The relationship between the United States and Saudi Arabia has come under unprecedented strains in recent years. U.S. President Barack Obama has openly questioned Riyadh’s value as an ally, accusing it of provoking sectarian conflict in the region. According to The Atlantic’s Jeffrey Goldberg, when Malcolm Turnbull, Australia’s prime minister, asked Obama whether he saw the Saudis as friends, the president responded [1], “It’s complicated.” Many Americans continue to believe that the Saudi government was involved in the September 11, 2001, attacks, although the 9/11 Commission found no evidence of institutional or senior-level Saudi support. The Senate has even passed [2] a bill that would allow Americans to sue the Saudi government in U.S. courts for its alleged support of terrorism.

The Saudis have been equally intemperate in their recent comments. The kingdom’s officials have threatened to sell off hundreds of billions of dollars of U.S. assets if Congress passes the bill, even though such a move would hurt Saudi Arabia much more than it would the United States. And they have made little effort to hide their contempt for Obama, whom they see as too willing to jettison old friends in order to cozy up to enemies. Prince Turki al-Faisal—the most outspoken senior member of the ruling family and a former head of Saudi foreign intelligence and former ambassador to the United States—has accused [3] Obama of “throw[ing Saudi Arabia] a curve ball” because he has “pivoted to Iran.” The prince went on to say that the Saudis would “continue to hold the American people as [an] ally”—but implied that they no longer view the American president as one.

Several pillars of the two countries’ relationship, built after World War II, have started to fracture. The Cold War, which once united the unlikely allies against the Soviets, has long since ended. With Saddam Hussein’s downfall in Iraq, the threat of an overt military attack on Saudi Arabia or its smaller Gulf neighbors has faded. And the upsurge in domestic U.S. oil production has revived dreams of American energy independence.

As the foundations of the relationship have weakened, its American critics have grown bolder. They point out that Wahhabism, the ultraconservative form of Islam that Saudi Arabia promotes, directly contradicts American values and that Saudi Arabia stands near the bottom of any world ranking on democracy, religious freedom, human rights, and women’s rights. They argue that the Saudi regime, an absolute monarchy in a democratic age, is so anachronistic that it will not survive much longer. And they emphasize the fact that the Saudis share few priorities with the United States in the Middle East. As Washington is attempting to develop a new relationship with Tehran, the Saudis continue to fear Iranian encirclement; they refuse to concentrate their resources on the fight against the Islamic State (also known as ISIS and al Qaeda and have instead demanded that the United States support their parochial military adventures in Yemen and elsewhere.
To these critics’ dismay, however, both countries continue to work together closely. Obama, for all his public misgivings, went to Riyadh in April to attend the Gulf Cooperation Council summit, where he reiterated his commitment to the security of Saudi Arabia and the other Gulf states. Washington continues to sell vast quantities of arms to Riyadh. The Saudis, for their part, have held their noses and publicly endorsed the Iran nuclear deal. And intelligence sharing continues apace.

While such cooperation may cause critics to gnash their teeth, it serves both countries well. The United States has a crucial interest in maintaining a clear-eyed but close relationship with Saudi Arabia. As political authority collapses throughout the Middle East, Washington needs a good working relationship with one of the few countries that can govern its territory and exert some influence in those areas where real governance no longer exists. Although their strategic visions may diverge, the two countries still share many goals. Both see ISIS and al Qaeda as direct threats. Neither wants Iran to dominate the region. Both want to avoid any disruption to the vast energy supplies that flow through the Persian Gulf. And both would like to see a negotiated solution to the Israeli-Palestinian conflict. More still unites Washington and Riyadh than divides them.

GROWING APART

The United States and Saudi Arabia came together in the aftermath of World War II, the first war in which oil was a strategic commodity. U.S. military planners worried about access to oil in any future conflict. The Saudis had lots of it, and U.S. companies had begun to develop the Saudi oil industry. Access to cheap energy was also essential for U.S. plans to rebuild the destroyed economies of Western Europe and Japan. For their part, the Saudis recognized that British power, which had shaped the post–World War I Middle East, was receding and that they had more in common with Washington than with Moscow in the emerging Cold War. They had already thrown in their lot with U.S. oil companies; joining the U.S. side in the emerging bipolar world made perfect sense, even though the two countries disagreed profoundly on Arab-Israeli issues: the biggest crisis in U.S.-Saudi relations before the 9/11 attacks was the Saudi oil embargo during the 1973 Arab-Israeli war. But common geopolitical and economic interests were enough to sustain the relationship, despite the differences over Israel.

Today, however, the situation has changed. The two countries still share interests, but they have different priorities. And they disagree on how to respond to Iran’s growing power.

The Obama administration’s top priority in the region is rolling back and ultimately destroying Salafi jihadist groups—above all, ISIS and al Qaeda. These groups may not represent an existential threat to the United States, but they do pose an immediate danger to the country and its allies. The Obama administration’s other major goal is to limit Iran’s ability to develop a nuclear weapon, an objective that the recent international agreement has achieved. After the deal, Washington hoped to engage Tehran in regional diplomacy, particularly over Syria, and perhaps even to normalize relations. The administration has not yet realized those hopes, but Obama clearly wants to cooperate with Iran even as he seeks to limit its influence.

Washington cares much less about other regional goals. Ever since the administration’s early efforts to jump-start the Israeli-Palestinian peace process foundered, the U.S. government has moved the issue to the back burner. And in Syria, although the Obama administration has repeatedly said that President Bashar al-Assad must step down as part of a negotiated settlement to the civil war, it has done little to make that happen. The United States has provided scant support to the Syrian opposition, and ever since August 2013, when Obama backed down from the redline he had drawn over the use of chemical weapons, it has stopped threatening to attack Assad directly. ISIS, not the Assad regime, now finds itself in Washington’s cross hairs.

Saudi Arabia’s priorities are almost exactly the opposite. Saudi kings rarely set out their foreign policy priorities in speeches or published national security strategies. But the regime’s actions make clear that its top priority is to roll back Iranian influence across the region. Thus, in Syria, the Saudis
are directing their financial, intelligence, and diplomatic resources not primarily against ISIS but against the Assad regime. And the Saudi air force, which had initially joined the U.S.-led campaign against ISIS in 2014, has turned its attention to Iranian-backed rebels in Yemen.

The Saudis see all regional politics through the lens of Iranian advances and, in their more honest moments, through the lens of their own failure to counter such moves earlier. Even before the Arab Spring, the Saudis were on a losing streak. In Iraq, which had previously helped block Iranian access to the Arab world, Tehran’s influence grew to unprecedented levels after the 2003 U.S.-led invasion. In Lebanon, after Syrian forces withdrew from the country in 2005, the Saudis supported a coalition of political parties known as the March 14 alliance, which competed against Iran’s ally Hezbollah and various pro-Syrian politicians. But even though the March 14 alliance won the 2005 and 2009 parliamentary elections, Hezbollah continued to dominate Lebanese politics, conducting its own foreign policy and defying the government at will. As for the Palestinian territories, after Hamas won the 2006 parliamentary elections there, the Saudis brokered a deal between it and the Palestinian Authority, but the pact soon collapsed, and Hamas moved even closer to Iran.

The Arab Spring only heightened Riyadh’s sense of encirclement. When protesters toppled Egyptian President Hosni Mubarak, the Saudis lost one of their most reliable partners. And they blamed the United States, which they saw as having abandoned a loyal ally. They reacted by shoring up states in their own backyard, sending troops into Bahrain to support the Sunni ruling family against a popular uprising by its Shiite-majority population. Although an independent inquiry sponsored by the Bahraini government found no evidence of direct Iranian involvement in the protests, the Saudis continue to blame Tehran for instigating unrest among Shiites in the Gulf monarchies, including Saudi Arabia itself.

The Saudis see the Syrian uprising against Assad as their best chance to reverse Iran’s geopolitical gains. They are not happy about the prominent role that ISIS and al Qaeda are playing in the civil war, but they argue that the first step in reducing these extremists’ appeal among Sunnis in Syria and elsewhere should be getting rid of Assad. The Saudis also question why the Obama administration has proved so reluctant to support them in this conflict, despite its public position that Assad must go. Many Saudis doubt Obama’s credibility; some even wonder if he has secretly decided to support Shiite Iran over the United States’ traditional Sunni allies.

The Saudis’ fixation on Iran also explains their intervention in Yemen, which they have long seen as within their sphere of influence. After the 2011 Arab Spring uprising there, Saudi Arabia led a diplomatic effort that secured the resignation of President Ali Abdullah Saleh and the formation of a national unity government. Then, in 2014, a rebel militia captured the capital, Sanaa. The Houthis, as the rebel group is known, draw their support from the country’s Shiite north. Yemen’s Shiites belong to the Zaydi sect, which practices a different form of Shiism from the form that Iranians practice; historically, tribalism and regional identity, not sectarianism, have dominated Yemeni politics. Nonetheless, since the Houthis emerged in the first decade of this century, they have adopted the rhetoric of the Iranian Revolution and looked to Tehran for aid. By all accounts, Iran had no role in the movement’s origins, and the Iranians have provided the group with only limited support ever since. Yet the Saudis still see the growth of Houthi power in Yemen as part of an Iranian effort to dominate the Arab world and surround the kingdom. This perception explains why when the Houthis moved to capture the port city of Aden in March 2015, Saudi Arabia responded by launching air strikes and the United Arab Emirates, which also seeks to contain Iran, sent troops to Yemen to check the Houthi advance.

The chaos in Yemen encapsulates the common interests and differing priorities that define the U.S.-Saudi relationship. The Obama administration has focused on fighting al Qaeda and has launched frequent drone strikes against the militants in Yemen. But the Saudi campaign against the Houthis has opened up territory, particularly in Yemen’s south, where ISIS and al Qaeda now operate freely. Even though the United States has no particular quarrel with the Houthis, it has provided logistical
support for the Saudi-led campaign against them. Washington’s desire to mend fences with Riyadh after the Iran nuclear deal, and to sustain a cooperative relationship more generally, has prevailed over its misgivings.

IT'S COMPLICATED

Critics in the U.S. foreign policy establishment point to such strategic contradictions when making the case that the United States should dump Saudi Arabia as an ally. But their strongest argument concerns Saudi support for the fundamentalist Wahhabi, or Salafi, interpretation of Islam. As Chris Murphy, a Democratic senator from Connecticut, argued in a January 2016 speech, “Though ISIS has perverted Islam . . . the seeds of this perversion are rooted in a much more mainstream version of the faith that derives, in substantial part, from the teachings of Wahhabism.” He went on to demand that Washington end its “effective acquiescence to the Saudi export of intolerant Islam.”

Much of Murphy’s case against the kingdom was well founded. Wahhabism is indeed intolerant, puritanical, and xenophobic, and Saudi Arabia has spent billions of dollars promoting it since the oil boom of the 1970s. Furthermore, ISIS and al Qaeda do share many elements of the Wahhabi worldview, especially regarding the role of Islam in public life.

Yet Murphy’s argument missed a critical detail: the fact that Saudi Arabia has not controlled the global Salafi-Wahhabi movement since the 1980s and that since the 1990s that movement has turned its sights on the Saudi regime itself. The Salafism that Saudi Arabia started exporting to the Muslim world in the 1970s was, like the version the Saudis practice at home, politically passive. It enjoined believers to accept their governments as long as they were at least nominally Muslim. During the jihad against the Soviet Union in Afghanistan, however—which both the United States and Saudi Arabia supported—international Salafism morphed into a revolutionary movement. Al Qaeda grew out of that movement, as did ISIS. Yet both groups despise the Saudis, in part because of their ties to the United States and in part because official Saudi clerics regularly condemn the groups for their “deviations” from the true path.

What all of this means is that no amount of U.S. pressure on Saudi Arabia will alter the trajectory of Salafi jihadism, for that ideological movement is now independent of Saudi control. It is true that some young Saudis, schooled in conservative Wahhabism, have gone on to join the terrorist groups. But Saudi Arabia is hardly the main supplier of ISIS recruits today; that dubious distinction goes to Tunisia, the one democratic success to emerge from the Arab Spring and among the most secular of Arab societies. As for the many Westerners who have also joined the group, it is hard to see how Saudi Wahhabism is responsible for their choices.

For all of these reasons, working with the Saudis to fight ISIS, al Qaeda, and similar organizations is more effective than ostracizing the kingdom would be. U.S. intelligence agencies already cooperate with Riyadh extensively, and the results have been impressive. In 2010, a Saudi intelligence tip led to the foiling of a plot to send explosives from Yemen to the United States by courier. Last August, collaboration among the intelligence agencies of Lebanon, Saudi Arabia, and the United States led to the arrest in Beirut of Ahmed al-Mughassil, who is accused of masterminding the 1996 Khobar Towers bombing in Saudi Arabia that killed 19 U.S. airmen. Many other successes have never become public. And although individual Saudis continue to send money to Salafi jihadist organizations, David Cohen, until February 2015 the U.S. undersecretary of the treasury for terrorism and financial intelligence (now deputy director of the CIA), has said that the Saudi government is “deeply committed to ensuring that no money goes to ISIL [as U.S. government officials refer to ISIS], al Qaeda, or the Nusra Front”—the last al Qaeda’s official affiliate in Syria.
On the ideological battlefield, efforts by Saudi clerics to delegitimize Salafi jihadism might seem hypocritical to Westerners, given the benighted views these clerics themselves hold. But attacking the jihadist message from within its own worldview works much better than Western-led propaganda efforts. Washington should do what it can to encourage the development of liberal and tolerant interpretations of Islam. But since it will always be an outsider in these debates, it needs to encourage the insiders—including the Saudis—who are already fighting this battle.

**HERE TO STAY**

Critics also point to the rise in U.S. oil production as evidence that the U.S.-Saudi alliance has outlived its purpose. But the ties between the two countries have never been about American access to Saudi hydrocarbons. In fact, when the relationship began in the early decades of the Cold War, the United States did not import a drop of oil from the Arabian Peninsula. What has always undergirded the relationship is the importance of Saudi (and the rest of the region’s) oil to the global market. The Persian Gulf still produces about 30 percent of the world’s oil, with Saudi Arabia accounting for over a third of that output. Disruptions in the Gulf thus continue to reverberate worldwide.

To see how important a role Saudi policy still plays in the global market, just ask shale oil producers in North Dakota and Texas how the recent collapse in global prices has affected their business. Although that collapse was largely the result of a surge in supply caused by those same drillers, Saudi Arabia’s decision not to cut its production [9] in response to that glut also played a huge role. Put simply, no other country wields more influence in the global oil market—yet another reason why Washington still needs Riyadh.

The last argument frequently made against preserving U.S. ties with the Saudi government has to do with the regime’s supposed fragility [10], which some experts argue makes Riyadh too fragile to serve as a reliable long-term partner. Very few analysts predict that the House of Saud is likely to fall sometime soon. But many point to the myriad problems within the kingdom and ask whether the United States should at least take the prospect of the regime crumbling more seriously. Last October, John Hannah, who was Vice President Dick Cheney’s national security adviser, described [11] how the combination of falling oil prices, tensions in the Saudi ruling family, and regional crises “could eventually coalesce into a perfect storm that significantly increases the risk of instability within the kingdom.”

There is no doubt that Saudi Arabia faces some serious problems. First among them, the country remains utterly dependent on oil at a time when prices have crashed. Yet this argument overlooks Riyadh’s substantial cash reserves, which total more than $550 billion and have helped the government cushion the blow so far. If prices stay low and the kingdom keeps spending money at its current rate, it could run through those reserves in about five years. It does not, however, face an immediate fiscal crisis, and it can easily borrow against its petroleum reserves. When oil prices collapsed in the 1980s, the Saudis sustained budget deficits for more than 20 years by running down their financial reserves and by borrowing domestically and, to a lesser extent, on international markets. By the end of the 1990s, Saudi government debt had risen to over 100 percent of GDP. Today, that number is less than ten percent. The wolf might be in the neighborhood, but it is not yet at the door.

It is also true, as the doomsayers point out, that the monarchy is going through a tumultuous leadership transition [12]. Ever since 1953, the country has been led by sons of the kingdom’s founder, Abd al-Aziz ibn Saud. But the current king, Salman, who is 80 years old, will be the last monarch from that generation. For years, palace watchers have speculated about how leadership would be transferred to the next generation. King Salman has since settled that question, at least for now, by placing enormous power in the hands of his nephew Prince Muhammad bin Nayif and his son Prince Muhammad bin Salman. The former, a veteran Saudi politician in his mid-50s, is a familiar figure; the latter is relatively new to the political scene. Only 30 years old, Muhammad bin
Salman has been put in charge not only of the Defense Ministry but also of economic and oil policy, making him the second most powerful person in the country. And he has not hesitated to use that power. He announced plans to privatize part of Saudi Aramco, the state oil company, has made himself the public face of the kingdom’s controversial campaign in Yemen, and recently unveiled an ambitious plan, “Saudi Vision 2030,” to reduce the country’s dependence on oil. The Saudis have made some preliminary moves to implement the plan—they have reduced subsidies on water and electricity, and in May, Salman replaced the country’s long-serving oil minister and reorganized a number of government departments—but it remains unclear whether they will meet their ambitious targets.

Salman’s decision to concentrate so much authority in the hands of just two family members has caused grumbling among the other powerful royal cousins, many of whom expected to inherit at least some of the influence their fathers wielded in the old, more consensual days. This grumbling has given rise to plenty of rumors—a common feature of court politics—but so far, no signs of a serious feud have materialized. The jousting today is nothing like what occurred in the late 1950s and early 1960s, when King Saud and Crown Prince Faisal openly struggled for power, leading to frequent changes in top officials, long absences from the country by senior princes, the strategic deployment of military units loyal to different princes, and the intervention of the religious establishment into family politics.

Then as now, many Middle East watchers predicted that such conflict would spell the end of the Saudi regime. They also pointed to external forces: first the republican Arab nationalism of Gamal Abdel Nasser and then the Iranian Revolution of 1979. In 2003, Robert Baer, a well-informed former U.S. intelligence official, writing in *The Atlantic*, said [13] that “signs of impending disaster are everywhere” and that “sometime soon, one way or another, the House of Saud is coming down.” In 2011, Karen Elliott House, a respected journalist, warned [14] in *The Wall Street Journal* that the Arab Spring would soon wash over Saudi Arabia as well. Yet the regime has survived, again and again. And it will probably continue to do so for some time.

FRIENDS WITH BENEFITS

Washington’s relationship with Riyadh will never find many enthusiastic defenders in the United States. Saudi Arabia’s human rights abuses, its promotion of religious fundamentalism, its obsession with Iran, and its refusal to focus on fighting U.S. enemies—all raise the question of whether the Saudis are worth the trouble.

They are. Intelligence cooperation against Salafi jihadist groups benefits both the United States and Saudi Arabia, and efforts to reduce the financial resources available to terrorists have proved particularly successful. On energy, sustaining a working relationship will not mean that the Saudis will always do what Washington wants when it comes to adjusting production levels, but it does mean that they will at least listen to U.S. arguments. Then there are the tens of thousands of U.S.-educated Saudis, many of whom are working to bring about gradual reform and want to maintain a strong relationship with the United States. If Washington initiated a public divorce, it would cut this influential community off at the knees.

More important, the United States should not distance itself from one of the few Arab countries still able to govern itself and influence events in the region. Weak and failed states lie at the root of today’s crises in the Middle East. From Libya to Iraq and Syria to Yemen, political vacuums have created civil wars, drawn in regional powers, and provided safe havens for terrorists and extremists.

The Obama administration’s overtures toward Iran make enormous geopolitical sense in this context. Iran governs its territory fairly effectively and wields influence over many of these civil wars. Unlike ISIS and al Qaeda, it also has an address and a phone number. Americans can talk to the Iranians and deal with them using normal diplomatic tools: incentives and deterrents, carrots and sticks—just what led to the nuclear deal.
The same is true of Saudi Arabia. It maintains relative domestic stability in a chaotic region, and it helps shape the political fights that are determining the future of that region. Compared with the Iranian regime, however, Riyadh shares more foreign policy goals with Washington and is far more eager to cooperate.

Washington should thus maintain the relationship for now, while acknowledging its limits. The two countries’ differences in priorities will not disappear anytime soon. The next U.S. president will probably not take stronger action against the Assad regime and will inevitably focus more on ISIS and al Qaeda than on Iran and its allies. But strengthening U.S.-Saudi ties will not require grand gestures. It simply needs better management. Washington should reaffirm the importance of the security relationship, nurture daily cooperation on important issues such as counterterrorism, and encourage some honesty, from both sides, about their different goals, so that neither will surprise the other. The reason the Syrian redline incident alarmed the Saudis so much is because Obama’s decisions caught them completely unawares.

In Yemen, the United States can use its influence over Saudi Arabia to help it find an exit ramp. A Houthi delegation visited Riyadh in April 2016, suggesting that the Saudis aren’t opposed to a political solution to the crisis. Yemen has suffered from instability for years, and no new deal will change that. But an agreement that restored a mutually acceptable government in Sanaa and limited the military reach of the Houthis to their natural base in Yemen’s north would represent an improvement over the current situation. It might also allow a new Yemeni government to concentrate its resources on the ISIS and al Qaeda presence in the country. There are encouraging signs that the Saudis and the Emiratis are now concentrating some of their military efforts in Yemen against al Qaeda.

The Saudis still need U.S. arms and military training. Washington should provide both, but it should do so in a way that nudges the Saudis toward a more accommodating relationship with the Iraqi government. Although the Saudis have finally reestablished their embassy in Baghdad, they have refused to offer tangible political, diplomatic, or financial support to Iraqi Prime Minister Haider al-Abadi, which has weakened his efforts to build an Iraqi government that is less reliant on Iran. Were the Saudis to change course, it could pay long-term dividends, both in the fight against ISIS and in helping reduce the animosity between Sunni Iraqis and the central government. The United States and Saudi Arabia would both benefit, and Iran would lose its exclusive influence in Baghdad.

What Washington should not do, however, is encourage the Saudis to “share” the region with Iran, as Obama has expressed an interest in doing. The Saudis would interpret any U.S. effort to mediate between Riyadh and Tehran, or even any calls for Saudi Arabia to come to terms with Iran, as an effort to consolidate Iranian gains at the expense of the Saudis and their allies. Washington should simply continue its own cautious effort to improve its relations with Tehran. The Saudi leadership is made up of supreme realists—that is how they have stayed in power for so long—and should U.S.-Iranian ties improve, the Saudis will read the tea leaves and adjust to the new reality on their own. Furthermore, the collapse of oil prices might do more to bring Riyadh and Tehran to the table in the next year than anything that Washington could do or say.

Such arguments for sustaining a positive but transactional alliance with Saudi Arabia have little emotional appeal. Relationships based on common interests rather than common values rarely do. But in a Middle East that shows no signs of stabilizing anytime soon, it would be foolish for Washington to ignore how much it benefits from a close relationship with Riyadh.

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