to 10 percent of the contents are to be blamed, but jobless young people. Therefore the reforms are probably more inspired by economic motives than implemented as a result of an effective US pressure. Anyhow, what matters the most for the United States is not reforms or even democracy, but stability in this oil-rich region.

Saudi Arabia’s conciliatory attitude

In 2003, Al-Qaeda’s attacks in Saudi Arabia proved wrong the accusations American neoconservatives had made against the Kingdom. In the post-9/11 context, the increasing number of crimes against Westerners was seen as an early warning sign of bigger operations, like suicide attacks in American housing compounds in Riyadh on May 12. It clearly appeared that the attacks targeted the United States for its invasion of Iraq, as US Secretary of State Colin Powell started a Middle East tour from May 1st after Bush officially announced “Mission Accomplished”. In April 2004, the Saudi leadership was targeted by the attack against the headquarters of Saudi security services in Riyadh in response to its unofficial logistical support to American military operations in Iraq. In the following weeks, several attacks against oil industry facilities have been recorded as well as assassinations of American

²⁷Jack SHAFER, “The PowerPoint That Rocked the Pentagon” *Slate Magazine*, August 7, 2002. Available at <http://www.slate.com/id/2069119>.

²⁸ Henry Kissinger was US President Nixon’s National Security Advisor (1969-75) and Secretary of State (1973-77).

citizens. The fundamentalists' strategy to attack the Kingdom's primary vulnerability – oil – is aimed at weakening the House of Saud and questioning its alliance with the United States.

In many ways, 9/11 served as a wake-up call for the Kingdom to take action, but it was in 2003 that the royal family and the government understood the seriousness of the threat. Although, continuing disagreement between conservative Prince Naif and more progressive Crown Prince Abdullah over how much of a role the religious establishment should play in politics questioned the ability of the Kingdom to lead reforms and tackle terrorism financing. Saudi counterterrorism efforts yet included 9,000 arrests, reducing the flow of funds to known terrorists' bank accounts, watching charitable foundations' activities, warning clerics to tone down their sermons and banning for preaching, if need be. Saudi efforts generated a positive response from the United States, reflected by Crown Prince Abdullah's visiting President Bush in Crawford, Texas in April 2005, when they issued a joint statement to renew the Quincy Pact.

The Kingdom is now expected to play a moderating role in preaching a more tolerant version of Islam, different from the one preached in the past when it served American strategic interests – still questionable – in the global political context. The terrorist attacks have highlighted American vulnerabilities as a result of its foreign policy, and Saudi ones as a result of its close ties with the United States. Today, with a pragmatic King Abdullah, who understands and shares American concerns, Saudi Arabia is taking steps to improve its counterterrorism efforts and modernize the Kingdom through social, economic, and political reforms. To what extent King Abdullah will be able to complete reforms and repel with counterbalancing forces inside the Kingdom and outside influences represents his main challenges.

American and Saudi peoples have almost divorced in the aftermath of 9/11. Mutual trust has suffered the effects of the attacks, but the leaders on both sides have not given up their close ties, and continued being driven by common interests. It remains legitimate, though, to question the future of the American-Saudi partnership. In the past 60 years, the Quincy pact could have been broken several times on disagreements over the Israeli-Palestinian conflict, and especially after the oil embargo led by Saudi Arabia mainly against the United States in 1973. The end of the Cold War removed most of the rationale for this uneasy partnership. Nevertheless, they have renewed their alliance for 60 more years in April 2005. Thus, will they find a common ground to pursue their close bilateral relations, even in the context of the still unresolved Near East conflict, and with a disturbing Iran across from the Persian Gulf? Should their divergences on Iraq, and the assertion of Saudi Arabia in the regional set-up as well as the Kingdom's seeking to diversify economic partners be considered threats to the pursuance of their alliance?

PART II: DIVORCE OR READJUSTMENT?

The new conception of Saudi regional security has become more based on considering a multinational framework rather than giving the United States the monopoly. From an economic point of view, Riyadh seeks to reduce its dependency on oil revenues by diversifying its economy and partners. From a strategic point of view, it wants to remain the leading country in the Peninsula and wants to preserve a balance of power which would guarantee no country to become the leader on the Middle Eastern scene.

1 *Riyadh in search of regional primacy*

a. A modernizing economy to reduce dependency on oil revenues

Certainly, the fundamentalists have used the relationship between the United States and Saudi Arabia to threaten the Kingdom's ruling family. As September 11 has hastened an introspective examination in Saudi Arabia, Crown Prince Abdullah delivered a speech before the Gulf Cooperation Council (GCC) where he put forward the idea that "*if we want to change the events, we have to change ourselves*". King Abdullah is far more concerned with the necessity of implementing reforms and dealing with corruption than his late half brother, most anxious to closer US-Saudi military, political, and economic relations. In fact, economic diversification is a vital need for the monarchy – its legitimacy being based, not only on religious fundamentals, but also on its wealth redistribution policy.

Thanks to a combination of high oil prices and austerity measures, the budget deficit of the 90s has been replaced by surpluses in the last years. Also, Saudi Arabia's accession to the World Trade Organization (WTO) in 2005 was facilitated by its efforts to open telecommunications, banking, and insurance sectors to foreign investment, and lower trade barriers for goods imports. This situation favors the necessary infrastructure projects that were postponed several years ago. Once the Saudi officials have realized the country's economy had always been too dependent on a single major export, Saudi oil policy has shifted to diversification. As a result, it seems to be less and less limited to its need for security met by the United States in return for oil abundance at a "reasonable price". Because Saudi oil wealth is limited, the Kingdom needs to move from a petroleum and service-based economy to a diversified economy which would rely more on private sector and foreign investment than on the government.

Following the examples of other Gulf countries, Saudi Arabia is well-known for its Pharaonic projects such as King Abdullah Economic City, in the north of Jeddah. King Abdullah has called for investments reaching \$500 billion over 15 years and progressive state disengagement in economics. His projects include the extension of the railway network to connect the Red Sea with the Persian Gulf and to provide transportation for Hajj pilgrims arriving via Jeddah to Mecca and Medina. With a view to Saudi economic diversification, some 700 factories are planned to be built within five years. In 2007, the Kingdom became

the first recipient of foreign direct investment, authorizing some 1,400 joint ventures. Gulf monarchies are actually challenging each other in a race toward economic diversification.

b. Reaching the summits of multilateral meetings

Gulf countries ambitions

When the Iraq-Iran war broke out in 1980, Gulf countries feared the instability would spread throughout the region. In this context, they formed the Gulf Cooperation Council²⁹ in May 1981, following a Saudi move and American cordial pressure. It aims at strengthening cooperation in areas such as industry, investment, trade, legislation, and security. This geographical area is one of the fastest growing economies in the world and Saudi Arabia is the most industrialized country of the GCC. Due to increasing oil prices, Saudi GDP soared in 2007, reaching \$376 billion. Saudi GDP per capita broke all records from 1981, reaching \$15,352 last year. GCC projects aim at giving more weight to Arab Gulf countries in their region and worldwide.

For instance, in the purpose of creating a common market in January 2008 and a single currency, supposedly named Khaleeji, by 2010, the GCC countries have pegged their currencies to the dollar in order to achieve financial stability. But in May 2007, claiming an attempt to tackle inflation, Kuwait unilaterally decided to de-peg its dinar from the dollar. Soaring inflation – between 5 and 12 percent – has handicapped the GCC countries for a few years, reaching its peak in 2008³⁰. Due to the decline of the dollar, the monarchies lose much money as their Sovereign Wealth Funds are thereby depreciating. Moreover, oil revenues would be higher if petroleum products were not sold in dollars. Alongside the December 2007 GCC summit in Doha, Qatar, rumors about a probable de-pegging from the dollar have spread. But Saudi policy makers have reiterated their commitment to the dollar peg. Disagreements over the modalities of common currency have remained among GCC members, thus handicapping their common project³¹. Besides, it is not inadequate to wonder what these countries have to exchange – not much. Furthermore, tense relations between Qatar and Saudi Arabia have characterized GCC's atmosphere since 2002 when the Qatari TV station Al-Jazeera played host to a debate criticizing the Saudi ruling family. Six years after Riyadh recalled its ambassador to Qatar in response, Ahmad bin Ali al-Kahtani's appointment as new Saudi ambassador to Doha in February 2008 shows enhanced relations between the two neighbors, but does not eliminate the fierce competition taking place between all GCC members to attract foreign investors and particularly American sympathy.

Regional political considerations come into the picture when Saudi Arabia reaffirms its solidarity – protection? – to the US dollar. Bilateral Free Trade Agreements agreed upon between the United States and some GCC countries also are political decisions from the United States and its counterparts, and pose serious dangers to their custom union. Not surprisingly, most GCC countries rely on the United States for their security. For instance,

²⁹ The GCC includes Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and United Arab Emirates. Its headquarters are in Riyadh.

³⁰ As they have to follow the US Federal Reserve (Fed) policies, GCC members have reflected Fed interest rate cuts, whereas they should increase interest rates to tackle inflation.

³¹ What's more, Oman – the poorest GCC member – has announced it would be unable to adopt the currency by 2010.

Bahrain is home to the US Fifth Fleet and Qatar to the US Central Command in the region from which US operations in Iraq are launched. Qatar seemed more receptive to cooperation with the United States than Saudi Arabia at the time of the invasion of Iraq, and spent more than \$1 billion to build Al-Udeid airbase to welcome US forces there, thus outstripping what Saudi Arabia has been prone to offer. Naturally, Saudi Arabia is seeking a top-level role in the Council and wishes to downplay American influence in the Peninsula.

The Organization of Petroleum Exporting Countries³²

Saudi Arabia was one of OPEC's founders in 1960. The principal goals of the member states are to ensure the stabilization of oil prices with a view to eliminate harmful and unnecessary fluctuations, and ensure a steady income to the oil producing countries. As of 2008, OPEC members account for 35 percent of worldwide production, and Saudi Arabia accounts for approximately one third of OPEC's production, which gives the Kingdom an important share of the political role in the Organization.

In 2000, OPEC members created a mechanism to stabilize prices in a "price band". Above or beneath 22-28 dollars a barrel, they agreed to modulate their production. This should not be overestimated as a Saudi favor to the United States, but more as recognition that high oil prices harm global economy. This mechanism was rapidly abandoned; and bottom prices soon reached 40-45 dollars a barrel, not speaking of recent prices. Whereas Iran wants high oil prices, Saudi Arabia has traditionally been willing and ready to offer extra production to stabilize the market. The Third OPEC Summit³³, which took place in Riyadh in November 2007, was characterized by the division between the anti-American side – namely Iran and Venezuela – and its allies, such as Saudi Arabia, which rejected an Iranian proposal to mention the "depreciation of US dollar" in the final communiqué.

c. New actors... and partners diversification

The current energy race has given Saudi Arabia new opportunities to diversify its customers, then commercial partners. Emerging economies such as China will grow increasingly dependent on oil supplies from the Gulf. And Saudi Arabia has the right product to sell. Therefore, diversifying customers seems to be a natural fit. The main issue is whether diversification of partners – here will be addressed the Chinese and Russian cases – will strain American-Saudi relations. Talking about Sino-Saudi rapprochement, Former US ambassador to Saudi Arabia Chas W. Freeman stated that "*monogamy is not enough for the Saudis anymore. They've decided to take a couple of other wives. This is a logical move by the Saudis, not one against the United States, but a step away from overdependence on America*³⁴."

³² The members of the Organization of Petroleum Exporting Countries are Algeria, Angola, Ecuador, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, United Arab Emirates, and Venezuela.

³³ Video available at <http://www.opec.org/home/Multimedia/videos/2007/3rd%20OPEC%20Summit/3SummitHighlights.htm>

³⁴ As quoted by Anand GIRIDHARADAS, "Saudi Arabia pursues a 'look-East policy'", *The International Herald Tribune*, January 26, 2006. Available at <http://www.iht.com/articles/2006/01/26/business/saudi.php>.

Saudi ties with Russia

Given Saudi Arabia's alliance with the United States, the Kingdom and Russia shown evidence of mutual antipathy during the Cold War. Chechnya has been the main bone of contention between them as Moscow accused the Kingdom of interference in domestic affairs and of funding Islamic radicalism there. Since 2003, Russian-Saudi relations have significantly improved thanks to higher oil prices, the removal of two motives of dissention – Saddam Hussein and the Taliban – and the growing concern many Saudis shared regarding their declining alliance with the United States³⁵.

The Saudi bashing taking place in the United States after 2001 made the Saudis more amenable to reconciliation with Moscow. Thus, the Kingdom has accepted to maintain the Chechen status quo in order to allow bilateral cooperation to a certain extent. Several oil and gas accords have been signed since Crown Prince Abdullah's official visit in Moscow in 2003³⁶ and President Putin's in February 2007.

Some Russian observers have argued that the Saudi-Russian rapprochement meant Riyadh was turning away from Washington. However, Saudi leaders do not imagine Russia could replace the United States as their strategic partner and protector – even if the latter has been occasionally questioned. Riyadh can believe that the appearance of a more diversified group of partners will help the Americans remember Saudi Arabia is not exclusively knotted to the United States, but independent and mature enough to seal other deals – in the energy sector or even arms sales. Hence, Russian-Saudi relations do not appear as a threat to the American-Saudi strategic alliance. Besides, Russian-Saudi relations remain fragile. If any Islamist opposition arose in any of the former Soviet Republics, Moscow would probably blame Saudi Arabia for this, as it did in the past.

China: arms and oil deals

Saudi Arabia established diplomatic relations with China in 1990 – two years after the disclosure of an arms transfer deal to Saudi Arabia. Their relations culminated in 1999, when President Jiang Zemin announced the creation of a strategic oil partnership. China is a growing market for Saudi oil, and Saudi Arabia is a reliable source for China's souring demand. In 2006, China has been chosen by King Abdullah as his first official visit overseas. Saudi media recounted this event as a sign of a “new era” or a “shift in foreign policy”.

According to the Energy Information Administration, China's oil consumption would rise from 5.6 million bpd in 2003 to 15.0 million bpd by 2030. Thus, driven by economic profits, China has adopted a business-like approach with Gulf countries³⁷. Indeed, China wishes to distinguish Sino-Saudi relations from US-Saudi relations, reiterating its commitment to non-

³⁵ Mark N. KATZ, “the Emerging Saudi-Russian Partnership”, *Mideast Monitor*, Vol. 3, No. 1, January-March 2008. Available at http://www.mideastmonitor.org/issues/0801/0801_4.htm.

³⁶ Russian company Lukoil signed a contract in 2004 for exploration and development of natural gas in Saudi Arabia, and in 2007, Stroitransgaz also won a contract to build a 124-mile oil pipeline for Aramco.

³⁷ Besides, China is seeking to ensure energy security in the country by diversifying its oil suppliers too, and rejecting an exclusive oil supply relationship with Saudi Arabia. Africa has become an increasingly important feature for China's oil policy, providing almost a third of its oil imports, mostly from Angola and Sudan.

interference in Saudi domestic affairs. Chinese company Sinopec is already drilling for gas in the Kingdom and building a refinery with Saudi Aramco in China. As energy companies could be regarded as instruments of the state in both countries, the deals stroke and the regular visits of Saudi Oil Minister Ali al-Naimi hold political and strategic dimensions. Similar to the Russian-Saudi rationale, the Saudis could give the appearance of having China as a potential arms supplier. But, there is no risk of China supplanting the United States, for Saudi Arabia faces threats China is not powerful enough to deter.

Clearly, Saudi Arabia is focused on the East, and will find advantages in targeting a cluster of partners, rather than maintaining a US monopoly. These new friends most likely appear less complicated and demanding than the United States. Since many Saudis have criticized their country's too close relations with the United States, diversifying associations is synonym to lesser risks of dissent within the Kingdom. All in all, other countries' gains should not be considered Americans' losses. So far, no country has been able to appear as a potential substitute for US protection. In any case, the United States has sought other partners too.

American diversification of oil suppliers

Since 2006, President Bush's public declaration of his plans to reduce America's dependence on Middle Eastern oil illustrates the dominant position the United States benefits from its partnership with Saudi Arabia. "*America is addicted to oil, which is often imported from unstable parts of the world*", he stated, while affirming a new great goal "*to replace more than 75 percent of our oil imports from the Middle East by 2025*³⁸". In fact, the most reliable sources of energy for the United States are its neighbors – Canada and Mexico – whereas US dependence on Saudi oil has outlined some risks due to an instable internal and regional situation. In 2007, President Bush asked Congressmen to double the capacity of the Strategic Petroleum Reserve³⁹ as a way to protect the country against any disruption to its oil supplies.

As a result of a declining production in Mexico, and probably soon in Venezuela, the United States is increasingly turning to Africa for oil. Central Asia and the Caspian Sea are also being promoted as stable sources of oil and gas for the United States. But Saudi Arabia still holds 262 billion barrels alone. Then, the size of Middle Eastern reserves – two-thirds of the world's proven oil reserves – and its low production cost assure the Middle East will continue to play a central role in the world oil market. Therefore, even if the United States imported less oil from the Persian Gulf, it would remain indirectly dependent on these states, particularly Saudi Arabia, to keep world prices stable. Then, diversifying oil suppliers should not be understood as diversifying *away* from Saudi Arabia, who will remain a key oil producer and exporter. As long as oil will play such an important role in the US energy mix, the US will remain highly dependent on the Middle East, is it directly or indirectly.

³⁸ Georges W.BUSH, "The State of the Union", January 31, 2006, the White House web site. Available at <http://www.whitehouse.gov/stateoftheunion/2006/>.

³⁹ The SPR is world's largest emergency crude oil supply maintained by the United States Department of Energy. The SPR is stored on the Gulf of Mexico. It was created in 1975 after the 1973 energy crisis in order to counter severe supply interruption.

2 *Saudi policy in the Middle East: a battle for the leadership*

During the Cold War, the US strategy in the Middle East was aimed at establishing ties with friendly states to contain the Soviet influence in the region. The United States formed alliances with three countries characterized by different ethnic and religious origins – Saudi Arabia, Israel, and Iran, with which it severed ties in 1979 as a result of the events leading to the Islamic Revolution. Therefore, Saudi Arabia had proven to be a better ally than Iran. The Arab and Persian adversaries have been competing with each other and also with Saddam Hussein for regional leadership. Then, American foreign policy in the Middle East has been confronted with local states' ambitions and widely criticized by Arab opinions. Traditionally, Saudi policy has been designed in a view to ensure the ruling dynasty to stay in power in a secured territory – possible thanks to America's military umbrella. However, today's Saudi policy in the Middle East seems to be less centred on US interests. Saudi diplomacy seems to have become more active in regional affairs, as the Kingdom seeks primacy and wants to appear as the leader of the Arab and Islamic worlds, in competition with Iran; and last but not least, the Kingdom wants to remain the leading oil exporter in the world.

a. In Iraq

“Iraq under Saddam Hussein was a nightmare to Saudi Arabia. Iraq without Saddam is also a nightmare⁴⁰.” This quote assumes that even if he was a trouble-maker, Saddam Hussein had the merit to be a bulwark against Iran and Shiite Muslims. Given the poor post-9/11 US-Saudi relations, cooperation was limited at the time of the invasion of Iraq by the US-led coalition. Riyadh officially prevented US air strikes from being flown out of Prince Sultan Air Base but informally allowed the coalition forces to use Saudi airfields along the Iraqi border. Restricted by domestic or foreign Muslim and Arab opinions, the Kingdom could not run the risk of taking direct military action to topple Saddam Hussein's regime. In this context, Saudi foreign minister Prince Saud al-Faisal warned the United States of the dangerous aftermaths of such an invasion. Removing Saddam Hussein by force would be equivalent to *"solving one problem and creating five more"*, he said. Though, the ruling family hoped that the Iraqi war would be over before the anger among its people reached boiling point. Actually, Saudi Arabia feared the United States would consider Iraq as an alternative to Saudi oil as soon as the country recovers its production capabilities after rebuilding efforts. But since the Iraqi war has yet to be over, Iraqi production is barely reaching 2 million bpd and the United States is finding itself in an awkward position, Riyadh is regaining confidence and strategic importance to Washington. Actually, Riyadh has not been given a large scope for making decisions after 9/11, and could not jeopardize its partnership with Washington. Therefore, it unofficially made available its Arar and Tabouk bases to the American military forces; and Prince Sultan Air Base became the center for command of air operations.

⁴⁰ Simon HENDERSEN, “Saudi Arabia: The Nightmare of Iraq”, *Policy Focus #70*, The Washington Institute for Near East Policy, p 1.

Saudi Arabia's two-fold strategy in Iraq

On the strategic level, the Kingdom is concerned with the increasing Iranian influence in the region. On the security level, Riyadh worries about the risks of an intensifying civil war and fears former Saudi fighters in Iraq would become a new source of terrorism inside the Kingdom, once they come back. The Saudis did not welcome the establishment of Shiite-dominated government in Baghdad, as the Sunni elite members were excluded from political power, and the Sunni community suddenly found itself in the position of a minority. The February 2006 attack on the Golden Mosque in Samarra, a major Shiite shrine was considered a turning point in Iraq's turmoil. Both Saudi Arabia and Iran started to regard Iraq as an important part of their sphere of influence. The Kingdom is concerned about a possible subversion of the Saudi discriminated Shiite community by Iran, especially after president Ahmadinejad came to power in 2005.

Riyadh has been concerned about a possible contagion of Iraq's instability into the Kingdom. Despite Saudi efforts to counter the emergence of Al-Qaeda cells in Saudi Arabia, young people are still an easy prey for Islamist groups. Since the Abqaiq attack orchestrated by Al-Qaeda in February 2006, the Saudi leaders have been particularly apprehensive about terrorist attacks on oil facilities, especially about Shiite attacks. The United States shares this concern, and encourages counterterrorism cooperation with their Saudi counterparts to eliminate the Al-Qaeda threat inside the Kingdom.

Saudi Arabia's role in the war

For all Saudi efforts to seal its border with Iraq, the Kingdom has often been criticized for its ineffective action in stemming the flow of fighters and its counterproductive role in the war. According to American military and intelligence officials, among an estimated 70 foreign fighters who enter Iraq each month, nearly half are coming from Saudi Arabia. Indeed, after regular calls from Ayman al-Zawahiri – Al-Qaeda's number 2 – to fight in Iraq, and indoctrination by the *Religious Committee of Al-Qaeda* providing them with theological justification for Jihad, Saudi young "volunteers" are accompanied to the Syria/Iraq border where they are assigned to a battalion to perform suicide attacks. Despite great progress, this is evidence of the limited effects of US-Saudi cooperation in the fight against terrorism.

Furthermore, it is an open secret that some private Islamic foundations continue to finance insurgents, thus challenging US efforts to stabilize Iraq. However, for a long time US officials have pinned the blame only on Syria and Iran, while the Saudi government has hardly hidden its intention to support Iraqi Sunnis and explicitly told senior American officials of the need to counterbalance Iran's influence in the region. To put it in other words, it is likely that Saudi Arabia's fence on its border with Iraq is more aimed at preventing the return of Jihad fighters from Iraq than effectively blocking access to this battlefield. At the most, one could accuse the Kingdom of *laissez-faire*, since it is not in its interest to further destabilize its neighbor.

Saudi stance on the occupation of Iraq and the withdrawal of US troops

The Saudis do not appreciate the US intervention in Iraq and feared the disastrous consequences for the Middle-East. During the 2007 Riyadh Arab summit, King Abdullah

condemned the “*illegal, foreign occupation*⁴¹” of Iraq, underscoring deepening differences between the Kingdom and the American administration. But, there is a growing concern among the Saudis about the withdrawal of the US troops. The Saudis fear Iraq would fall apart and that its partition would be favorable to Iran. In October 2006, former ambassador to the United States Prince Turki al-Faisal stated that “*since America came into Iraq uninvited, it should not leave Iraq uninvited*⁴²”. Then, if the United States withdrew from Iraq, the Saudis would intervene to stop Iranian-backed Shiite militias from slaughtering Iraqi Sunnis. For all those contradictions, “*Saudi interests are probably best served by the United States’ remaining in Iraq, providing it can boost the Baghdad government, contain Iranian influence, and protect the political interests of the Sunni Arab minority*⁴³.” Officially pressing for reconciliation between Sunnis and Shiites in Iraq, the Saudis are also willing to apply pressure on the Iraqi government to make territorial and political concessions to Iraqi Sunnis and to encourage it to distance itself from Iran. Today, Riyadh hopes for the US success to restore order and help contain Iran’s influence. Ironically, Iran also has interest in the maintaining of US forces in Iraq as long as it is a nightmare for the United States. It would make any American intervention in Iran more difficult, thus less probable in terms of military expenditure and US legitimacy in the Middle East.

b. In the Israeli-Palestinian conflict

From the beginning of their alliance, their different stances on this issue have often pulled them apart. In 1948, when Truman voted in favor of the creation of the State of Israel – an option refused by King Ibn Saud – the Saudis considered it an act of treason. Since the late 1960s, the United States has unconditionally supported its Jewish ally – a posture which has fuelled anti-US sentiment among Saudi citizens and other Arabs. Since the loss of Jerusalem in 1967, which upset King Faisal, the Israeli-Palestinian conflict has been an integral part of Saudi foreign policy. And the Kingdom would not recognize the Jewish state so long as it controls Jerusalem’s Muslim holy places. Therefore, the Kingdom substantially increased its financial aid to bordering countries and pro-Palestinian groups, especially since 1969 when Fatah⁴⁴ gained importance, “*Saudi Arabia became a vital backer of the PLO*⁴⁵” for it was the only political force able to represent the Palestinians. Since the PLO was considered a terrorist organization by Israel and the United States, the latter did not welcome Saudi support to the organization.

The worst crisis before 9/11 surely was the oil embargo in 1973. With a view to sanction the United States and others backing Israel during the war, OPEC’s Gulf States first decided an increase in oil prices from \$3.01 to \$5.12 per barrel. At the beginning, Saudi Arabia was

⁴¹ Hassan M. FATTAH, “Saudi King Condemns US Occupation of Iraq”, *The New York Times*, March 28, 2007. Available at: <http://www.nytimes.com/2007/03/28/world/middleeast/29saudiend.html>.

⁴² Prince Turki al-Faisal, *Ministry of Foreign Affairs Statements and News*, “Prince Turki al-Faisal warns against a hasty US retreat from Iraq”. Available at <http://www.mofa.gov.sa/Detail.asp?InSectionID=3986&InNewsItemID=55884>.

⁴³ Simon HENDERSEN, “Saudi Arabia: The Nightmare of Iraq”, *Policy Focus* #70, The Washington Institute for Near East Policy, p 5.

⁴⁴ Fatah is the most important party in the Palestine Liberation Organization (PLO). It was created in 1959 by Yasser Arafat. Following the victory of Hamas at the general elections in 2006, Fatah lost power for the first time.

⁴⁵ Rachel BRONSON, *Thicker Than Oil*, New York, Oxford University Press, 2006, p 108, “PLO” standing for Palestine Liberation Organization.

reluctant to bring the Kingdom in its first conflict with the United States and tried to delay the enforcement of the embargo. But, soon after Nixon provided the Israelis with \$2.2 billion to rearm, King Faisal announced a full embargo on oil exports to all Israel supporters, to the bitter surprise of the United States. The latter tried to negotiate with Syria and Egypt to end the Arab-Israeli conflict in an attempt to get the embargo lifted by the Arab leaders. It was officially lifted in March 1974. Certainly aware the Arab strategy could lead to a breaking point and a global recession, Saudi Arabia had no intention to further harm the United States and weaken its ally's ability to deter the Soviet Union in the Middle East. In this respect, it was "*far too dangerous and costly to wilfully oppose the other*"⁴⁶. Thus, their relationship recovered quickly. As a result of this initiative, the regional balance of power was clearly shifting from Egypt to Saudi Arabia after the oil crisis; and King Faisal appeared to be one of the most prestigious leaders of the Arab world.

From the Fahd Plan to King Abdullah Peace Initiative: more steps on the regional scene

The Fahd Plan (1981) was an eight-point proposal to resolve the Arab-Israeli conflict and create a Palestinian independent state with Jerusalem as its capital city. This Saudi initiative was a framework for a complete peace between the Arabs and Israel. For it implicitly recognized the state of Israel, the Arab response to the Fahd plan was mixed. Based on UN Resolution 242, the plan dispelled any ambiguities of the latter⁴⁷. For instance, it called for a total withdrawal of all the 1967-captured territories, and the dismantlement of settlements, as well as the return of Palestinian refugees – an arrangement Israeli leaders would reject. The Fahd plan opened the door, although a little, to future peace initiatives. Given the regional instability brought by the Iran-Iraq war (1980-88) and the Israeli expansion of its incursion in Southern Lebanon, the plan went nowhere, to American utter disappointment.

After Al-Aqsa Intifada in 2000, Crown Prince Abdullah presented a similar plan during the Beirut Arab Summit in 2002, commonly referred to as the Saudi Peace Initiative (SPI) – was it to restore the Kingdom's image after 9/11 or please the United States. Basically similar to the Fahd plan, the SPI went one step further, offering Israel political, economic, and cultural "normalization". But Israel's (former) Prime Minister Ariel Sharon distrusted the Saudis and claimed the withdrawal back to the 1967 borders would be "*an absolute blow to Israel's security*"⁴⁸. After the SPI was gradually abandoned, Israel's Prime Minister Ehud Olmert started to show some interest, supposedly in response to the rising Iranian threat, perceived by both Israel and Saudi Arabia, especially after the war between Israel and Hezbollah in summer 2006. In this context, a secret meeting, between Ehud Olmert and allegedly Prince Bandar bin Sultan⁴⁹, taking place in Amman in September 2006 has been reported by Israeli daily newspaper *Yedioth Ahronoth*, but denied by both parts, in order not to alienate Arab countries and ensure Saudi credibility on the diplomatic stage. Saudi Arabia is involved in a

⁴⁶ Ibid., p 123

⁴⁷ The English version of UN Resolution 242 calls for the withdrawal of Israel armed forces from territories occupied in the 1967 conflict, not of *all* territories.

⁴⁸ Aluf BENN, "Official Government Response: Saudi Plan Endangers Israel's Security", *Haaretz*, March 3, 2002, as quoted by Gawdat BAHGAT, "Saudi Arabia and the Arab-Israeli Peace Process", *Middle East Policy*, Vol. XIV, No.3, Fall 2007.

⁴⁹ Former Saudi ambassador to the United States (1983-2005), he was appointed head of the National Security Council in 2005.

complicated game, trying to please the United States without undermining its domestic and regional legitimacy as a political actor in the Arab and Islamic worlds. The re-emergence of radical movements, unhappy with the efforts King Abdullah has made in mediating the Israeli-Palestinian conflict – when talking about “normalization” – would put at risk the House of Saud. Therefore, this conflict outlines the limited role the Kingdom can play as a diplomatic actor on the regional scene, mainly because the United States has formed other alliances. As an alternative, the Kingdom often makes use of its financial force to establish itself as an essential actor in the conflict, for the Palestinian cause remains the most emotional one among Arab opinions.

Hamas connection and Iran’s rising influence

Like many Arabs, a certain number of Saudis identify with the Palestinian people and consider their support to Palestinian causes an obligation. The provision of humanitarian aid to the Palestinians has long been a component of Saudi foreign policy to help legitimise the regime. Although no official report directly links Saudi government financial aid to Palestinian terrorist organizations, it is very likely that many Saudi citizens would have provided financial support to Hamas through charities.

In January 2006, Hamas won the Palestinian elections and formed a government. As a result, the United States and the European Union, both considering the party a terrorist organization, cut off most of their financial aid to the Palestinian government. Saudi Arabia followed the Western lead in order to prevent a potential accusation of terrorist financing. Following such financial sanctions, Iran and Hamas enhanced their relations. As a matter of fact, Palestinian Prime Minister Ismael Haniyeh affirmed Iran’s strategic importance for the Palestinians in late 2006. Being afraid that such connection would further increase Iran’s influence in the region, and that the on-going fighting between Hamas and Fatah could lead to a “civil war”, King Abdullah organized a summit in Mecca and invited Prime Minister Haniyeh and President Abbas to negotiate a government of national unity, in February 2007. Riyadh demonstrated it could succeed in significant regional diplomacy where two other Arab powers – Cairo and Damascus – had failed. Riyadh considered its mediation prevented Iran from gaining deeper inroads among Palestinian radicals. In the end, this “breakthrough” came at the expense of legitimizing an extremist organization. Even if Saudi Arabia and Israel recognize they share the need to counter rising Iranian influence, they disagree about whether Hamas should be part of the solution or remains part of the problem.

c. In Lebanon

Saudi Arabia has been involved in Lebanese affairs for decades. Since the creation of Hezbollah in 1982 – the Shiite militia sponsored by Iran – the Kingdom has considered the Lebanese scene as a bulwark against Iran in the post-Islamic revolution context. Saudi Arabia has taken advantage of its close ties with the Hariri family to pursue this policy. It has invested large amounts of money in rebuilding the country after the bloody conflict between 1975 and 1989. As a key actor on the Near-East scene, King Fahd organized the Taif

Agreement in 1989 to put an end to the civil war⁵⁰. The United States was interested in limiting the effects of the Lebanese crisis so as not to spoil the Arab-Israeli peace process. Therefore, it supported the Taif negotiations. Although the impact of the close links between the Hariri family and the Al-Saud's should not be overestimated in Riyadh's policy, the coming of the Lebanese-Saudi businessman Rafiq Hariri to power in 1992 was interpreted as a sign of a renewed and substantial Saudi role in Lebanon. On the other side, the Lebanese Shiite militia Hezbollah has been provided with generous financial and military aid from Iran – with Syria's help – since the day of its creation.

July 2006 Lebanon War

The 33-day military conflict opposed Hezbollah paramilitary forces and the Israeli military after Hezbollah kidnapped two Israeli soldiers, and Israel launched a broad military operation against the Lebanese organization. The Arab states were divided over Hezbollah's responsibility in the conflict. Syria and Yemen stood by the militia sponsored by Iran whereas all the others – led by Saudi Arabia's diplomatic dynamism – condemned Hezbollah for its "uncalculated adventures". A Saudi official quoted by the Saudi Press Agency said that "*a difference should be drawn between legitimate resistance and rash adventures carried out by elements inside the state and those behind them without consultation or coordination with Arab countries*"⁵¹. In this crisis, Saudi Arabia and the United States agreed on Hezbollah's guilt. In response, Iranian President Ahmadinejad stated that "*the occupying regime (Israel) attacked and destroyed Lebanon under the support of certain countries*"⁵². Responding to requests to disarm Hezbollah, Ahmadinejad assured it simply "*will not happen*"⁵³ – a statement taken as a green light by Hezbollah to carry on attacks against Israel.

The Iranian threat – which might become nuclear – has given common ground to Israel and Saudi Arabia. In this context, Israeli and Saudi representatives began to develop contacts. Given its Shiite minority, Saudi Arabia has a substantial strategic interest in pursuing a containment policy vis-à-vis Iran. Currently, Saudi Arabia is probably the first Arab country able to limit the influence of Iran in the Middle-East – due to its financial power, cultural and religious influence.⁵⁴ In the same way, Israel would be the only Middle Eastern country able to militarily deter the Islamic Republic, if need be.

The Lebanese political crisis

On February 14, 2005, former Prime Minister Rafik Hariri was assassinated in a car bomb explosion in Beirut. This event marked the beginning of a series of assassination attempts

⁵⁰ The Taif Agreement covered the ending of the Lebanese Civil War, political reform by transferring some of the power away from the Maronite Christian community, and a framework for the beginning of complete Syrian withdrawal from Lebanon. It also provided for the disarmament of all national and non national militias. The Hezbollah was allowed to stay armed due to its capacity as a resistance force fighting Israel in South-Lebanon.

⁵¹ Quoted by Steven STALINSKY, "Arab World Divided Over Hezbollah", *The New York Sun*, July 19, 2006. Article available at <http://www2.nysun.com/article/36281>.

⁵² Mahmoud AHMADINEJAD, "Ahmadinejad highlights Islamic culture, Persian civilization", *Islamic Republic News Agency*, July 26, 2008. Available at <http://www.irna.ir/en/news/view/line-17/0607261317151357.htm>.

⁵³ As quoted by Elaine SCIOLINO, "Iran backs Hezbollah in Lebanon", *The International Herald Tribune*, July 19, 2006. Available at <http://www.iht.com/articles/2006/07/18/news/iran.php>.

⁵⁴ After the war, Saudi Arabia pledged \$1.5 billion to rebuild Lebanon and support its economy.

against Lebanese political figures. Syria was accused by the March 14 Alliance⁵⁵ – the majority – supported by Western powers, and Saudi Arabia, whereas the March 8 Alliance – the pro-Syrian opposition – claimed that the assassination may have been performed by the Israeli Mossad in order to destabilize the country.

After pro-Syrian President Emile Lahud left office on November 23, 2007 as his term expired, political rivalries between the ruling coalition and the opposition prevented the Lebanese Parliament to designate his successor for months. More than ever, Lebanese affairs have been piloted from abroad, with Syrian and Iranian contributions on one side and moderate Sunni Arab states and the West on the other side. The head of government, anti-Syrian Fouad Siniora, has got Western and Sunni Arab supports; and General Michel Sleiman has been their candidate to the Lebanese presidency. But, Iran and Syria both accused those “moderate” Arab states of serving US policy in the Middle East. In March 2008, the 19th Arab Summit, taking place in Damascus, was totally boycotted by Lebanon; and Saudi Arabia, Jordan, and Egypt heads of state did not show up in order to convey a message of disapproval to Syria’s interference policy in Lebanon. In the end, Qatar played a primary role in mediating the crisis. This tiny Gulf State was in a unique position, having good relations with the United States, Syria, Israel, and Iran, whereas Saudi Arabia is considered an interested party in the negotiation. With its non-aligned role and the money to back it, Qatar has broken the deadlock no country had been able to break in six months, thus reaffirming its growing role in the region and potentially harming Saudi share of influence. The many international initiatives toward the settlement of the Lebanese political crisis show the importance of the presidential elections in the country. What is at stakes goes beyond national reconciliation but regional and international geostrategy. This crisis has shown Riyadh’s shared interest with Washington – and Israel – in counterbalancing Tehran’s influence.

Broadly, the United States and Saudi Arabia share the same interest in stabilizing the region, and in preventing the emergence of an Islamic power. In Lebanon, both act in favour of the majority and want to downgrade the influence of the Shiite Hezbollah. In Iraq, the Saudis were against the invasion of Iraq, or at least, they did not want to give the appearance of helping the United States to invade a “fellow” Muslim and Arab country. Afterwards, both are concerned with calming down the Iraqi chaos and share the same interest in preventing Iran from gaining too much influence in Iraqi politics and generally in Middle Eastern politics. Recently, Saudi Arabia has lost a bit of its influence in the Israeli-Arab peace process. After the Kingdom lost touch with the Gaza strip, it could only exert its influence on a politically-weakened President Mahmoud Abbas. Therefore, the outcome of its diplomatic efforts has become relatively limited.

⁵⁵ The March 14 Alliance was named after the Cedar revolution (against Syria) triggered by the assassination of Hariri.

CONCLUSION

There is no Arab country in the Middle East with which the United States is as knotted as Saudi Arabia. In the first half of the twentieth century, American oil companies ensured the rise of the House of Saud and its legitimacy to rule over the Kingdom. Saudi Arabia has been important to the United States because of its super-giant oilfields and very high production capacities. The United States has a national security interest in being granted a ready access to energy supplies from the Persian Gulf, most of which are controlled by the Kingdom. So, it has been – and will remain – America’s ally as long as the United States needs as much oil.

Beyond the shadow of a doubt, the key rationale justifying US-Saudi ties is oil. The Kingdom needs to export its oil, while the United States, whose oil output peaked in the early years of the 1970s, is increasingly dependent on foreign oil supplies. Nonetheless, the Cold War has given a golden context to thicken their partnership from oil business to strategic cooperation. Both countries perceived the Soviet Union as an imminent threat to their respective interests. Therefore, the Cold War opened a new era of broadened cooperation between the two allies. But, the end of the Soviet threat removed most of the rationale for such a close partnership. What’s more, the withdrawal of the Red Army from Afghanistan made most Jihadists “jobless”. But, they had another item on their agenda: after they defeated the Soviet Army, they started to target the “unfaithful” Westerners, mainly embodied by the United States. When King Fahd “invited” American forces to drive out Saddam Hussein from Kuwait, and deter any further Iraqi expansion, from the Saudi territory, those Afghan fighters responded to the calls of Al-Qaeda’s leader Osama Ben Laden to fight against the presence of Westerners in the Kingdom – the custodian of the holy places. Ben Laden has always been in opposition to the US-Saudi alliance, and has always campaigned against it. On September 11, Ben Laden almost reached his goal, since the attacks opened a phase of distrust between the two peoples. But, driven by continuous shared interests, the relationship between the elite members has not been importantly damaged. Quite obviously, American and Saudi leaders share interests that are beyond any common perception for their citizens. Before 9/11, their relations had already experienced ups and downs, but never broke.

After 9/11, American and Saudi leaders were confronted to a dilemma: to pursue their close alliance without discrediting themselves on their domestic political stage. As a consequence, both countries are experiencing a change in their alliance but no divorce is going to take place on the short run. The House of Saud has a great national security concern in preserving its legitimacy; particularly in a context where the fundamentalist voice finds resonance among the young and bored people. The ability of the Kingdom to lead reforms will shape the future of its relationship with the United States and its influence in the Middle East, as well as its internal stability. Although King Abdullah recognizes the need for reforms, his main concern is that moving too fast would upset Saudi domestic balance. It is worth reminding that tensions between modernization and conservatism first appeared in the wake of the unprecedented affluence of the early 1970s. The United States cannot run the risk of provoking instability in the Kingdom as a result of immoderate reforms, but Saudi Arabia has to introduce reforms gradually in a view to find adequacy between its predominantly

conservative society and modernizing economy. Instability in the Kingdom would send oil prices through the roof, not only because Saudi Arabia has got the largest oil reserves on earth but also because of its role as a residual producer. Today, Saudi Arabia's production reaches more than 9 million bpd. No other country in the Middle East and on earth is capable of such a high production and countering the effects of an oil market disruption. Throughout history, Saudi Arabia has proven itself a reliable residual producer, replacing Iranian oil during the 1979 crisis as well as Kuwaiti and Iraqi oil outputs in the aftermaths of the Iraqi invasion of Kuwait in 1990, and the following US oil embargo on Iraq.

However, a certain number of people from the conservative wing of US politics have put forward the idea of dismembering the Kingdom into several parts, thus gaining a free access to the oilfields, putting the holy sites under an international Islamic authority and abandoning the royal family deep in the heart of its native desert. This hardly-conceivable scenario of a regional reshaping was received with indignation inside the Kingdom, and within the royal family members, some have been appealed to look the other way. But, on both sides, leaders have been caught up with realism and pragmatism. After all, Saudi Arabia would not become hostile to the United States, its only protector. And who could ever replace the House of Saud as the leader of the country holding its name? The United States does not benefit from any sufficient legitimacy to be allowed to lead such a reckless adventure without jeopardizing its homeland security. America could choose to distance itself from the Kingdom, thus putting at risk the royal family, and as a consequence, energy supplies.

Nonetheless, change has appeared to be a necessary endeavor for both nations. Not only, Saudi Arabia was interested in moderating its partnership with the United States, but, in order to overcome the many challenges with which the Kingdom has to deal, it has undertaken a vast venture of modernization and economic diversification. As every nation in the world which has realized the necessity to think on a global fashion, Saudi Arabia has cornered toward more diversified and more eastward ambitions. It is now more interested in fulfilling its own goals rather than pursuing an all-exclusive partnership with the United States. And, growing global energy demands provide Saudi Arabia with opportunities that were not available in the past. But, as long as the Saudi leadership is persuaded that it cannot do without American protection, the Kingdom will remain extremely dependent on the United States. Currently, no other country equals the United States as a military superpower. It is likely to remain so for decades as China, Russia, or even the European Union are yet to be in the military contest with the United States. The US administration is fully aware it cannot do without Saudi Arabia, either. Despite its rhetoric on the necessity to reduce dependency on Middle Eastern oil, the United States, as a top oil consumer on earth, will remain extremely dependent on the largest oilfields in the world. And, they are located in Saudi Arabia. So long as industrialized countries do not move toward renewable energy sources, they will remain extremely dependent on the Persian Gulf oil.

On a strategic level of analysis, Saudi Arabia has become more inclined to oppose the United States when its vision appears to be divergent. Imposing democracy by force has resulted particularly perilous for the United States. Saudi Arabia did oppose the US-designed military

intervention in Iraq for it would result in a regional chaos. Actually, even if the Saudi leadership considered Saddam Hussein a trouble-maker, they could not reasonably appear as backing the US ambition to overthrow a neighboring Arab leader, without running the serious risk of being targeted by Al-Qaeda followers. In any case, Saudi Arabia has always preferred stability and status quo in the Middle East to regime change, probably fearing the day when its proper regime would be forced to change, as well as the spread of instability into the Kingdom. The United States has learnt, through the Iraqi turmoil, that imposing democracy in the Middle East is not an easy task. Today, the Americans seem to share the Kingdom's vision that stability is more important than democracy.

Recently, Saudi Arabia opposed President Bush's vision regarding Iran. Certainly, both Washington and Riyadh are deeply concerned with the Iranian nuclear program. But, what Saudi Arabia fears the most is a new war in the region. When President Bush toured the Middle East in January 2008, he chose the worst moment to talk about a coalition against Iran. Lately, Saudi Arabia and its smaller neighbors have increased diplomatic contacts with the Islamic Republic and tried to maintain neighborly relations. President Mahmoud Ahmadinejad was invited at the GCC summit and the Hajj in December 2007. The invitation to the summit aimed at reassuring GCC members about Iran's nuclear program, but Ahmadinejad reaffirmed his country's determination to pursue uranium enrichment. Gulf countries worry about Iran's rising influence in the Middle East, but still, do not imagine attacking its neighbor across from the Persian Gulf. Firstly, Iran is also a domestic issue for Gulf countries, as they fear an upheaval of their Shiite minorities in the case Iran would be attacked. In this respect, Gulf countries have improved the situation of those traditionally-discriminated minorities in an attempt to deter Iran's influence and preserve civil peace. Secondly, any attacks in the Persian Gulf would have a disastrous effect on oil prices, due to effective shortages and the volatility which characterizes this opaque market. If high oil prices certainly produce benefits to oil-exporting countries, extremely high prices have a negative impact on oil-consuming nations and would strongly affect global economic activities. Furthermore, raising production so rapidly in response to a shortage would irreversibly damage Saudi oil reservoirs. Finally, even if Saudi Arabia and the United States share the same concern about Iran's nuclear program, the former cannot appear as a US ally in any air campaign against Iran's nuclear sites. Simply, America's failing legitimacy in the Middle East puts the Kingdom in an awkward position, domestically and regionally. For they are trapped in Iraq, US forces no longer give the image of a strong military able to protect the Kingdom in the case of a Shiite uprising, let alone going to war against Iran. Also, the very sophisticated Saudi army has never proven to be efficient on its own.

Surely, the United States enjoys a privilege by being such a close friend to Saudi Arabia. Off the record, Saudi Arabia provided US forces with logistical support to overthrow Saddam Hussein in 2003 to a far greater extent than what was publicly acknowledged. The Kingdom is also a top customer to US billion-dollar arms sales. But, the United States must be aware that an increasing number of countries are looking toward the Kingdom for its comparative advantage – oil. In addition, less wealthy Arab and Muslim countries turn to their Persian Gulf fellows to ask for investments, which is amicably agreed by the latter for it is a means to

extend their influence. Saudi Arabia's influence in the Middle East is undeniable. But it has to put up with an increasing number of competitors, first of which Iran. Within the Arabian Peninsula, the Kingdom has long overshadowed the smaller oil-exporting countries, which are steadily gaining a foothold on the regional stage, and America's interest. As for Iran, the two rivals have yearned for being first in the Middle East ranking. Riyadh supports Abu Dhabi in its Abu Musa and Tunb islands dispute with Tehran. Saudi leaders are greatly concerned with the negative impact Iran's growing influence has in the Near-East conflict, in Iraq, and in Lebanese affairs. However, due to President Bush's "hardly-earned" unpopularity and the waiting for a change in the US administration, many Middle East issues are likely to remain pending until the early 2009. Making progress toward peace between Israel and the Palestinians, stabilizing Iraq and Lebanon, and avoiding confrontation with Iran would help reduce the effects of anti-Americanism in the region.

Beyond oil, there are many reasons why the United States and Saudi Arabia should continue to work together. In May 2003, terrorism became a reality for the Kingdom. Even if Saudi Arabia has been slow to recognize how serious the threat is, it has understood that fighting terrorism requires close cooperation with the United States. The two countries now work hand-in-hand to hunt down Al-Qaeda cells. FBI and CIA agents actually collaborate with Saudi authorities in an almost unprecedented way to help modernize Saudi national security operations. In return, the United States needs the Saudis to help reduce terrorists' ability to manipulate Islamic and Arab causes. In this respect, the United States should encourage Saudi Arabia to support moderate and tolerant Islam inside and outside its territory, as the Kingdom is the custodian of Islam's most important holy sites. More than counterterrorism, both countries have a common interest in the stability of the Kingdom on the long run. Economic, social, and political reforms should not be imposed by the United States, but quietly encouraged. Saudi Arabia should move at its own pace. Undoubtedly, the Iraqi quagmire has proven how imposing change can be counterproductive. But a complete absence of US support would worsen the problems. The emphasis should be put on reforming the educational system, which is a long-term investment in modernization, prosperity, and stability. It is also a bridge to a more open dialogue between different cultures and civilizations in a view to reinforce shared values. These new forms of cooperation are obviously in both nations' interests, since their alliance appear to be *inescapable*, if not for the next sixty years, at least for one or two decades.

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