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SAUDI ARABIA: THE NEXT IRAN?

by

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Any visitor to Saudi Arabia is struck by its almost frantic pace of physical change. Buildings, roads, airports, and factories in the process of construction are on every side. The building crane truly is the Saudi national bird. Anyone who has been involved in economic development efforts elsewhere is likely to be unprepared for the rapidity, the almost breakneck pace, with which change is now proceeding in Saudi Arabia. One is almost driven by the facts before one's eyes to ask whether this kind and speed of change can proceed without major social and political consequences.

Recent events in Iran suggest that forced pace development weakens or destroys traditional values without replacing them with newer, more appropriate values. Is Saudi Arabia destined to have this experience, to follow the Iranian path? One way to approach this question is to look at the principal factors which have led to the present state of affairs in Iran. As is generally the case in complex social phenomena, there are a number of causes for Iran's recent troubles. Of these, however, four have been identified by most observers as major contributors to the disruption.

IRAN: THE SHAH'S PROBLEMS

The first of these was the Shah's attempt to crush religious opposition to his rule. At least since the start of the 16th century, when Shi'ism was formally adopted as the state religion, Iran's secular rulers have been uneasy partners with its Islamic leaders. In contrast to the Sunni sect of Islam, found in Saudi Arabia and most of the rest of the Muslim world, Shi'ism has had a reasonably defined hierarchical structure, permitting its leaders to pose an alternative authority system. Given this fact and the further fact that the bulk of the population are Shias,

Iran's secular leaders have for centuries had to share power with religious leaders.

Convinced that the mosque stood against his modernization efforts, unwilling to share power, and perhaps encouraged by the apparent success of his Turkish neighbor in suppressing the mullahs and overriding their objection to modernization, the Shah progressively squeezed down on the church in matters of land reform, religious endowments, schools, and so forth. For a variety of reasons, including the fact that the mosque provided the one secure rallying point and meeting place for all the forces opposed to his rule, the Shah underestimated the opposition and found himself confronted with a genuine popular revolution under the banners of resurgent Islam.

A second major cause for the Shah's downfall was his increasingly repressive and authoritarian rule. Absolute monarchy may be viable under some conditions, notably in the absence of a politicized and sizeable middle class. Unfortunately for the Shah, the very successes of his economic development efforts helped create the forces which made his authoritarianism no longer tenable. Phrased differently, one observer has said, "What the Shah has done, in effect, has been to encourage enormous economic change and some social change in order to prevent any basic political change." He could not, however, have it both ways. Unwilling to share power, clutching all decisions to himself, the Shah became increasingly isolated and anachronistic. His answer to demands that he share power was repression, which only intensified his problem.

A third major source of Iran's recent troubles has been the combination of inflation and corruption. Both evils were present before 1974, but with the quadrupling of oil prices and the consequent sudden surge of wealth, they made at least a proportional leap in significance. While the middle class and lower sectors of society were seriously disadvantaged by the escalating prices—which were the consequence of the Shah's attempts to accelerate both modernization and militarization—the favored few reaped enormous benefits. Tens, even hundreds, of

millions were siphoned off by those with the right connections. The legitimacy of the regime was further eroded by public perception that the rot started with and spread from the royal family itself.

Fourth, mishandling of the accelerated development schemes, stemming in large part from the attempt to do too much too quickly, resulted in various breakdowns in the system and in increasing frustration and loss of confidence. Expectations were raised, especially among the youth, and old values and ways shaken; but reality refused to conform to hope. There were insufficient jobs and housing, breakdowns in electricity and water supplies, transportation and communication failures, and other such problems, all of which brought into disrepute the very efforts which should have been building and consolidating support for the regime.

SAUDI ARABIA: A DIFFERENT CASE

Turning to the Saudi scene, it is clear that the experience of Iran has been duly noted

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across the Gulf. In talking with Saudis with a variety of backgrounds and interests, one quickly becomes aware of two things in this respect: First, they are conversant with what has been going on in Iran; indeed many of them have followed events there as reported by the world press very closely. Second, they are convinced that the situation in Saudi Arabia is wholly different from that in Iran.

Their analysis begins with the role of religion. They observe that in contrast to Iran there is no conflict between the government and the religious leaders in Saudi Arabia. The kingdom is genuinely an Islamic state; it expressly rejects the separation of church and state. In one sense, indeed, the Koran is the nation's constitution and has been from the beginning. The origins of the Saudi state are traceable to the 1744 alliance between Muhammed Ibn Saud and Muhammed Ibn Abdul-Wahhab, an alliance which combined the military and political talents of the Saudi house with the militant Islamic fundamentalism of the Wahhabis—a combination which, after various setbacks, led ultimately in the mid-1920's to the creation of today's Saudi Arabia. Wahhabi preachers were full partners in establishing the original Saud as the ruler of the Najd—central Arabia—in the 18th century; they were equally important in consolidating Saudi power over the whole peninsula in this century, “teaching them [the tribes] the essence of Islam and encouraging them to engage in agricultural labor.”

The “Ulema”—the “learned” or religious leaders, who continue to be linked closely to the royal house by ties of blood as well as common interest—retain their power in contemporary Saudi Arabia. They form one of two key conservative constituencies which the ruling house must take into account; the other is the group of tribal and Bedouin chiefs who form a kind of state (or provincial) and local government elite.

We ought not to assume that Saudi political leadership is anxious to promote secular Westernization and that only a traditionalist Islamic religious leadership is checking them. To the contrary, the political elite, too, is infused with traditional Islamic

values. Islam is not a cloak worn lightly or on the Sabbath only; rather, it is an approach to life, a whole system of values, as the West's Christianity has long since ceased to be. All sectors of Saudi society insist that modernization need not entail adopting Western values, or, if it does, they prefer to forego it. In this context of puritanism, it is clear the Saudis feel strongly their special role as keepers of Islam's holy cities of Mecca and Medina and as hosts to the 1½ to 2 million pilgrims from around the world who annually visit there for the hajj.

In any case, the Saudi rulers are now hyperconscious of the power of the mosque and are not likely to permit modernization to drift in secular directions. The Third Five-Year Plan, due to start in 1980, is likely to have as its first priority the same goal as the First and Second, namely, to preserve and strengthen its religious and cultural values.

Is there a parallel in Saudi Arabia to the second factor, the authoritarianism and repression, that backfired on the Shah? Authoritarianism is present but muted in the Saudi case by the pluralistic, collegial character of the regime. Not all the 3000-plus royal princes have political roles, but they do introduce a kind of pluralism, for there are a surprising number of them in national and local civil positions and in the armed forces. Through consensual processes within the royal elite, impenetrable to outsiders, the regime has proved both unified and flexible in past crises. It removed one king, Saud bin Abdul Aziz, when he proved ineffective, replacing him with his abler younger brother Faisal. When Faisal was assassinated in 1975, the transition to King Khalid and Crown Prince Fahd occurred promptly and smoothly.

Apart from the succession order of the senior princes or the jousting for position among the multitude of junior princes, the entire royal family has a vital stake in the maintenance of the status quo. Not a falcon falls or economic enterprise rises without the involvement of some members of the royal family. The common interest the royal family

has in the political status quo seems likely to override generational and sibling rivalries for many years, if not decades, to come.

A new middle and professional class is, of course, beginning to take form as modernization proceeds. About 35,000 students are now enrolled in various colleges and universities in Saudi Arabia and another 5000 are studying abroad. By the standards of lesser-developed countries, particularly taking into account the fact that Saudi Arabia's system of higher education is less than 25 years old, this is a remarkable achievement. That large numbers of these young people are studying in math, science, and engineering fields is also noteworthy. They, together with the students of technical and vocational schools and the Saudis who are learning a host of skills through on-the-job training, often with foreign firms, will form a sizeable class by the latter 1980's and 1990's. They will undoubtedly want to open up the political and economic system, at least to the extent that permits their own significant participation. For the next decade, though, the abler members of this emerging class will be co-opted in the higher ranks of the new technocracy, serving and enjoying the fruits of the current system. Given the \$100 million or so which flows into the country from oil sales *each day*, and a population of only 4 million beneficiaries, there are ample economic incentives for all to work within the system.

Before turning from this point of possible seeds of dissent, let us pause for a moment to focus on the immigrant laborers. These *gastarbeiters* probably total close to 2 million, compared with 4 million Saudis—a very large lump in the body politic. Half the number, or close to a million, are Yemenis; the next most important groups are probably Palestinians and Egyptians. All are carefully registered, and new controls ensure that—except for Yemenis and Bahreinis—the firm which imports and hires them must look after them and re-export them in due course. Because life is so tough and good jobs so scarce in the laborers' home countries, the threat of expulsion seems likely to keep political or social turbulence from that quarter under tight control.

The Shah's third problem, inflation twinned with corruption, is a problem in Saudi Arabia, too, but on nothing approaching the scale in Iran. In 1975-76, prices were rising steeply, perhaps 35 or 40 percent per year; this past year, the inflation rate has been more like 12 percent. Since food prices are subsidized and medical care and education are free, the pinch from this amount of inflation seems entirely bearable. The fact that the Saudi Government is prepared to lend any citizen the money for a new house at zero interest rate, with 25-year repayment terms, underscores the point that the booming economy and the special privileges which Saudis enjoy in it will undoubtedly overwhelm the adverse effect of the kinds of inflationary rates which have obtained over the last two years. Corruption, too, does not represent the same kind of weakening of legitimacy and political support in Saudi Arabia as it has in Iran. For one thing, its scale seems to have been diminishing rather than increasing, and for another, there is no disadvantaged middle class to react to it.

The fourth factor in the Iranian debacle, namely, the stresses and dislocations caused by the speed and unevenness of change, is present also in Saudi Arabia but, again, to a much less severe degree. The Saudis have thrown enormous amounts of money at building up the country's infrastructure, defense, and industries, and there are inevitably strains. But they have shown a readiness in the past year or two to slow the pace as problems arise. Moreover, there is little doubt that the Saudis are alert to the dangers of overindulgence; the scale of the Third Plan, which is due to be unveiled in little more than a year, will likely be smaller than was originally anticipated. There have long been strong voices within the Saudi establishment calling for a slowdown in both the rate of oil liftings and of modernization; those voices have undoubtedly been reinforced by events in Iran.

It may be recalled, for instance, that as recently as a year ago, we thought we had Saudi agreement to expand oil capacity from the present 11 or so million barrels per day to 14 or even 16 million barrels per day by the

mid-1980's. There are recent indications that those earlier plans have now been cut back to 12 million barrels per day. In step with this lowering of sights, the Third Plan will probably be less ambitious in its follow-through on petrochemicals and heavy industries than earlier indicated and more modest in its targets across the board.

Even with less haste and waste, Saudi development efforts will of course generate unanticipated social and cultural consequences—irrespective of the best efforts of the country's leaders to foresee and control them. Political change, too, will inevitably flow from the other kinds of changes. Nevertheless, for all the reasons already cited, these developments will not proceed rapidly, nor will they be on a scale which the leadership and the society as a whole will be unable to manage, at least through the 1980's.

In sum, then, Saudi Arabia is highly unlikely to follow the Iranian path.

ELSEWHERE IN THE MIDEAST

One cannot be so sanguine, however, about some of the other Mideastern countries. Egypt, for example, has a host of problems, including Islamic resurgence, unemployment, inflation, a dissatisfied middle class, and political malaise, which make it a candidate for an Iranian-type slide. The violent upheaval in Cairo in January 1977, when President Sadat tried to follow the International Monetary Fund's counsel to decrease food subsidies, showed how thin the veneer of government control is in that society. If the hoped-for peace with Israel is not forthcoming, an expectation which has kept the Egyptian public quiescent in the face of all of its terrible problems, Cairo could explode as the inevitable economic and social problems mount.

In Turkey, also, popular discontent and economic stress combine with Islamic resurgence to provide a volatile situation. More than a thousand Turks have lost their lives in the past year from factional violence, from both the right and the left. Unless its Western allies combine to provide massive

credits to rescue the economy—which is unlikely—and unless Turkey's bickering politicians can close ranks against the extremists, Turkey could be the next ally to plunge into chaos.

In the United Arab Emirates (UAE), the political structure has never been other than shaky. Centrifugal forces could build dramatically and decisively there at an early juncture. The "natives," who are outnumbered about three to one by immigrant laborers of every stripe, have no ideological or political commitment to the jerry-built federation patched together in 1971 as the departing British withdrew their protective mantle. Nascent insurgent elements, who will take heart here as elsewhere from the overturn in Iran, are certain to find opportunities to practice their craft.

Kuwait, too, has the problem of immigrants outnumbering natives, though not quite to the extent the UAE does. The same problems of identity, commitment, legitimacy, and insurgency potential are present, too, but in a less extreme form than in the Emirates.

SAUDI ARABIAN CONCERNS

Perhaps the most immediate Saudi concern is Marxist South Yemen. Soviet and Cuban backing for the South Yemeni regime and its evident designs upon North Yemen and Oman raise the spectre of Communist military intervention directly on the Arabian peninsula for the first time, perhaps akin to what happened in Ethiopia and the Horn. That the current pro-Soviet South Yemeni Chief of State engineered the assassination of North Yemen's President last summer just before he overthrew and executed his own more-moderate predecessor leads many Saudis to view Yemen as the next fire in the area.

The possibilities in Oman, where the Shah recently helped the Sultan suppress the South Yemen-supported Dhofar rebellion, also have the Saudis worried. If the Dhofar problem erupts, a card which the Soviet Union or the radical Arabs could readily play with the

Cubans in the deck, who will play the peacekeeping role which the Iranians played earlier?

To this litany of security worries, in which they see an orchestrating hand from Moscow, the Saudis add their acute distress over the Camp David summit. Moscow's "encirclement of the Middle East" they attribute in part to American indifference or ineptitude. The Camp David "disaster," as they term it, they blame on the United States' eagerness to achieve a partial peace at the expense of their interests and those of the remainder of the Arab World. They believe that, without strong American (and Egyptian) pressure, Israel will not yield on the West Bank, East Jerusalem, and Palestinian rights, and that the United States has abandoned its long-held support on these issues in favor of a separate peace between Egypt and Israel. A separate peace, which is understandably a prime strategic objective of Israel, they view as a disaster for the Arab cause—unless accompanied by significant progress on the other issues. That both Egyptians and Americans took the Saudis for granted on such a central point is a fact which they find especially dismaying.

Adding Camp David to their growing concern that the United States is unprepared to check Soviet expansion in the Middle East, many Saudis are for the first time asking what real value there is in the American connection. Perhaps the unwillingness of the Saudis to continue their maximum oil production effort at January 1979 levels is as much a consequence of the surfacing of this question as it is the result of physical problems, desire for conservation, and a conscious slowing of the pace of development.

It is the combination of threatened political upheavals in the Middle East with general external menaces—i.e., inadequate defense against radical Arab regimes, Soviet encirclement, and American paralysis—which the Saudis perceive to be the challenge, rather than internal instability. Indeed, the pro-Soviet coup in Iraq and the Soviet and Cuban successes in the Horn of Africa have created a sense of insecurity throughout the

Gulf region. That a neutralist or pro-Soviet Iran will somehow further unhinge the situation in their area, all agree.

The options facing Saudi Arabia and the other Gulf states, as they confront these assorted dangers, generally differ as widely as their circumstances. Most of them, particularly Saudi Arabia, Kuwait, and the UAE, will proceed more slowly and cautiously down the modernization path. All will be more attentive to possible insurgent elements. Most will increase their spending for both external and internal defense and will search for external bolstering. Several will undoubtedly attempt to broaden participation in their political processes, especially Kuwait; even Saudi Arabia will likely create wider consultative processes and institutions.

AMERICAN INTERESTS AND AMERICAN ACTIONS

Perhaps as important as any of these steps in the Arabs' eyes is the need for an effective American response to what has been happening in the area. They urgently want a reversal in what they have perceived as American weakness and indecisiveness; in Henry Kissinger's phrase, they want the US to turn around the "geopolitical momentum" which has been moving against it.

In view of the importance of the Gulf to the West in oil, access, and strategic position, we, too, have a stake in reversing the drift of affairs. Strengthening our overall strategic and conventional forces and enhancing the mobility of the latter are essential first steps—for this and a host of other purposes. Buttressing the dollar, getting our energy imports under control, and ensuring coherence in our policies for the region will also help. Most importantly, we must demonstrate that the Middle East is indeed of vital concern to us and that we have a real commitment to its defense. The recent dispatch of a dozen touring, unarmed F15s to the area was hardly the signal needed; most Saudis found the exercise a disconcerting sign that the United States was not taking the region's problems seriously.

Perhaps a continuing substantial American military presence in the area is needed; I, for one, believe so. Certainly, supportive rather than confrontational action is required from the Congress, as well as from the President. As a minimum, while the administration and the Congress engage in an inevitably lengthy and probably painful reassessment of what went wrong in Iran, we

should make plain to Middle Easterners and the Soviet Union alike that our vital interests are engaged in the Gulf region—and that we do not intend to blink.

NOTE

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