

## Anti-terror reforms

A snapshot of the situation in Saudi Arabia

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The bombings in Riyadh that shook Saudi Arabia in early November are unlikely to be the last such attacks, for extremist Islamist groups which are prepared to perpetrate acts of violence have more supporters in the kingdom than the government has been prepared to admit to itself or to others. Since 11 September 2001, Saudi Arabia has come under closer scrutiny in the international arena. Simultaneously, people within the country have started taking a critical look at the situation there, and it has become clear to the Saudi leadership that structural and policy changes are essential if the kingdom's survival is to be guaranteed. Moreover, the Saudi leadership is aware that its relations with its most important foreign partner, the United States, are precarious. Meanwhile, the pressure for reform, prompted by long-term, structural causes, has been stepped up by substantial geostrategic changes. After years of stagnation, the process of domestic reform, faltering since 1993, has clicked into gear once again. At the same time, the internal balance of power has shifted quite dramatically over the past decade.

Saudi Arabia had been a cornerstone of US policy in the Gulf and in the Middle East since World War Two, and intensive, friendly relations with the USA had become a permanent fixture in Saudi policy. But in the USA at least, since the terror attacks of 9/11, these relations have no longer been regarded as such a 'surefire thing.' Indeed, some advisors to the US Administration have made it clear that far from being a partner, they view Saudi Arabia as a problem, if not even an enemy. Nonetheless, the upshot of the political debate on this topic in the United States for the time being appears to be that America should not give up on Saudi Arabia quite yet, but rather

continue to support the Saudi royal family and back its plans for gradual reform. That, at least, is the unmistakable conclusion to be drawn from the speech on democratisation of the Middle East given by President Bush on 6 November 2003. With reference to Saudi Arabia, Bush pointed out that the Saudi government has embarked on reforms and could demonstrate "true leadership in the region" if it gave "the Saudi people a greater role in their society".

## **Geopolitics and economic importance**

The partly hopeful, partly fearful expectations that Saudi Arabia might be replaced as a partner of the USA by an American-controlled Iraq after the war against Iraq have hardly revealed themselves as justified. And the difficulties facing the US occupiers in Iraq are not the only reason for this: The kingdom remains an important factor in the regional balance of power, even though it has come under mounting pressure to embrace change.

## **Indispensable on the oil market**

The war has in no way diminished the economic importance of Saudi Arabia. Even if Iraq is stabilised swiftly, if its oil industry benefits from massive investment and its oil production is quickly boosted to maximum capacity, the country will not dislodge Saudi Arabia from its dominant position in the industry. This is not just because Saudi Arabia boasts a quarter of the world's oil reserves, compared with Iraq's 10 to 12%, nor does it only have to do with production capacity: Not even the most optimistic estimates make Iraq capable of matching Saudi Arabia's current daily output of 10.5 million barrels a day within the next 10 years. Even more importantly, unlike Saudi Arabia, no other country will be able to afford to leave up to 15% of its production capacity largely untapped, enabling it to appease the market in times of crisis. This was exactly what Saudi Arabia did in 2002 and 2003, during the crisis in Venezuela and throughout the Iraq war: boosting its oil production and thereby keeping prices stable.

By contrast, Iraq's tremendous need for reconstruction and also its debts mean that it will have to make full use of any additional production capacity. Even if its oilfields are built up as quickly as possible, Iraq will be unable to build up any reserve capacities until the next decade that would enable it to take over Saudi Arabia's role on the market. For the same reason, there is no

substance whatsoever behind the speculation that Iraq will leave OPEC and thereby potentially trigger a disastrous price war between the oil-producing countries, provided that it takes autonomous decisions.

## **Loss of sub-regional hegemony**

Saudi Arabia remains a powerful string-puller in the region, not least with respect to the role it is playing in the Arab-Israeli conflict. Not for nothing is the 2002 "Arab Peace Initiative" unveiled at the Arab summit in Beirut and offering Israel the normalisation of relations with the Arab states in return for its withdrawal from the occupied Arab territories, referred to as Abdallah's initiative. Saudi Arabia's Crown Prince launched this initiative and displayed true leadership, being at odds with the majority of Saudi public opinion, which is opposed to the normalisation of relations with Israel. Even critics of the initiative were forced to acknowledge that Saudi Arabia had set the agenda in the Arab world and also gained some points in the international arena.

All the same, over the past decade, and particularly in the wake of the latest developments in the region which culminated in the Iraq war, Saudi Arabia's star has waned in the Gulf region. Correspondingly, the withdrawal of most of the US troops stationed in Saudi Arabia since 1990 constitutes a strategic loss of importance for the country. Perhaps paradoxically, this is true irrespective of the fact that the presence of US troops was unpopular and that the opposition called for their withdrawal. As a result, there were internal political reasons for the Saudi leadership not to oppose the troops' departure. However, by failing to do so it had to stand by and watch as other countries, in particular its small neighbour Qatar, gained in importance as hosts to American military bases and hence earned 'brownie points' as US partners in the region.

Today, unlike in the 1970s, 1980s and 1990s, Saudi Arabia is no longer the single

dominant power on the Arabian peninsula. Whereas the smaller countries in the Gulf Co-operation Council (Kuwait, Bahrain, Qatar, United Arab Emirates, Oman) used to look to Riyadh for any important decisions on foreign or domestic policy, nowadays they look straight to Washington. Since the late 1990s, smaller Gulf countries have taken a number of decisions they, whether out of consideration for Saudi sensitivity or due to Saudi pressure, would not have taken before. These decisions include the ruler of Bahrain declaring himself King – thus elevating himself to the same rank as the Saudi monarch – and having a parliament elected, the Sultan of Oman holding general elections, and finally the Emirate of Dubai creating a ‘free media zone’ with uncensored broadcasting freedom, including for Saudi investors. Consequently, in terms of political development within the region the Saudis can no longer be said to be playing the leading role. On the contrary, the Saudi leadership appears to be closely monitoring the corresponding domestic policy decisions implemented by its neighbours with a view to sounding out its own options for reform.

### **Pressures for structural reform**

At the same time, the new geopolitical situation in the Middle East, and American criticisms of Saudi Arabia’s domestic situation are by no means the only reasons why the country has come under pressure to reform. After all, ultimately both the above-mentioned factors merely underpin long-term structural developments, whereby the politico-economic formula on which the kingdom’s ruling dynasty and a sizeable proportion of the royal family’s legitimacy are based no longer adds up. Since the dawn of the oil age Saudi Arabia has been a massive winner. Indeed, the kingdom’s economy depends almost totally on oil exports. The state or the ruling family controls this income and distributes it. Instead of taxing its citizens, the state subsidises its subjects, thereby ‘buying off’

their claims to political participation.

Demands for such involvement along the lines of “no taxation without representation” are groundless if no taxes are levied.

The aforementioned formula has eroded since the mid-1980s. The number of inhabitants of Saudi Arabia more than doubled between 1980 and 2000, whilst the quantity of available resources did not grow since oil prices stagnated in the long run despite various short-term fluctuations. In a nutshell, the state had less to hand out, whereas the number of those entitled to a hand-out rose. The state was not exactly poor, but was nonetheless forced to embark on the path of structural change. Yet financial policy measures alone, such as cutting back on subsidised public services, did not prove to be enough; instead, a sustained reform of the relationship between the state and the populace would necessitate greater participation by societal forces.

This pressure for structural participation has several dimensions, including greater private sector involvement in business – in other words the mobilisation of private capital and the proportional reduction of the share of the still state-controlled oil sector in the national income. The watchword ‘Saudisation’ entails greater participation by Saudis in the labour market. In principle this also means a higher degree of involvement in business by women, so it is no coincidence that whenever resources are in relatively short supply the sudden observation is made that women account for “half of the population” or that Saudi men wishing to marry are – so we hear – on the lookout for women with jobs. When all is said and done, the issue here is participation by strategic groups – entrepreneurs, intellectuals, the administrative elite – in the political decision-making process. In 1993 a measure of participation has been introduced via the fully appointed Consultative Council (*majlis al-shura*) which has successively been enlarged over three legislative periods.

Owing to a more consensus-based than positive decision-making process, genuine

opposition to change from various interest groups, and a deep-seated, widespread “fear of letting the world in” (Mai Yamani), essential reforms were only introduced slowly or in phases. Naturally, the solidity and seriousness of efforts to implement reforms also depend on the people running the country. Crown Prince Abdallah was quick to recognise that the future of the kingdom hinges on radical reforms. However, he is not the King.

### **The domestic political scene**

An explosive cocktail of domestic policy problems – such as a deficit of legitimacy, insufficient material resources to honour the government’s social contract, and the consequences of a misdirected education policy – is being exacerbated by a conflict of interests between the members of the royal family. Crown Prince Abdallah, who has been deputising for the ailing King Fahd since the mid-1990s, has managed to achieve some resounding successes in the field of regional policy – the country’s relations with Iran in particular, as well as with some of the smaller Gulf states and Yemen have improved quite drastically – and an overhaul of the country’s economic policy was begun in the 1990s. Domestic policy reforms, however, have so far failed to get much further than the drawing board. But one glance at the main domestic policy actors today is enough to show why that could now change.

### **The Al Saud family**

The royal family not only controls the country’s oil revenue. Its sheer size (officially it comprises some 5,000 members), its cohesion and its networks penetrating all segments of Saudi society contribute to making it the single most important group of political actors. As a result, internal family structures and mechanisms impact on the speed with which reforms can be driven forward in the kingdom.

To illustrate some of the problems, let us

consider the four most influential members of the royal family. These four sons of the founder of the kingdom of Saudi Arabia are aged between 70 and 82 and have been in their current positions for between 20 and 40 years. Three of them – King Fahd, Defence Minister Sultan and Interior Minister Nayif – belong to the seven Sudairi brothers, who have a reputation for sticking particularly closely together and also occupy other key posts. Crown Prince Abdallah however, who has been the Commander-in-Chief of the National Guard since the 1960s, cannot bank on the support of influential full brothers. This state of affairs not only poses the threat of stagnation, but also raises other dreaded spectres, such as a series of rapid successions to the throne (since 1953 in Saudi Arabia the throne has passed to a younger brother, not to a son) or the loss of several important ministers within a short space of time. Moreover, opposition to change can be anticipated if individual princes’ spheres of influence are affected.

Nonetheless, since the mid-1990s the balance of power has shifted in favour of Crown Prince Abdallah, who recognised the urgent need for reform many years ago and whose efforts are being supported above all by the sons of King Faisal, who was assassinated in 1975. However, this coalition will only be able to overcome opposition from other princes if it can secure the support of other forces in Saudi society.

### **The ulama**

Major players outside the royal family include primarily the high-ranking *ulama*, or Islamic clerics. Willingly or unwillingly, so far they have supported the regime throughout all grave crises, but on the other hand they are also resisting many reforms and, in so doing, have contributed towards stagnation. At the same time, we have seen how powerless the ulama have been to oppose educational reforms that were solidly backed by the entire royal family. As far back as the 1990s, the govern-

ment started making sporadic attempts to promote pro-integration clerics with a view to binding the followers of the various branches of Islam within the kingdom to the state. Simultaneously an attempt was made to marginalise the supporters of the radical and exclusive Wahhabite doctrine. In this endeavour the Saudi leadership has to proceed both cautiously and warily, not least because the Saudi state has been based on Wahhabi teachings since its inception.

Since 11 September 2001, and especially since the bombing in Riyadh on 12 May 2003, radical scholars of all currents of Islam – even within Saudi Arabia – have been shouldered with much of the blame for pushing young men to extremism and recruiting minors. Certainly, they are paying a price in the fight against terror: Shortly after the Riyadh bombing in May 2003 more than 300 clerics were dismissed, supposedly due to their “lack of qualifications,” and more than 1,000 of their colleagues were induced to follow advanced training courses. Three clerics were even arrested for having been party to a legal opinion that was favourable towards the attackers.

For now, there is no cleric who enjoys such widespread popularity amongst the people that he could challenge the government. At first sight that may seem to be an advantage for the royal family, but it also means that the regime has nobody it can use to justify unpopular government decisions, as the former Grand Mufti Abd al-Aziz Bin Baz, who died in 1999, used to do. In fact, since 1999 there has been no ideological mediator between the princes and Saudi society.

As a group, the ulama do have a few major trump cards. Firstly, it is they who could just tip the scales in deciding about the succession to the throne. Until the mode of succession is changed, the ulama can play off individual princes against each other with a view to imposing their will. Secondly, only the loyal ulama can serve as a counterbalance to the various opposition camps.

### **The Islamist Opposition**

The explicitly Islamist opposition – comprising many ulama – derives its legitimacy from the obvious weaknesses of the regime, from US policy in the region (Israel/Palestine, Afghanistan, Iraq) which is perceived as anti-Arab and anti-Muslim, and from the relations between the Saudi government and the USA. Moreover, it is benefiting from the weakness of the Ministry of the Interior, whose efforts to combat terrorism are rather clumsy (for more details, see Iris Glosemeyer’s *Terroristenjagd in Saudi-Arabien* [Hunting terrorists in Saudi Arabia], SWP-Aktuell 29/03, August 2003). Members of the Islamist opposition have already offered on several occasions, to great effect in the media, to act as go-betweens with the country’s more radical forces. In the eyes of many, this suggested links between the militants and the Islamist opposition and spurred a public discussion about the question whether a dialogue with the militants should be pursued at all. Especially after the bombing of the Muhayya compound in November 2003, the government mobilised all available means against the terrorists: Speeches of highranking members of the royal family, TV talkshows and ulama calling for the peaceful co-operation of Muslims and Non-Muslims aimed at withdrawing public support from the militants.

However, the Islamist opposition serves as a collecting point for all those who are of the opinion that the ulama who support the regime are too uncritical. Consequently, from the regime’s point of view the Islamist opposition both constitutes a threat and serves a useful purpose as it absorbs forces who might otherwise join the militants. In the medium term it could even grow into an entity that fills the gap of an ideological mediator.

Already since the terror attacks in May the government has felt constrained to show it has the militant opposition, which it disowned for years, well under its control. Within the space of six months 600 suspects have been arrested and around 20

have been killed in clashes. Yet there is a substantial risk of these measures back-firing. As the 1975 assassination of King Faisal (who was shot by a nephew whose brother had been killed by the security services years before) clearly showed, revenge is a strong motive in a society characterised by tribal values.

It is the militant opposition maintaining links with international terror networks that is benefiting from an imprudent application of anti-terrorist measures. By embarking on a militant *jihad* these groups or cells are trying to drive the 'infidels' not only out of Saudi Arabia, but off the Arabian peninsula altogether and, in the long term, to expel them from the Islamic world. Exactly who these unbelievers are is something that the self-appointed warriors of *jihad* themselves determine. These jihadists are Islamist forces who understand the concept of *jihad* – which in Islamic theology generally implies efforts made on behalf of the Islamic faith – exclusively in terms of war. This mindset certainly has a firm foothold in Saudi Arabian tradition but should not be misread as "Wahhabism."

By virtue of their ability to operate globally, their adeptness at using modern technology and, above all, the concept they project of the enemy, the jihadists differ considerably from the followers of Wahhabite tradition, who are opposed to modernisation. Wahhabite doctrine was born of an internal Islamic dispute, whereas the ideology of Al-Qaeda came about as a result of a conflict with "the West." When Al-Qaeda and similar groups lose support now, they most of all do so not because of the government's anti-terror measures, but above all because the attack perpetrated on 8 November 2003 primarily hit Muslims in the country that is home to the holy cities of Mecca and Medina during the holy month of Ramadan. Consequently, even in the eyes of many radical Islamists the attacks hit the wrong targets in the wrong place at the wrong time. In addition, the population at large does not approve of the

escalating recruitment of minors. All this leads many Saudis to fear "fitna," civil strife within the Muslim community, which is blamed on the militants.

### **Reforms as a way out of misery?**

A large proportion of the ruling elite only gradually, and under mounting domestic and foreign pressure, came to accept that changes have to be made. What triggered their conversion was not so much the attacks on 11 September and the ensuing American accusations, or even the Iraq conflict, but the events of 12 May 2003, the day on which a series of terrorist attacks shook the capital city, Riyadh. Now, for the first time, even anti-reformists like Interior Minister Prince Na'if bin Abd al-Aziz are being forced to admit that there are Al-Qaeda cells or, couched in more general terms, supporters of an Islamist movement that is prepared to use extreme violence, virtually throughout the kingdom. They had to concede that dismissing these people as a marginal phenomenon in Saudi society was no longer an option. Instead of acting like in the past and dodging a confrontation with jihadists, they are now being forced to tackle them head on, namely by means of police crackdowns as well as by fighting for people's minds.

As a result, since the spring, the kingdom's security forces have been waging an ongoing campaign against the militant, Islamist underground, making arrests and engaging in armed clashes. At the same time, the Ministry of Religion has been clamping down on clerics whose teachings have strayed too close to the ideology of warriors of *jihad* like Osama bin Laden and the Al-Qaeda network. In order to dismantle terrorism's financial resources, measures for control of religious foundations and for registration of financial transactions have been put in place.

At a completely different political level, steps towards politico-institutional reform were announced which ultimately boil down – even if they are only being im-

plemented slowly and encountering opposition – to a reappraisal of the political and social situation within the kingdom. At least, for those reformers backing the Crown Prince it seems clear that civil forces have to be won over to their cause if the radical Islamists are to be held at bay. In this respect, even before the Iraq conflict and the Riyadh bombings Abdallah spoke of the “definitive need” for domestic reforms and the “development of political participation within Arab countries” in a draft resolution for the Arab Summit held in Sharm el-Sheikh in March 2003. For those tending to be sceptical about reform, it may be more significant that merely the announcement of limited municipal elections was positively highlighted in the Middle East speech given by President Bush.

The process of economic reform began as far back as the late 1990s, with measures that can be characterised in terms of providing stimuli for investment, of privatisation (even in the energy sector) and of Saudisation (see above). The hope was that these measures would create jobs in the private sector, since the public sector was – and indeed still is – vastly overstuffed. The implemented measures give greater leeway to reform-minded entrepreneurs, who are in turn making demands on the education system and efficiency of the administration.

So the pressure for reform is not coming exclusively from abroad, or from the USA in particular. Within Saudi Arabia too, the pressure being exerted on the forces opposed to reform is mounting, with Crown Prince Abdallah increasingly bidding for and gaining the support of pro-reformists from all segments of Saudi society who approached influential princes in open letters throughout 2003. In December, a letter signed by 300 Saudi women raised particular attention. Already in mid-2003 the crown prince reacted by calling for a national dialogue and when the newly established Center for National Dialogue held its second forum in late December 2003, nine women were among the 60 intellectuals. The next forum to be held in

spring is to focus on the role of women – a revolutionary step for a society as conservative as the Saudi one.

The recognition in principle of the right to political participation is the cornerstone of the planned reforms designed to channel the dissatisfaction felt among the population. King Fahd’s announcement of extended possibilities for political participation at the opening of a Consultative Council session on 17 May 2003, a mere five days after the first bombing in Riyadh, was followed on 13 October 2003 by an important decision endorsing the principle of political reform. With a view to furthering the development of the political system, in future half of the Regional Councils’ members are to be elected.

Of course, the introduction of a limited local election – the issue of women voting was not addressed – does not exactly constitute a quantum leap forward, but it does signal a clear change of tack and can surely only constitute a step along the way to general elections to the Consultative Council. This ‘proto-parliament’ comprises hardly any representatives of the traditional elites, consisting almost exclusively of members of the so-called ‘middle class’, i.e. members of families in business, doctors, economists, engineers, and an astonishingly high number of sociologists and political scientists. Since the members of the Consultative Council were selected primarily on the basis of their professional expertise, that body could potentially go a fair way towards legitimising the government and contributing towards the long-term stability of the system. Recently, the council was given the right to initiate laws without asking for the permission of the king first, thus enabling the council to speed up the reform process. However, it still suffers from two key weaknesses:

Firstly, the Consultative Council has no say in the national budget, even though corruption within the royal family is one of the main rallying points for the entire opposition. Such accusations can only be combated by ensuring greater transpar-

ency, for instance by transferring the right to adopt the national budget to the Consultative Council. However, for the time being it is difficult to envisage that happening, because in taking that course of action the steadily growing royal family would deprive itself of its own resources. Nonetheless, this option has been discussed more or less openly by members of the Consultative Council for years. Here too it is worth taking a look beyond Saudi Arabia's borders. Compromises like those reached in smaller neighbouring Gulf states could solve the dilemma.

Secondly, the members of the Consultative Council are not regarded by the population at large as 'their' representatives, not even in the regions from which they originate. In the event of an election, the professionals who dominate today's Consultative Council would probably be ousted by Islamic clerics and tribal sheikhs. In a clear attempt to prepare the way for elections in the long term, since November 2003 the meetings of the Council have been broadcast on Saudi television. The intention behind this move was to bring the Council and its members closer to the Saudi general public. And although the Secretary-General of the Consultative Council tried to prevent this measure, fearing that TV coverage might hamper the work done by the Council, here too the pro-reformists have already prevailed.

### **Compelled to co-operate**

Even though the danger of further attacks within the near future remains, it would be going too far to expect the Saudi regime to crumble in their wake. However, the regime's anti-terror measures are only partly to be applauded, firstly because there is a risk that they will aggravate the situation, and secondly because it cannot be assumed that international standards of human rights will be respected. Moreover, progress down the road leading to a rule-of-law state cannot be made in this manner. However, measures like the adoption of an

anti-money-laundering bill and the closer monitoring of charities do merit international recognition.

It is noteworthy that the Saudi authorities, faced for the first time with acute security problems in the sensitive area of domestic policy, are now apparently prepared to engage in serious co-operation with the United States. For instance, co-operation with FBI personnel dispatched by the US Administration to support the anti-terror campaign appears to be going very well. In addition, for the first time ever, the Saudis have consented to take up the offer of American support for the preparation of an educational reform and development of a joint curriculum and teacher training, which is – implicitly at least – an admission that US criticisms of the Saudi education system and its control by religious conservatives was not entirely unjustified.

Evidently, faced with the present situation, the Saudis find themselves having to accept such curtailments of their sovereignty and being visibly dependent on American goodwill, even though the Saudi ruling elite can hardly be jumping for joy. Consequently, in the medium term the Saudi leadership is likely to infuse greater diversification into the kingdom's foreign policy relations, so countries in Europe should ready themselves for the prospect of playing a more prominent role in the political dialogue with Saudi Arabia and in supporting its reforms.

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