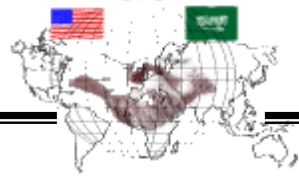


Saudi-American Forum



SAF Item of Interest

February 1, 2004

Ten Reasons for Reforging the US and Saudi Relationship Anthony H. Cordesman

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There has been enough pointless anger and antagonism between the US and Saudi Arabia. There has been enough talk about "Fourth World Wars," "Zionist conspiracies" in the US, and fatal flaws in Western and Arab cultures. It is time for both the US and Saudi Arabia to restructure their relationship in a far more positive way. The events of 9/11 cannot be forgotten, and there is no way to go back to the past. At the same time, there are ten good reasons that should lead the two countries to work together:

1. Both the US and Saudi Arabia now face a common threat from terrorism, both in terms of internal and regional threats. Saudi Arabia may have been slow to recognize how serious this threat is, but since the terrorist attacks in Saudi Arabia in May 2003, it has become clear that it is as real for Saudis as it is for Americans. It is also clear that dealing with terrorism requires close cooperation between the two countries, that Saudi Arabia needs US assistance in modernizing many aspects of its internal security operations, and that the US needs Saudi cooperation in reducing the flow of money to terrorists and their ability to manipulate Islamic causes. Furthermore, it is clear that political, social, and economic forces are at work where this cooperation will have to go on for years - if not decades - after Bin Laden and Al Qaida have ceased to be a threat.

2. The US and the world need Saudi and Gulf oil, and Saudi Arabia and its neighbors need to export it. The US Department of Energy estimates that the global economy requires Gulf oil production capacity to increase from 22.4 million barrels per day (mbd) in 2001 to 24.5 mbd in 2005, 28.7 mbd in 2010, 33.0 mbd in 2015, 38.96 mbd in 2020, and 45.2 mbd in 2025. Saudi production alone must increase from Saudi Arabia, from 10.2 mbd in 2001 to 23.8 mbd in 2025 -an increase of 133 percent. The DOE estimates that Gulf OPEC states exported an average of 16.9 mbd, or 30 percent of a world total of 56.3 mbd in 2002. It projects that Gulf OPEC exports will reach 35.8 mbd by 2025; and then reach 37 percent of the world total of 94.6 mbd.

Approximately 70-80% of Saudi government revenues come from petroleum exports, and they make up some 90-95% of all Saudi exports. These exports require both security and a level of investment that Saudi Arabia and the Gulf states can no longer sustain without massive foreign direct investment

in both Saudi Arabia's petroleum sector and the rest of its economy.

3. The US and Saudi Arabia have a common interest in the long-term internal stability of Saudi Arabia. This, however, requires more than counterterrorism. Saudi Arabia's population explosion is having a major impact on its economy. The US Census Bureau estimates that Saudi Arabia's population has climbed from 6 million in 1970 to 22 million in 2004. Even if birth rates decline significantly in future years, it is expected to rise to 31 million in 2010, 42 million in 2020, and 55 million in 2030. The number of young Saudis between 15 and 24 years of age will nearly double from 3.6 million in 2000 to 6.3 million in 2025. This is in a society where the government estimates that unemployment for native Saudi males is already 12%, and many experts privately estimate that real and disguised unemployment is in excess of 20%.

These demographic pressures are so severe that Saudi Arabia is no longer "oil wealthy" in the sense that its present economy can provide for its people. The doubling of Saudi Arabia's population and worldwide cuts in real oil prices have reduced its per capita earnings from petroleum exports from \$24,000 in 1980 to \$2,300 in 2002. Although Saudi Arabia had high oil earnings in 2003, it has faced nearly two decades of major budget and trade deficits, and its government debt is nearly 100% of its GNP. It no longer can provide social services, modernize and expand its infrastructure, and diversify its economy without major economic reform and foreign investment. Such reform and investment is critical to Saudi internal stability, but it requires US support.

4. This common interest extends to Saudi political reform. Saudi Arabia must also make political reforms, but these must be evolutionary and not revolutionary. The present mix of leaders in the royal family, Saudi technocrats, Saudi businessmen, and Western-educated Saudi intellectuals is probably as progressive an elite as the US can hope for in a country that is deeply conservative and vulnerable to Islamic extremism. US pressure for reform, coupled to the support of Saudi reformers working at a Saudi pace, is far superior, to any regime that could arise in a crisis or on some revolutionary basis.

Neither the US nor Saudi Arabia will benefit if the US does not recognize that Saudi Arabia must often move at its own pace, that quietly encouraging Saudi reformers and reform will generally be far more productive than demands for such change, and that the wrong kind of US pressure can be deeply counterproductive because it arouses Saudi anger over outside pressure from a different culture and allows Saudi conservatives and extremists to charge that reform comes only as a concession to the US and not because of an internal need for change.

5. Cooperation must extend to Saudi social reforms as well. Saudi Arabia has already moved a long way from the social structure it had in the 1950s, but it must make major further social reforms to allow economic growth to take place and maintain its internal security.

Social reform, however, is an even more difficult problem for two such different cultures to deal with, and the US must recognize that Saudi Arabia and many other countries will never evolve social structures that match those of the US. Multiculturalism, tolerance, and human rights do not mean

universal standards in the sense of mirror imaging. The US can, however, assist in such reform by pushing for progress in human rights and educational reform, and finding ways to allow Saudis to study in the US and maintain the flow of US educated Saudis that has been so critical to the Kingdom's past modernization. Influence comes, however, through communication and not antagonism.

6. There is a continuing need for US and Saudi security cooperation. Removing Saddam Hussein has helped reduce the security risks in the Gulf, but it has scarcely eliminated them. Iraq is not going to be stable for years—if not decades—

The US has not left Saudi Arabia in security terms. Saudi Arabia operates more than 750 US main battle tanks, 4,800 other armored vehicles, and some 200 advanced combat aircraft. US training and support is critical to all of Saudi Arabia's military services and its National Guard. Moreover, Saudi Arabia signed some \$7.7 billion worth of new arms agreements with the US between 1995 and 2002, and the Saudi need for US training and technical support will continue for at least another decade. A military relationship now needs to be built around US military assistance to Saudi Arabia, coupled to aid in internal security, and efforts to strengthen cooperation in the South Gulf and GCC.

7. Both nations need to cooperate to counter the forces of Islamic extremism. Saudi Arabia is still the custodian of Islam's two most important holy places. It is still a symbol of Islam, as well as Arab rule, to many people outside as well as inside Saudi Arabia. The idea of Mecca and Medina ever coming under the control of Islamic radicals is truly frightening. At the same time, if Saudi Arabia shifts its Islamic assistance overseas to support moderate and progressive Islam, it can have a major impact outside its territory.

8. Cooperation is needed to develop information campaigns that can build understanding rather than anger and fear. The cycle of US "Saudi bashing" by the Congress and US media, and its mirror image in the form of US bashing by Saudi opinion leaders and media, is largely destructive in character. Constructive criticism is vital to creating mutual understanding on both sides, and to helping Saudi reformers with the kind of outside support they need, but exaggerated reporting and biased conspiracy sources hurt both countries and help extremists like Bin Laden.

9. Cooperation is needed to support the Arab-Israeli peace process. If there is ever to be an Arab-Israeli peace settlement, or if the current Israeli-Palestinian War is to be contained, both the US and Saudi Arabia need to work together as much as possible to push the peace process forward and reduce support for violent extremism on both sides. The US and Saudi Arabia will never share common objectives or perceptions until there is a just, secure, and lasting peace, but it is clear that the present level of Saudi support and cooperation is far better than indifference or hostility, or what would occur if political evolution was replaced with revolution.

10. Both nations need to work together to avoid a "clash of civilizations." The tenth reason goes far beyond the immediate tensions between the US and Saudi Arabia. The success of hate mongering extremists like Bin Laden is ultimately dependent on provoking a conflict between the West and Islam, and

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Dr. Cordesman has also served in numerous overseas posts. He was a member of the U.S. Delegation to NATO and a Director on the NATO International Staff, working on Middle Eastern security issues. He served in Egypt, Iran, Lebanon, Turkey, the UK, and West Germany. He has been an advisor to the Commander-in-Chief of U.S. Forces in Europe, and has traveled extensively in the Gulf and North Africa.

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