



Riyalpolitik

THROUGHOUT THE TUMULTUOUS EIGHT MONTHS OF the “Arab Spring,” Saudi Arabia has been conspicuous by its domestic tranquility and regional assertiveness. Facebook-organized protests attracted more journalists (and security personnel) than demonstrators. The Women2Drive protests focused much attention on the country’s hidebound policies regarding the status of women, particularly in the public sphere, but involved only a few score individuals.

Yet, the Saudi leadership has been deeply shaken by the region wide protests. In response, it has devoted its energies to preventing a spillover of the protests into the kingdom and thus ensuring domestic stability, and bolstering its regional position to counter potentially negative geo-strategic developments.

The secret of Riyadh’s success thus far is, in fact, no secret – oil. Approximately 10 percent of the world’s daily consumption comes from Saudi Arabia (9 million barrels a day), which also holds about 70 percent of the world’s spare production capacity (4 million b/p/d) and 20 percent of the world’s proven reserves. High oil prices during the last decade (currently more than \$100 per barrel) have left the kingdom awash in funds: its central bank is the world’s third largest holder of foreign exchange reserves, over 2,000 billion riyals (some \$550 b. dollars). With low government debt and huge government savings, the Saudis have money to spend, and they are doing so lavishly, at home and abroad.

To be sure, Saudi Arabia suffers from some of the same chronic socioeconomic problems that have fueled the Arab Spring protests elsewhere, along with some uniquely Saudi features: a huge “youth bulge” (60 percent of the country’s nearly 21 million increasingly well-educated nationals are under the age of 30), and high rates of unemployment and underemployment: fully 80 percent of the Saudi labor force is non-national, drawn from the country’s 5.5 million foreign workers, and only 10 percent of all private sector jobs are held by Saudi nationals, who prefer the security and comfort provided by the Saudi welfare state.

But there are limits. For example, affordable housing for the rising Internet savvy generation is high on the list of public concerns. According to the Jeddah-based Capitas Group International, rising land prices are a major obstacle to bringing affordable housing to the market. The cost of a dowry and wedding, according to Ellen Knickmeyer in the US magazine “Foreign Policy,” is \$25,000, far beyond the means of young Saudi males earning \$800 per month selling phone apps in a shopping mall. Official statistics place 13 percent of the population under the poverty line.

Keen to keep a lid on potential discontent, the government announced in March a \$130 billion package of measures to increase salaries and benefits and to stimulate employment and housing construction. The regime’s legitimacy and authority is both religiously and tribally based: consequently, the religious establishment has also been showered with new funds. Saudi analysts warn of coming challenges in the oil and fiscal sectors, but for the next few years, matters are under control. This will make the succession process easier, as the octogenarian leadership pre-

pares to give way to a younger generation of princes who will be required to reform and modernize Saudi institutions in order to maintain social and political stability.

In the meantime, the regime initiated a series of draconian measures against the press, bloggers, and anyone remotely suspected of supporting “terrorism”: Amnesty International stated that they “in effect criminalize legitimate dissent.”

First and foremost among Saudi regional concerns is the looming shadow of Shiite Iran, whose power projection in the Gulf, Iraq and beyond includes a nuclear program that the Saudis fear will decisively alter the regional balance of power. The upheaval in Yemen, its poor, populous and fractured neighbor to the south, poses multiple challenges and requires constant attention, centering on easing out the embattled President Ali Abdallah Salih and preventing al-Qaeda’s entrenchment. The overthrow of Egypt’s Hosni Mubarak, a longtime ally, shook the Saudis deeply, as did the failure of his (and their) strategic patron, the US, to stand four-square behind him.

In response, the Saudis essentially drew the wagons around its fellow monarchies – the five other Gulf Cooperation Council states,

Jordan, to which it has offered \$1 billion in aid and membership in the GCC, and Morocco, a longtime ally of the Saudis, which has also been offered membership. Riyadh also reached out to Egypt’s new rulers, tendering aid proposals of \$4 billion, and helped provide collective Arab legitimacy for NATO’s campaign to unseat Libya’s Gaddafi.

While maintaining fundamental military-strategic ties, the Saudis also put some distance between itself and the US. This was most strongly demonstrated in Bahrain, where it played the sectarian card. At the peak of the democracy protests there in March, Riyadh blatantly ignored US blandishments and dispatched thousands of troops, as part of a GCC contingent, to secure key installations and embolden the monarchy’s crackdown on mostly Shiite dissidents. The Saudi-Bahraini connection is now being cemented in Solomonic fashion, via the marriage of the daughter of King Abdullah to the son of Bahrain’s King Khalid bin Hamid.

Interestingly, but not surprisingly, a series of meetings have been held in recent weeks between Saudi and Iranian diplomats. Presumably they’ve discussed a whole gamut of issues, but no rapprochement can be expected. Staving off a complete US withdrawal from Iraq and preventing it from falling entirely under Iranian domination is a high priority.

Most immediately, all eyes are on Syria: as stability, the Saudis’ first priority, is no longer an option, they are probably recalibrating. The fall of the Syrian Baath regime, Iran’s primary ally in the Arab world, and its replacement by a Sunni-dominated leadership, would be a cause for celebration in Riyadh. ●

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