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Abstract:

Saudi Arabia has experienced incredible growth in a few short decades, transforming itself from an impoverished kingdom to an economic and cultural center of the Middle East and the wider Muslim community. This incredible success may not be sustainable given problems stemming from the economy and religious extremism. This has led both progressive liberals and puritanical conservatives to call on the monarchy to reform. One side believes the nation’s problems will be solved through modernizing reforms, while the other believes a more strict religious society is the solution. The King has responded with changes that are more progressive, trying hard to modernize the country without abandoning Islam as the basis of society. The al-Saud family needs to find a way to transfer power to the next generation while simultaneously dealing with the stresses of modernization and persistent religious extremism.
Introduction

The Middle East has been constantly in motion throughout history, continuously reshaped by the diversity of the region, and colonial forces. The past few decades have created even more changes, with the Gulf Wars, the Arab Spring, and global terrorism stretching from the Middle East to the rest of the world. But a constant throughout this time is the economic, political, and cultural powerhouse of Saudi Arabia.

Saudi Arabia is a leading political and economic force in the Arab world, with a hand in the lives of Muslims everywhere through its control of Mecca and Medina, the holiest cities in Islam. The al-Saud monarchy has remained in power since the early 20th century, leading the country from its early tribal origins to the oil-rich nation it is today. Their legitimacy is backed by their partnership with the religious ulema of Wahhabi Islam. This branch of Sunni Islam is the main basis of national identity, and the reason for Saudi Arabia’s infamous reputation as a puritanical society with extreme gender inequality. In contrast with this cultural ideal that has not changed in hundreds of years, the country’s economy and standard of living has modernized rapidly in a few short decades with the flow of oil wealth into the nation.

These opposing forces have created many paradoxes in how society operates, as the country is fueled by a religious ideology that opposes anything that could possibly be viewed as against Islam, while also thriving off Western-style wealth and materialism. The modernization of the country occurred in the blink of an eye, while political and cultural developments that often accompany modernization did not. Despite this huge contrast, Saudi Arabia has operated relatively successfully with this system so far. But the monarchy cannot choose to simply maintain the status quo of the past few decades and ignore the growing divisions in the country, or there will not be guaranteed economic and political stability.
On one side are the forces of a younger, more liberal and educated population that can no longer rely on guaranteed employment in the state-driven rentier economy resulting from the country’s oil boom. The economic future of the country needs the next generation to push the country forward. But they cannot successfully do that without changes in the economy and the education system that trains them for employment. However, if the monarchy continues to reform these parts of the nation, they face an educated, westernized population that may challenge the political and cultural traditions of the country.

On the other side, the monarchy also faces challenges from conservative branches of the religious ulema. These Islamic scholars and their followers believe Saudi Arabia must reject the growing western influences in the country, and revert to an even more puritanical vision of Wahhabi Islam. The very legitimacy of the al-Saud monarchy is under fire, as their rule is based on their partnership with Wahhabi ulema, and the promise they will be the ideal Muslim rulers and protectors of their faith. Some religious ideologues go even farther, turning from wanting puritan Muslim behavior to demanding extremist Islamic reforms with the use of terrorism. These terrorist groups are a danger to everyone, from the monarchy to the regular population living in Saudi Arabia, even stretching to other countries such as the United States, where Saudi conflicts turn into terrorist attacks abroad.

As the world continues to change, and various forces within Saudi Arabia push for their vision of how the country can answer economic and social problems, the monarchy must decide how to proceed with national policy. The basic economic structure of the country may have to adjust or reform to address pressures to continue welfare and employment for the next generation, while also preserving the successful flow of wealth into the country that supports the royal family. But the power of the al-Saud family does not only come from wealth, as they must
maintain their identity as the ideal religious family guarding the holy places of Islam, and leaders of Muslims around the world. Saudi Arabia has moved far from their desert tribal origins, and has been the center of decades of tumultuous events in the Middle East. The tensions in the country will continue as the monarchy tries to balance the internal pressures for change pulling in different directions, and maintain its power on the international stage.

**Early History and Foundations of Saudi Arabia**

Only two centuries ago, the Arabian Peninsula did not appear to be a region that would transform into an international powerhouse. Much of the terrain is an inhospitable desert, and the region’s population was divided into tribes which had very little shared identity, besides Islam, that could provide a basis for a national culture. The areas of the Hijaz, encompassing the West and the holy cities of Mecca and Medina, the Najd in the center, and Hasa in the east, were three very different regions where powerful tribes ruled, unable to expand their power over a greater part of the peninsula. In the 18th century, the region was under control of the Ottoman Empire, which ruled through the Sharif tribe in Hijaz and the Banu Khalid in Hasa. But there was no such direct authority in the central Najd, the homeland of the Al-Saud family that now rules the entire country, and the Wahhabi sect of Islam that the majority of Saudis practice.

The Najd is located far from the coastal areas, and therefore had little contact with the outside world compared to the other regions of the peninsula, whose tribes were never successful in dominating the area and incorporating it into their own territory. This central

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2 Al-Rasheed, Madawi. *A History of Saudi Arabia*. 14
region was not particularly desirable to begin with, as it was a “barren desert” whose population barely survived on their limited agricultural capacity. This harsh environment produced an equally harsh vision of Islam, which grew to encompass the majority of Saudi Arabia, called Wahhabism. Modern Saudis do not call themselves Wahhabis, preferring the term Muwahhidun. But Wahhabi is still the most commonly used term for non-Saudis to describe this sect. This puritan belief is seen as huge contrast to many other sects of Islam, and the other regions of the peninsula would likely have developed a “softer, more tolerant” vision if they remained independent. But the leaders and supporters of Wahhabism were strong, and able to spread their beliefs to the rest of the country.

Muhammad ibn Abd Al-Wahhab, born in 1703 to a tribe in the Najd, founded this sect of Islam in the 18th century. He left his home to study religion in Mecca, Iraq, and elsewhere, before returning home to spread his new interpretation of Islam. He preached absolute tawhid, the belief in the oneness of God. True Muslims must support this total monotheism; practitioners of Sufi traditions were committing shirk, or polytheism, and deserved death. In his times traveling, he came to believe that the Muslims in his time period “had gone grievously astray” by worshipping tombs of holy men, and listening to music or smoking tobacco. He began his quest to make tribes in the Hasa and Najd region accept his message, but most leaders found his interpretation of the Shari’a and his punishments of those who broke his laws too extreme. In 1744, after being expelled from

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3 Lacey, Robert. *Inside the Kingdom: Kings, Clerics, Terrorists, Modernists, and the Struggle for Saudi Arabia*. 9
4 Al-Rasheed, Madawi. *A History of Saudi Arabia*, 15
5 Lacey, Robert. *Inside the Kingdom*, 10
7 Lacey, Robert. *Inside the Kingdom*, 20
8 Ibid. 19
other communities, he made his way to the small oasis where the Al-Saud tribe ruled. The leader, Muhammad ibn Saud, welcomed al-Wahhab to his city of Diriyah, and began a partnership that would change the history of the peninsula. 

Unlike the many who rejected al-Wahhab’s message, Muhammad ibn Saud accepted these new ideological reforms, and the two men established a mutual partnership. The Saudis would support Wahhabi jihad, fighting against those who did not accept Wahhabi doctrine. In return, the al-Saud family would be named the political leader of the Wahhabi community. Al-Wahhab also strongly preached the necessity of the zakat tax, which he said Muslims must pay to the leader of their community. This provided an extra incentive for Muhammad ibn Saud to adopt this ideology and leadership, as his family was not very wealthy. Without this partnership, neither the al-Saud family nor Wahhabi Islam would have been able to grow into a powerful force. The Saudis did not have a strong claim to power without al-Wahhab justifying their legitimacy with religion, and also would not have been able to raise a military force to gain power without their stream of income from additional zakat. Al-Wahhab would never have been more than a solitary preacher without a political leader willing to fight to convert others to this newly developed religious sect.

Alone, neither of these two men would have left a mark on history, but together they created a legacy that would turn into the Kingdom of Saudi Arabia.

The Saudi-Wahhabi partnership began to expand their control, first consolidating their power among the various tribes of the Najd. They spread the dual message of faith in Wahhabi Islam, and loyalty to the House of Saud. Some people accepted their message “out

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9 Al-Rasheed, Madawi. *A History of Saudi Arabia.* 17
10 Ibid. 18
of conviction; others succumbed to it out of fear. If a community resisted the Saudi-Wahhabi force, they were at risk of being raided in the name of jihad. If the community accepted the Saudi-Wahhabi force, they could partake in the growing spoils of the raids. But material motivations were not the only way the Saudis gained power. Many groups in the Najd found that the "simple and austere message of Wahhabism" was an answer to the spiritual and cultural goals local religious scholars, or ulema were already developing. This "peaceful adoption of Wahhabism...provided grassroots support" for continued expansion. Muhammad ibn Saud’s son, Abd al-Aziz, took over after his father’s death, and led the movement to their greatest expansion yet. In 1803 the Najd was fully under Saudi-Wahhabi control, and they were able to use military force to take over Mecca, while also defeating the Banu Khalid who ruled Hasa in the east. The Saudi-Wahhabi partnership moved from the small oasis of their origin, to domination of a great part of the peninsula.

But this victory was short-lived, due to the greater might of the Ottoman Empire. The Saudis, motivated by their successes in the Hijaz, continued their conquest north towards the areas of present-day Iraq and Syria, which was one of the most fertile agricultural regions of the Ottoman Empire. Muhammad Ali was sent to address the Saudi threat in 1811, and his Egyptian military force crushed their movement, even sacking the Saudi home city of Diriyah. The initial claim to power of the Saudi-Wahhabi partnership

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11 Al-Rasheed, Madawi. A History of Saudi Arabia. 19
12 Ibid 20
13 Ibid, 22
14 Ibid, 21
15 Ibid, 22-23
failed, but the family alliance and Wahhabi ideology survived in central Arabia, leaving a lasting cultural impact on the people of the Najd.\textsuperscript{16}

It was not until the 20\textsuperscript{th} century that the Saudi-Wahhabi alliance was successful, under the leadership of Abd al-Aziz ibn Saud, known simply as Ibn Saud. He sparked a revival of the Wahhabi alliance in 1902, after conquering the city of Riyadh, defeating the al-Rasheed family of the Najd, the political rivals of the al-Saud. This was the beginning of a 20-year campaign to take over the peninsula. He began in the Najd, reestablishing tribal loyalty to the House of Saud that the Saudi-Wahhabi founders had accomplished a hundred years earlier.\textsuperscript{17} The loyalty of the tribes was gained through strong partnerships, where Ibn Saud assisted various oasis communities with agricultural tools and weaponry, if they would agree to fight on his side. But the Wahhabi ideology still provided a greater force for unity, as it was a "sense of communal loyalty that was more all-encompassing than the customary tribal alliances."\textsuperscript{18} The Wahhabi call for jihad was the driving force behind Ibn Saud's main military might: the ikhwan. This brotherhood was a "religio-tribal corps that subjugated Arabia for Ibn Saud."\textsuperscript{19} They were willing to engage in extreme violence for the cause, as "their commitment to Ibn Saud's success was...bound to their commitment to the expansion of Wahhabism."\textsuperscript{20}

In 1924, Ibn Saud and his ikhwan forces invaded the Hijaz and took over Mecca and Medina, driving the former ruler Sharif Hussein into exile. Hussein gained the title of King of the Hijaz by assisting the British against the Ottoman Empire, but he was an unpopular

\begin{footnotes}
\footnote{Cleveland, William L. and Martin Bunton. \textit{A History of the Modern Middle East}. 4\textsuperscript{th} ed., 123}
\footnote{Cleveland, William L. and Martin Bunton. \textit{A History of the Modern Middle East}. 4\textsuperscript{th} ed., 231}
\footnote{Ibid. 232}
\footnote{Al-Rasheed, Madawi. \textit{A History of Saudi Arabia}. 59}
\footnote{Cleveland, William L. and Martin Bunton. \textit{A History of the Modern Middle East}. 4\textsuperscript{th} ed., 232}
\end{footnotes}
ruler. The people were angry at his part in giving the British power to establish the mandate system in the Middle East, and then taking the title of caliph after the caliphate was abolished in Turkey. Once Ibn Saud gained power, the British quickly adjusted to the new balance of power in the peninsula. They assisted Hussein in his exile to Europe, and signed the Treaty of Jiddah, which recognized Ibn Saud as the king of the Hijaz, and the sultan of Najd and its dependences, in return for respecting Britain’s relationships and control of certain coastal areas. In 1932, the state was officially named the Kingdom of Saudi Arabia21.

Ibn Saud began the long process of uniting his new country, mostly through force, negotiation, marriage, and the strength of his personality22. But not all were happy with his choices. A group of the *ikhwan*, who were key to his success, were not happy with Ibn Saud’s dealings with the British, and his decision to create a government instead of continuing the fight for *jihad*. They started a rebellion in 1927, but after three years it was crushed23. This is an early example of the risks the Saudis took by striking a deal with Wahhabism, as the goals of the religious Wahhabis could contradict the political goals of the Saudi family. The choice of Ibn Saud to turn his back on the aspects of Wahhabi faith that disagreed with what he wanted, would also be a choice faced by his sons in the present day.

The Kingdom of Saudi Arabia remained impoverished for much of its early years. The main source of government revenue was from the annual pilgrimage to Mecca24. Its

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22 Ibid. 232
23 Al-Rasheed, Madawi. *A History of Saudi Arabia*. 59
fortunes still did not change when the government signed concession agreements with Standard Oil of California (SOCAL) in 1933, eventually to become the Arabian American Oil Company (ARAMCO). Oil was finally discovered in 1938, but due to World War II, the industry did not develop quickly. Revenues continued to fall as the war prevented travellers from completing the pilgrimage to Mecca. After the war, the oil industry was able to take off, supplying the post-war boom in American and Japan\textsuperscript{25}. However, this did not give Saudi Arabia the incredible oil wealth that supports the nation today. It was not until the 1960’s and 1970’s that Saudi Arabia’s fortunes began to change dramatically.

**Development of the Oil Economy**

When Saudi Arabia signed the concessions agreement with ARAMCO, they gave up control of all stages of petroleum production, from the initial exploration and extraction stage, to the final refining, marketing, and pricing. The economic growth in Europe, Japan, and the United States after World War II was dependent on companies such as ARAMCO setting high production levels of oil, and selling it at a very low price. Saudi Arabia, and other large oil producers in the Middle East, were not satisfied with how the West was hugely dependent on their oil, but they were not able to achieve the full possible profits. In order to get more bargaining power over how oil prices were set, the Organization of Petroleum Exporting Countries (OPEC) was founded in 1960. It was originally composed of Saudi Arabia, Iran, Iraq, Kuwait, and Venezuela, later growing to a total of thirteen countries. The Organization of Arab Petroleum Exporting Countries (OAPEC), was founded for similar reasons in 1968, and resembled OPEC except only Arab countries were

\textsuperscript{25} Cleveland, William L. and Martin Bunton. *A History of the Modern Middle East*. 4th ed., 456
members. Neither organization had immediate success in changing the prices set by oil companies, as the huge level of oil production made their demands have less of an impact.

In 1973, Saudi Arabia’s fortunes changed dramatically. At that point in time, Saudi Arabia singlehandedly supplied 13 percent of the world’s supply of crude oil, and 8.1 percent of American oil imports. Prices had increased slightly through the 1960’s, but the world was not ready for the sudden 1973 oil embargo by Saudi Arabia and other Middle East oil producers. They were extremely unhappy with President Nixon’s decision to assist Israel in the October 1973 Arab-Israeli War, and decided to “deploy their oil weapon as an instrument of diplomacy.” Saudi Arabia cut oil production by 10 percent, and instituted a complete ban on shipping oil to the United States.

Saudi Arabia’s actions, combined with similar bans from the other OPEC countries, led to a panic around the world. At the beginning of 1973, world oil prices were $2.74 per barrel. One year later at the beginning of 1974, the price was $11.65 a barrel. Saudi Arabia’s annual oil revenues increased by 330%, from 6.4 billion to 22.7 billion dollars. They also achieved a new power on the international stage. The people of America, Europe, and Japan were now fearful of the power the Saudis held over them due to their oil dependence. The Arab and Muslim countries around the world respected the successful show of defiance against the West, seeing that Saudi Arabia could turn talk about defending the Palestinians into real action.

The biggest change that came from the oil embargo was the transformation of Saudi Arabia into a rentier state. The term “rentier” had fallen out of economic discourse since it

26 Ibid. 456-457
27 Cleveland, William L. and Martin Bunton. A History of the Modern Middle East. 4th ed.,457
28 Ibid. 457
29 Al-Rasheед, Madawi. A History of Saudi Arabia. 138-139
was originally coined in the 18th century, but the transformation of Middle East oil economies revived this economic theory30. The creation of a rentier economy had a dramatic impact on expanding the power of the Saudi state, and decreasing the economic output of Saudi citizens.

The term “rentier” derives from rent, which refers to revenue that is passively “accrued” due to the ownership of a natural resource. This differs greatly from wages, which is revenue that is “earned” through actual labor. Rentiers do not participate in any actions that contribute to the economy, yet thrive on “unearned income” from rent31. For an entire nation to turn into a rentier state, Arab economist Hazem Beblawi developed four characteristics that the country must follow. First, the majority of revenues in the country must come from rent. It is not possible for an entire country to function without some kind of other economic activity, but the majority of income should come from rent. Second, the revenue must be external rent, depending on a foreign source to purchase the natural resource. This is significant, as it means there is no class of people in the country working in a domestic production sector; the entire country can be sustained on foreign funds. Third, only a small population is in control of the generation of the natural resource and the rent that is accrued. The rest of the country passively acknowledges the natural resources of their nation, and waits for the rent to be sent to them. Fourth, it is the government that is the recipient of the external rent. The government controls the resource, receives the rent revenue, and is in charge of distributing it to the rest of the population32. Saudi Arabia fit these qualifications perfectly in the post-embargo oil boom. External oil revenues

30 Beblawi, Hazem. “The Rentier State in the Arab World.” The Arab State. 86
31 Ibid. 86
32 Ibid. 87-88
sustained the population without needing to develop a domestic production economy, and the government took control of oil, revenues, and how the wealth was distributed to the rest of the population.

This economic structure had some benefits, as it gave King Faysal the funds to begin a dramatic modernization of the nation. King Faysal was the second son of Ibn Saud to take the throne, replacing the first son, King Saud, after his terrible performance in leading Saudi international politics and the economy. King Faysal had much greater successes, creating a five-year plan to develop the country. He built infrastructure that was once non-existent in the kingdom, including roads, airports, and communications lines. Social welfare was also dramatically expanded, through building hospitals and schools. Faysal was dedicated to increasing education in the country, subsidizing primary education for both boys and girls. He was also devoted to higher education, building new universities within the kingdom, and sending many young Saudis abroad to study in America. Saudi Arabia was no longer the relatively poor and powerless country it once was. Now with the new rentier state system, it was populated with a highly educated and wealthy population, fully funded by a strong central monarchy.

But there were many pitfalls in the creation of a rentier state, flaws that would slowly lead to problems in the modern day. The biggest problem was the creation of a rentier mentality in the population. Typical economic theories of behavior suggest that people see wealth and income as directly correlated to hard work and risk-taking. But a rentier mentality “embodies a break in the work-reward causation” and wealth is seen as nothing more than a result of the accident of your situation in society. A new kind of

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“rentier ethics” is established, where no kind of entrepreneurial spirit or work ethic is needed for success\textsuperscript{34}. Success came simply from fitting into the bureaucratic “hierarchy of layers of rentiers” that shaped the government\textsuperscript{35}. The new Saudi population may have held a greater number of higher education degrees, but many of the degrees were in fields such as religious studies that gave them few skills to do anything besides become government employees with little responsibilities. These civil servants were unproductive, as they saw “their principal duty as being available in their offices during working hours”\textsuperscript{36}

One of the largest factors that moved the economy forward became foreign companies and foreign labor. Foreign expatriates kept the work-reward mentality, as they were not allowed to benefit from rentier subsidies designed only for Saudi citizens\textsuperscript{37}. The country relied almost completely on foreign labor to fill essential roles in hard labor or blue-collar industries. Most Saudi citizens grew to look down upon such fields, although they were necessary for the country to run\textsuperscript{38}. The rentier state made the Saudi population expect a certain level of wealth and prestige, and a guaranteed comfortable working lifestyle.

The rentier state and new standard of living materialized in an incredibly short time, but a similar modernization of political and social systems did not develop in tandem with the economy. The new oil economy was able to fit into Saudi Arabia’s existing societal

\textsuperscript{34} Beblawi, Hazem. “The Rentier State in the Arab World." \textit{The Arab State}. 86-88
\textsuperscript{35} Ibid. 89
\textsuperscript{36} Ibid, 91
\textsuperscript{37} Ibid, 95
\textsuperscript{38} Lippman, Thomas W. \textit{Saudi Arabia on the Edge: The Uncertain Future of an American Ally}, 106
structure, and “liberated it from necessity to choose between tradition and modernity”\textsuperscript{39}. In neighboring resource-poor Arab countries, such as Egypt and Syria, regular economic pressures of employment and poverty forced the transformation of their economy, political system, and social traditions into the model typically found in Western countries. Saudi Arabia was able to achieve modern standards of wealth while still being ruled by a monarchy, and for the most part maintaining traditional Islamic customs in their dress and lifestyle\textsuperscript{40}. The development of a rentier state actually contributed greatly to halting the possibility of political development. Taxation is the basis for government revenue in most modern countries, but in Saudi Arabia the government had so much oil revenue taxes were not needed. Contrary to the American history of “No Taxation Without Representation”, Saudi Arabia is able to claim “No Representation Without Taxation”. Since the Saudi populace does not contribute to the government through taxes, the monarchy can argue that the citizens have no right to voice their opinion on how the government should operate.\textsuperscript{41} Oil wealth may have been a huge boon for material development of the country, but it promoted stagnation in political and social development.

Initially the positive developments of the new rentier state were the main focus of the Saudi population, as many saw only growing wealth and standards of living. But the underlying consequences of the rentier mentality have created problems in the economy, which are rising to the surface. In most recent decades, changes in the global economy, war, and internal demographics, revealed the unsustainable system Saudi Arabia settled

\textsuperscript{39} Humphreys, R. Stephen. “Islam and Political Values in Saudi Arabia, Egypt and Syria.” \textit{The Middle East Journal}, 33.1 (1979) 15
\textsuperscript{40} ibid
\textsuperscript{41} Beblawi, Hazem. “The Rentier State in the Arab World.” \textit{The Arab State}. 89
into. The circumstances that fueled the rapid economic success no longer exist, and new changes are now necessary for growth to continue.

**Recent Economic Changes, and other Challenges**

The Saudi government no longer has the ability to provide an endless fountain of jobs and welfare for the Saudi population. The original rentier state that guaranteed these services was sustained by greater oil revenues, and served a smaller population. Now, the passive economic dependence on the oil industry is no longer sustainable, and the underdevelopment of the Saudi workforce will have huge consequences for reshaping the economy in the future.

The dependence on oil around the world still brings $1 billion dollars in revenue every day into the kingdom\(^{42}\). But in the long term, the country cannot solely rely on the oil industry to support every Saudi citizen as it has in the past. The first sign of problems were in the declining prices of oil throughout the 1980’s and 1990’s. The price of oil peaked at $41 per barrel in 1982, but slowly began to decline after that. The price was as low at $10 per barrel in 1986, and then continued to be around $20 per barrel in the next 10 years. This huge decrease in revenues, combined with the $55 billion costs of defending Saudi Arabia during the Gulf War, led to the government running deficit budgets in this time period. A generation that expected to gain comfortable social services and employment as

has always been the case in the past, reached adulthood and found that those opportunities were suddenly very limited\textsuperscript{43}.

The common fear in Western countries is the “energy dependence” they have on the Middle East. Countries such as Saudi Arabia, who control so much of world oil supply, also have control over the American people due to their constant need for oil. But the relationship is more complicated, as the Saudis instead see it as “energy interdependence,” because although Western economies cannot function without Saudi oil, neither can the Saudi Arabian economy function without petrodollars from the West. Without the oil revenues, there is no backup plan that can sustain the schools, hospitals, military, and extravagant living of the monarchy\textsuperscript{44}. The rentier state system will fall apart without the rent revenues from oil.

In the next few decades, the oil industry will still thrive in Saudi Arabia, as even in the middle of the 2009 recession the United States imported 8.7 million barrels of oil every day\textsuperscript{45}. But in the future, one key concern for Saudi Arabia is the decline in oil demand. In 2011, the price per barrel of oil rose to $100. While this seems like a boon to the oil revenues of Saudi Arabia, it was actually a sign of negative developments in the oil industry. Inflated, unsustainable prices of oil simply create incentives for the development of alternate technologies\textsuperscript{46}. While Saudi oil companies realize that $4 per gallon at the pump does not reflect the true economic costs of getting oil from the ground to the car, any

\textsuperscript{43} Cleveland, William L. and Martin Bunton. \textit{A History of the Modern Middle East}. 4\textsuperscript{th} ed.,490-492
\textsuperscript{44} Lippman, Thomas W. \textit{Saudi Arabia on the Edge: The Uncertain Future of an American Ally}. 39-40
\textsuperscript{45} Ibid 41
\textsuperscript{46} Ibid 52
higher prices are enough for the American public to look for other options\textsuperscript{47}. This economic incentive, coupled with pressures from climate change concerns, will cause countries like the United States to decrease their demand for oil. While developing countries such as India, China, and Brazil will increase their demand, it is a large shift in the economic partnerships the kingdom has relied on for decades\textsuperscript{48}.

Internal oil consumption will also impact the oil revenues Saudi Arabia is able to generate. The subsidies on domestic oil consumption reduce the price of oil to only 60 cents a gallon for those living in the kingdom. This extremely subsidized price encourages wasteful behavior in everything from driving cars to home electricity use such as air conditioning. The daily demand for oil has risen to 2.8 million barrels today, and is projected only to increase in the future, hitting 6.5 million barrels daily in 2030. That projected number will be greater than the amount that the kingdom exports\textsuperscript{49}. This domestic oil use will also be a large factor in the need to reform how the oil industry operates.

While these concerns in the oil industry grow, so will the Saudi population that relies on it. The population of Saudi Arabia is over 27 million people\textsuperscript{50}, which includes around 8 million foreign workers\textsuperscript{51}. Each of the Saudi citizens expects a comfortable lifestyle, and a government job after they received their government-subsidized education. But the youth population that is growing into that stage of life is expanding dramatically.

The age group of 15-24 makes up 19.3\% of the population, and the age group of 0-14

\textsuperscript{47} Ibid 52 \\
\textsuperscript{48} Ibid 38 \\
\textsuperscript{49} Lippman, Thomas W. \textit{Saudi Arabia on the Edge: The Uncertain Future of an American Ally}. 42-43 \\
\textsuperscript{50} “Saudi Arabia.” \textit{The World Factbook}. Central Intelligence Agency. \\
\textsuperscript{51} Flynn, Patrice. “The Saudi Arabian Labor Force” 575
makes up 27.6\%^{52}. This means that approximately 400,000 Saudis will enter the labor market every year, and continue to grow in the future. They are well educated and qualified for government jobs others their age were given in the past. But with the troubles described in government revenue from oil, combined with the population growth, the government can no longer be the “employer of last resort” for the population\(^{53}\). It is difficult for many to analyze statistics on employment from the Saudi government, but it is estimated there are around 400,000-500,000 unemployed citizens in Saudi Arabia today,\(^{54}\) leading to an incredible 28.3\% unemployment rate in youth aged 15-24\(^{55}\). Although in 2008 Saudi males made up 84\% of the Saudi labor force, the number of women searching for employment is growing. Females were 16\% of the labor force, but faced an unemployment rate of 24.9\% due to many barriers to employment\(^{56}\). There are many people willing and able to work, but the government cannot supply the jobs.

There are possibilities of employment in the private sector, but the rentier mentality has caused a gap between what jobs are available, and what Saudi workers are qualified to do. There is need in technical, hands-on professions, but many Saudis expect to immediately be hired as managers or supervisors without having any work experience. It is difficult to convince people to “move downward on the ladder of professional aspiration”\(^{57}\) when they were trained for higher-ranked positions.

\(^{52}\)“Saudi Arabia.” The World Factbook. Central Intelligence Agency.
\(^{54}\)Lippman, Thomas W. Saudi Arabia on the Edgee, 105
\(^{56}\)Flynn, Patrice. ”The Saudi Arabian Labor Force” 584
\(^{57}\)Lippman, Thomas W. Saudi Arabia on the Edge, 105
Due to this conflict between what employers need and what Saudis are willing to do, private employment opportunities go to foreigners instead. Overall, over half of the labor force in the country is made up of foreign workers\textsuperscript{58}. Looking towards the future, this ratio is unlikely to change, as between the years 2005-2009, “less than 9% of the more than 2.2 million jobs created in the private sector went to Saudis”\textsuperscript{59}. These new jobs developing in the private sector would have been a great opportunity to decrease Saudi unemployment, countering the fewer opportunities found in government. But cheap foreign labor is obviously what has been chosen. This is due not only to the Saudi distaste for lower ranked positions in the private sector, but also due to how easy it is to control foreign workers. If they have any complaints about their employer, it is easy to have foreigners fired and deported\textsuperscript{60}. Despite the cavalier treatment many foreign workers face, they are still the primary driving force behind the domestic Saudi economy, and are able to send $20 billion in remittances to their home countries each year\textsuperscript{61}. This is a huge economic output, which is of course a positive for the workers and their usually impoverished family back home, but it also represents a huge potential for the Saudi economy if Saudis were willing to do some of these jobs themselves.

These various economic pressures have created demands for change among the educated and progressive sectors of the population\textsuperscript{62}. Creating new economic opportunities would require a workforce educated with the standards of the rest of the modern, developed world, and then private sector jobs to employ these workers. Economic

\textsuperscript{58} Flynn, Patrice. ”The Saudi Arabian Labor Force” 584
\textsuperscript{59} Lippman, Thomas W. Saudi Arabia on the Edge,105
\textsuperscript{60} Lippman, Thomas W. Saudi Arabia on the Edge, 119
\textsuperscript{61} Flynn, Patrice. ”The Saudi Arabian Labor Force” 105
\textsuperscript{62} Cleveland, William L. and Martin Bunton. A History of the Modern Middle East. 4th ed.,492
reforms cannot exist in a bubble; such changes often require changes in the political and social sectors of society. For instance, if the unemployed women in society were given the opportunity to work, they could contribute an extraordinary amount to the country’s GDP. Many liberal Saudi men are realizing this, and would support removing employment barriers for women. But changing legal norms to allow women to work will open up many other demands for progressive, modern change in the realm of gender. The economic challenges in society are proving to be a huge push for liberal, modernizing voices to push for change.

**Voices of Religion and Tradition**

While some in the kingdom are calling for modernization to fix economic problems, others consider the threats to the nation’s Wahhabi identity as a larger problem that must be fixed by rejecting modernization and Westernization. Religious conservatism is on the rise, as a reaction to what many view as foreign threats to Saudi faith. But some forces in society are pushing for much more than religious puritanism, reaching into extremism, and using terrorism against fellow Saudis and Muslims to shape society to their ideology.

The increasing anger from religious puritans began dramatic growth in the 1970’s, as the sudden oil wealth changed the country. Oil petrodollars brought modernization and westernization, and conservatives feared that outside influences such as English would take over. A new challenge manifested in society, as Saudis faced the spiritual dilemma of “how to reconcile sudden and immense wealth, as well as rapid economic modernization, with adherence to Islam.” The new modern world seemed empty, replacing their cultural

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64 Al-Rasheed, Madawi. *A History of Saudi Arabia.* 144
traditions and true Muslim behavior with materialism and un-Islamic ways. Conservatives were scared of foreign innovations such as women on television, or the new buildings and infrastructure that created barriers in their community. While some embraced modernization, it created a conservative backlash in others\textsuperscript{65}. Many felt a “sense of loss as the old ways of doing things got swept away. There was this uncomfortable feeling that things were awry”\textsuperscript{66}. This negative consequence of oil wealth made many decide to fill “the emptiness by seeking to become a better Muslim, forsaking the American temptations of alcohol and women...happy not to be doing things in the modern and materialistic Western way”\textsuperscript{67}. Many popular images of the Middle East that developed in the 1970’s consisted of wealthy Arabs spending their new fortune in Europe. What many missed was that “the oil boom had produced a religion boom...the future was being seized by driven pious men”\textsuperscript{68}

The most shocking event that occurred during this early stage of the oil boom was the 1979 terrorist takeover of the Grand Mosque in Mecca by Juhayman al-Otaybi and his followers. Juhayman, meaning “angry face”\textsuperscript{69}, was a descendant of the violent jihadi ikhwan who fought for Ibn Saud in his takeover and creation of Saudi Arabia. And like the ikhwan who rebelled against Ibn Saud’s compliance with the British and abandoning of jihad, Juhayman was enraged at the Saudi monarchy for working with the West, and focusing on money and materialism instead of the true ways of their Wahhabi faith\textsuperscript{70}. If the Saudi monarchy allowed this behavior in the homeland of Islam, their very Wahhabi legitimacy

\textsuperscript{65} Lacey, Robert. Inside the Kingdom 14-15  
\textsuperscript{66} Ibid, 27  
\textsuperscript{67} Ibid, 16  
\textsuperscript{68} Ibid, 16  
\textsuperscript{69} Ibid, 14  
\textsuperscript{70} Ibid, 23-26
should be called into question. There was an emerging “incompatibility between religious
dogma and royal politics” that was apparent to all sectors of Saudi society. His ideology
got to the extreme, opposing pictures on paper money, and as well as passports and
identification cards as they represented loyalty to a human construct instead of God. While
there were *ulema*, or religious scholars, in power in the government who were preaching a
puritan Wahhabi vision, extremists such as Juhayman believed they were not going far
enough, and were buying into the government’s push toward modernity.

Juhayman became so radical that he believed the Mahdi, the Islamic Messiah, was
among his followers and the time of judgment on the corrupt people of the world was
rapidly approaching. On November 20, 1979, the first day of the new Islamic calendar,
Juhayman and his followers took over the Grand Mosque, the destination of the yearly
Islamic pilgrimage. They were heavily armed and firing down from the minarets, buckling
down for judgment day to cleanse the world. This was the largest terrorist attack the
kingdom had faced, and was particularly shocking by the use of violence in a mosque, and
the holiest space in Islam as well. The monarchy was initially paralyzed, as the military
could not use violence in the mosque. The *ulema* in government, the religious scholars,
were shocked at the consequences of their puritan preaching going too far.

For the first 24 hours, the government blocked all media coverage of what was
occurring, in the scramble to figure out how to crush this major Islamist challenge to the

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71 Lacey, Robert. *Inside the Kingdom* 27
72 Al-Rasheed, Madawi. *A History of Saudi Arabia*. 144
73 Lacey, Robert. *Inside the Kingdom* 21-22
74 Ibid, 28-29
75 Ibid, 30-32
76 Ibid, 32-33
monarchy, and Saudi society as a whole. The only way to fight the terrorists would be using force within the mosque, but that required approval from the religious authorities. The authorization was slow in being granted, partially due to the embarrassment of the ulema that their tacit approval of growing extremism had transformed to terrorism right in front of them. But ultimately, they granted permission for the use of force, and the military began a bombardment of the mosque. The siege took a difficult two weeks, as the terrorists refused to surrender, choosing to retreat deeper into catacombs underneath the mosque. The Saudi security forces were successfully able to navigate and fight in the dark catacombs after a special delivery of paralyzing gas canisters from France. These canisters were thrown into the maze of catacombs, helping immobilize the men who were still putting up a fight. The siege ended with Juhayman’s Mahdi and over 100 of the terrorists killed.

This huge representation of Islamist rebellion against the government did not lead to a crackdown on the puritan forces that created the terrorists. Instead, the opposite occurred, as “a traumatized government...yielded to many of their demands...Saudi rulers felt they needed to burnish their religious credentials”79. King Khalid acquiesced to the demands of the ulema, removing the obvious signs of modernization that came with the oil boom of the 1970’s. There were no more pictures of women allowed in newspapers, no more public movie theaters80, and the number of students studying abroad was dramatically reduced81. Young Saudis who already had travel abroad, retuned with new

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77 Lacey, Robert. Inside the Kingdom 32
78 Ibid 33-39
79 Lippman, Thomas W. Saudi Arabia on the Edge 184
80 Lacey, Robert. Inside the Kingdom 51-52
81 Lippman, Thomas W. Saudi Arabia on the Edge 184
ideas to make their country better. But they came back to a country with decreased freedoms and permits required to take any action\textsuperscript{82}.

The largest consequence of reforms was the extreme religious takeover of the Saudi education system. Until this point in time, subjects such as math and science were a standard element of the school curriculum. But now the Ministry of Higher Education, which was fully controlled by the ulema, “Islamized the curriculum” so students learned nothing more than the history of Islam and the al-Saud family. Immediate reforms occurred by ripping out pages of textbooks that were considered offensive\textsuperscript{83}. Students who went to the reformed Saudi universities were forced to “imbibe the canon of received knowledge without questions, not to learn how to think”\textsuperscript{84}. The religious messages became more extreme by influences from abroad, such as members of Egypt’s Muslim Brotherhood who were seeking refuge in Saudi Arabia to escape the secular nationalism that was taking hold in other Arab countries of the time. Exiled members of the Muslim Brotherhood became teachers in Saudi Arabia, welcomed by the religious scholars who wanted “pious reinforcement” for Saudi students to learn the evils of secularism the Brotherhood left behind in Egypt. But the Brotherhood also brought messages of past experiences using terrorist tactics, “exposing young Saudi hearts and minds to...hands-on radical Islam”\textsuperscript{85}.

The young Saudi men growing up under this ideology were able to actively fight for Islam during the Soviet invasion of Afghanistan. The Saudi monarchy was happy to support the Afghani Muslim mujahedeen, and encourage the Saudi youth to do the same. The authorities realized that the jihadi spirit that created Juhayman and his followers was still

\textsuperscript{82} Lacey, Robert. \textit{Inside the Kingdom} 51
\textsuperscript{83} Lacey, Robert. \textit{Inside the Kingdom} 52
\textsuperscript{84} Ibid, 56
\textsuperscript{85} Ibid, 56-58
possibly a risk against the monarchy, and it would better if this Islamist energy was directed to fighting an infidel enemy abroad. Officially, the Saudi government raised $22.1 million to help Afghani refugees fleeing the conflict. But unofficially, they government sent weapons and money, and turned a blind eye to young Saudi men going to the front lines of the conflict to fight\textsuperscript{86}. These young men, including the man who would become most infamous for the terrorist attacks of 9/11, Osama Bin Laden, learned to use weapons and partake in a real-life violent jihad against opponents of Islam\textsuperscript{87}. They became more fundamentalist, and contrary to the hopes of the Saudi monarchy that their extreme Islamist fight would be turned outward, the new Saudi jihadis brought their ideologies and skills back to the kingdom in a renewed criticism of the monarchy. In the West, the Soviet defeat was seen as a triumph for capitalism and democracy over communism; in Saudi Arabia it was seen as a triumph of Islam over infidels\textsuperscript{88}

When Saddam Hussein invaded Kuwait in August 1990, the monarchy’s choices in their attempts to defend the country gave the religious extremists in the kingdom more fodder to criticize the ruling establishment. After Saddam led his Iraqi forces in a successful occupation of Kuwait, it was evident the kingdom’s military was far from what was needed to defend the country if Saddam was to push his military further across the border. The monarchy turned to the United States for help, and soon 500,000 American troops were on Saudi soil to help defend the country\textsuperscript{89}. In the past during the initial oil boom of the 1970’s, foreigners were justified as a “necessary evil” to help explore for oil and develop the country. But now, no such justification could appease the population.

\textsuperscript{86} Lacey, Robert. \textit{Inside the Kingdom} 64  
\textsuperscript{87} Lippman, Thomas W. \textit{Saudi Arabia on the Edge} 185  
\textsuperscript{88} Lacey, Robert. \textit{Inside the Kingdom} 111  
\textsuperscript{89} Al-Rasheed, Madawi. \textit{A History of Saudi Arabia}. 163-164
Government ulema tried to argue for the religious legitimacy of American assistance in defending the nation, but they were just brushed off as government employees doing what the monarchy wanted from them. The American forces brought women and Jews in the country to kill other Muslims, and there was nothing else the Saudi population needed to hear.\textsuperscript{90} The choice of American troops especially angered Osama bin Laden, who had just started al-Qaeda in Afghanistan. He originally wanted to establish an Arab-Afghan alliance against the Iraq invasion, and offered his organization to the monarchy to fight. But he was rejected in favor of the American military, giving him more reason to criticize the monarchy.\textsuperscript{91}

The Gulf War gave the religion puritans and extremists more confidence and justification to seek change in society. A year after the war, major ulema petitioned the king to intensify the religious nature of all aspects of society, from the government administration, to the education system, to the military.\textsuperscript{92} While the monarchy tried to hush these voices, the fundamentalists would not be quieted, as all around them they saw signs of continuing moral decay in the kingdom. The most prominent was the protest against the ban on women drivers in November 1990. A convoy of cars being driven by women made its way around a shopping center of Riyadh, shocking the religious police and society.\textsuperscript{93} These activists for liberal reform made a dramatic statement for their cause, but their actions also fueled the cause for the opposition. After what seemed like decades of Western challenges to the Wahhabi puritan identity, the voices of religion and tradition

\textsuperscript{90} 185-186
\textsuperscript{91} Lacey, Robert. \textit{Inside the Kingdom} 130
\textsuperscript{92} Nevo, Joseph. “Religion and national identity in Saudi Arabia.” \textit{Middle Eastern Studies}, 34.3 (1998): 43
\textsuperscript{93} Cleveland, William L. and Martin Bunton. \textit{A History of the Modern Middle East}. 4\textsuperscript{th} ed., 493
were able to grow more extreme in their criticism of Saudi society. The shock of Juhayman’s terrorism seemed to be a distant memory, as many of the Saudi population were not expecting radical jihadi Islamism stemming from Saudi Arabia to turn into terrorism once again in the 21st century.

**Terrorism and Religious Strife**

The growth of Al-Qaeda and its message of extreme jihad against the Westernized Saudi monarchy, and the West itself, came to a violent and tragic climax on September 11, 2001. This terrible terrorist attack on the United States was organized by Osama Bin Laden, and carried out by nineteen hijackers. Fifteen of these men were Saudis.94 The military partnership between the United States and Saudi Arabia had fueled this attack on the “far enemy” of American to create problems for the “near enemy” of the Saudi monarchy. There were many factors in the terrorist attack, but part of it was contributing to a larger domestic battle between Saudi extreme Islamists and the Saudi regime95. Wealthy Saudis who were dedicated to this ideological battle contributed by funding al-Qaeda operations, or joined the organization to die as martyrs for this cause96.

After the attack, the majority of the Saudi population was in denial about their nation’s role in the formation of terrorists97. Conspiracy theories were popular, and conservative preachers were initially open about celebrating this “victory” against the American enemy98. The problem of Islamic terrorism was not going to affect the Saudi nation at home. But on May 12, 2003, Saudis could no longer ignore the forces of violent

94 Ibid. 584  
96 Lacey, Robert. *Inside the Kingdom* 178  
97 Ibid 194  
jihad in their country. Terrorists attacked a Western residential compound in Riyadh, driving explosive trucks into the structure and killing over 30 people. This attack had the same effect on the Saudi collective consciousness as 9/11 had on the United States. The safety of the average citizen was in danger from the attacks of Islamist terrorists.

Terrorist attacks continued to occur on Saudi soil, such as another car bomb attack on a security forces building in Riyadh on April 12, 2004, and an attack on the American consulate in Jeddah in 2005. Between these major attacks, there were also regular shootouts between jihadi forces and government security forces. Although the United States had withdrawn almost all of its military troops from Saudi Arabia by this time, the terrorism continued. This further shows that while America was, and still is, a huge enemy of Al-Qaeda and Islamist terrorists, changing the domestic polices of leaders who are failing to be true Muslims is still one of the highest priorities. It was easy to recruit new Saudi youth, as they were “denied a symbol for defiance. Their local media is saturated with old preachers calling for total obedience to the ruler...discouraging individual opinion, initiative...and follow a single interpretation and worldview.” They were able to go on the Internet to find an outlet for expression, and became trapped in the world of extremism.

Terrorism is also not the only force of religion that is threatening the country. Puritan ulema and religious authorities continue to take action that furthers an extremist vision of the country. The most infamous event was in March 2002, when a fire broke out at

99 Lippman, Thomas W. *Saudi Arabia on the Edge* 186
102 Al-Rasheed, Madawi. “Rituals of Life and Death” 80
a girl’s school, and the students attempted to flee the building without proper conservative Islamic dress. The religious police would not let them leave, beating them back into the building to protect public decency. The cost of this public decency was the lives of 15 girls, and 50 others injured in the chaos. The religious clerics were still in charge of girl’s education, and the horrible consequences of their conservative regulation were even covered in the Saudi press that usually would censor problems in the kingdom\(^{103}^{104}\). The religious forces in the country, ranging from puritan religious scholars, to extremist violent terrorists, were becoming a threat to the safety of the Saudi people, and the image of the kingdom on the international stage. The monarchy felt threatened by these forces in the past, and gave into demands for even more conservative religious reform. But the current monarchy is taking a new approach, embracing both the Muslim character of the nation, but also introducing a host of other reforms that affect all aspects of life in the kingdom.

**Progressives and Plans for Reform**

King Abdullah took the throne in 2005 after the death of his half-brother King Fahd. King Fahd suffered from the effects of a stroke for the last decade of his rule, and the lack of solid leadership led to infighting among the brothers and stagnant policy decisions\(^{105}\). Since Abdullah was given power, he has been trying to take the country in a new direction, enacting reforms to address the economy and extremism, the main issues that have been troubling the kingdom.

\(^{103}\) Lacey, Robert. *Inside the Kingdom* 204-205
\(^{104}\) Doran, Michael Scott. “The Saudi Paradox.” 37
\(^{105}\) Lacey, Robert. *Inside the Kingdom* 222
In a nation that takes decades to inch forward slightly, “rolling back 30 to 35 years of renterism is not a process that can be accomplished easily or hastily”\textsuperscript{106}. But Abdullah has been taking steps to slowly move the economy to a privatized, industrial, and business-friendly place. These three conditions are a sharp contract to the state-run economy that has been almost devoid of entrepreneurship for decades. However, there have been many successes, such as Saudi Arabia’s acceptance into the World Trade Organization in 2005. After twelve years of negotiation, the enactment of 42 new trades laws, nine regulatory bodies, 38 bilateral trade agreements, and reductions in tariffs, the kingdom was finally accepted into this body governing international trade\textsuperscript{107}. The nation has also accomplished other signals of economic progress, such as its spot on the World Bank list of Top Global Reformers in 2008 for the number of economic reforms that have been enacted. Saudi Arabia was also ranked on the World Bank’s Doing Business Index, which ranks countries on criteria of how easy it is to open, operate, and close a business. In 2010 Saudi Arabia was on this list, and ranked as one of the 25 most business-friendly countries in the world\textsuperscript{108}. The rank was at number 13, which fell just short of King Abdullah’s “10-by-10” initiative to have Saudi Arabia ranked as one of the top 10 countries in Doing Business in 2010\textsuperscript{109}.

The specific reforms enacted are generally in the fields of starting a new business, registering property, and international trade. There was a dramatic decrease in the number of days it takes to start a new business, dropping from 39 days to 15 days\textsuperscript{110}. But there are still underlying problems with the reforms enacted, as the areas of reform typically occur in

\begin{itemize}
  \item[Hvidt, Martin.] “Economic and Institutional Reforms in the Arab Gulf Countries.” \textit{Middle East Journal}, 65.1 (2011): 102
  \item[Lippman, Thomas W.] \textit{Saudi Arabia on the Edge} 101
  \item[Hvidt, Martin.] “Economic and Institutional Reforms in the Arab Gulf Countries.” 93
  \item[Ibid. 94]
  \item[Ibid, 94]
\end{itemize}
areas that require little political tradeoffs. The economic officials focus on what has the greatest weight to international rankings and what would please the King. Areas such as enforcing contracts are still incredibly underdeveloped, as it requires an estimated 635 days to finish legal proceedings of a contract violation, and proceedings often costs 27.5% of the amount debated in the contract itself. Saudi Arabia also has the problem of “mock compliance” as true behavior in the kingdom may differ from what is advertised abroad. When reforms are listed on paper, organizations like Doing Business also assume the laws are implemented immediately and efficiently. But there is a large amount of misinformation from government officials, and the reforms may have been “fragmented and only superficially implemented”111. These problems may account for the kingdom’s Doing Business rank dropping to number 26 in 2013112. These reforms have had some successes, but a completely transparent and business-friendly Saudi Arabia will require many other reforms.

The changes in the business environment are also coupled with a progressive desire to see a completely reformed, diversified economy, with a huge production-oriented industrial center supporting the kingdom, instead of the current passive, rent-oriented oil economy. The Ministry of Economy and Planning has a vision of entirely restructuring the economy by 2025, and shrinking oil as a percentage of exports from the current 71.7% to 17.9%. Instead of focusing on exporting oil, the country’s exports would be replaced by goods from the new industrialized production economy. The government has taken steps in this direction, through privatizing state owned companies such as communications, water, and the current phases of privatization for the airline business. King Abdullah also

111 Ibid. 94-95
112 “Economy rankings” Doing Business. The World Bank
has plans for the construction of new “economic cities” around the country, where the major activities of the new economy will take place, and drive the economy of the kingdom further into the future. This plan is incredibly ambitious, in a somewhat contradictory strategy of government planning and control as the driver of private industry. The 2008 recession also had an unfortunate role in halting the development of these plans\textsuperscript{113}.

Similarly to the reforms in operating a business, it is sometimes difficult to know when the rest of the country will be able to take advantage of these overarching plans created by government officials. But Abdullah’s openness in trying to develop the country, however successful it may be, is a large step by Saudi standards to move from decades of rentierism. But a new economy would require new workers with the skills to function in the new, privatized workplace. Creating these workers requires even more reforms in the sectors of education and social spheres.

In 2009, government officials announced that Saudi Arabia would become a “knowledge-based society”\textsuperscript{114}. After a generation went through an education system of “irrelevant curriculum outdated teaching methods, hateful rhetoric, poorly trained teachers”\textsuperscript{115} there are few that have the skills to operate in an industrialized society that requires education and critical thinking. While the kingdom had made progress in the “basic requirements” of business, there needed to be reforms in “efficiency enhancers” like higher education for the economy and society to continue to improve\textsuperscript{116}. King Abdullah has therefore made education another focus of reform, including building more universities.

\textsuperscript{113} Lippman, Thomas W. *Saudi Arabia on the Edge* 87-96
\textsuperscript{114} Lacey, Robert. *Inside the Kingdom* 204
\textsuperscript{115} Lippman, Thomas W. *Saudi Arabia on the Edge* 125
\textsuperscript{116} Hvidt, Martin. “Economic and Institutional Reforms in the Arab Gulf Countries.” 98
and schools, enrolling more students in these schools, and changing their curriculum so it is relevant to the employment opportunities they will have in the future\textsuperscript{117}.

The largest education project is the development of the King Abdullah University of Science and Technology, or KAUST. This university is a graduate student institution that focuses solely on science and technology. It aspires to the level of science universities such as the Massachusetts Institute of Technology (MIT) in the United States, wanting to be a center of knowledge in the Arab world similar to the ancient Bayt al-Hikma (House of Wisdom) in Baghdad during the Golden Age of Islamic knowledge under the Abbasids\textsuperscript{118}.

The focus on science and technology is very important for the kingdom, as for every 1000 students who graduate from a public university in the nation, only nine of those graduates are engineers\textsuperscript{119}. It is obviously important to have a larger number of workers educated in math and science if the kingdom can truly become a “knowledge-based” society in the future. The university initially angered those in the religious establishment, as they were angry with classes conducted in English, and more relaxed standards of dress for women while they were on the campus compound. But King Abdullah crushed any criticism, as this was his personal project that he realized was necessary for the kingdom, regardless of what the ulema demanded\textsuperscript{120}.

The King has also continued to oppose traditional religious influences on other sectors of education. After the tragedy of the fire at the girls’ school, Abdullah took girls’ education away from direct control of the religious authorities, and placed it under the normal Ministry of Education regulation. He also made a bold statement on girls’ education.

\textsuperscript{117} Lippman, Thomas W. \textit{Saudi Arabia on the Edge} 125
\textsuperscript{118} Lacey, Robert. \textit{Inside the Kingdom} 276
\textsuperscript{119} Lippman, Thomas W. \textit{Saudi Arabia on the Edge} 128
\textsuperscript{120} Lippman, Thomas W. \textit{Saudi Arabia on the Edge} 144
in 2009 by appointing a woman to the position of Deputy Minister of Education in the department of girls’ education. Overall in all sectors of education, the curriculum has slowly reformed to incorporate more technology, and more time for science and math, at the expense of the extra religious classes that had filled classroom time in the past\textsuperscript{121}. The textbooks that were used to teach children have also been closely examined, after coming under fire in the past for being filled with propaganda for Islam and the al-Saud family, and hatred for other faiths and Western nations. But even with immediate changes in the textbooks, it will still take longer to change the methods of teaching and learning, after years of expecting rote memorization of religious material\textsuperscript{122}. One very helpful plan to counter the years of indoctrination into the negative ideologies that filled the textbooks is the introduction of the King Abdullah Scholarship Program, which focuses on sending students abroad to study, in particular to learn about other cultures and how to work with them\textsuperscript{123}. Program such as this will go far in trying to amend anti-Western hatred that has spread through the kingdom, while also preparing young Saudis for their future workforce.

The largest plan to reform the minds of young Saudis involves combating Islamic terrorism. The terrorist attacks that swept the country in the years after 9/11 angered Abdullah, and he “went for the terrorists with ruthless efficiency”\textsuperscript{124}. Within 18 months of the first bombing on Saudi territory, 20 of the 26 most wanted terrorists were killed or captured by security forces. A media campaign was simultaneously launched to prevent the Saudi population from siding with al-Qaeda’s beliefs. They country was made to realize that the terrorists were contributing more to Muslim deaths than foreign ones, and

\textsuperscript{121} Lacey, Robert. \textit{Inside the Kingdom} 203
\textsuperscript{122} Lippman, Thomas W. \textit{Saudi Arabia on the Edge} 133-137
\textsuperscript{123} Lippman, Thomas W. \textit{Saudi Arabia on the Edge} 141
\textsuperscript{124} Lacey, Robert. \textit{Inside the Kingdom} 201
terrorist propaganda did not find a foothold in a large majority of the country. This contributed largely to the ability of security forces to successfully engage with terrorists, as the majority of normal Saudi citizens were not interested in aiding or hiding those involved with al-Qaeda or terrorism\textsuperscript{125}.

In order to address the young men who were already brainwashed by al-Qaeda, the government has launched an extensive reeducation program to reform convinced extremists, and return them to society. This program primarily focuses on “the teachings of Islam and the pressures of family disapproval-two of the most powerful forces in Saudi society” to convince potential terrorists that violence is not the solution to their grievances with society\textsuperscript{126}. These young men who enter the program have served time in prison for their crimes, some even in Guantanamo, and are then given a variety of education and counseling experiences to try and change their mindset, often centered on the peaceful teachings of Islam they may have forgotten. As they progress through this program, they are given regular employment in society, and the government will even pay dowries for men to settle down and get married\textsuperscript{127,128}.

Fighting terrorism also requires addressing the extremist Islamist identity that forms the core of groups such as al-Qaeda. King Abdullah has tried to expand the definition of what it means to be a Saudi citizen, looking to other non-religious customs that could unite the country. The borders of the nation has include many different tribal and cultural areas throughout its history, and the question of completely unifying the nation with themes other than Islam has been an unsolved question since Ibn Saud established the

\textsuperscript{125} Lippman, Thomas W. \textit{Saudi Arabia on the Edge} 187-188
\textsuperscript{126} Ibid 201
\textsuperscript{127} Lippman, Thomas W. \textit{Saudi Arabia on the Edge} 201-203
\textsuperscript{128} Lacey, Robert. \textit{Inside the Kingdom} 217-218
King Abdullah has taken his steps to finding a solution, such as declaring September 23rd of every year Saudi National Day. It was a large fight against the religious establishment to officially recognize a non-religious holiday, but Abdullah successfully found a path to celebrate other aspects of Saudi culture, such as folklore, crafts, food, and dance\textsuperscript{129}. All of the reforms and plans enacted in the last decade by King Abdullah do not signal an instant change to Saudi culture or economy. But they are a step in the direction of positive reforms for future generations.

**Looking Towards the Future**

The path Saudi Arabia will take in the next fifty years will depend greatly upon which princes from the al-Saud family will take the throne. Since King Ibn Saud died in 1953, the line of succession has passed brother to brother between his sons, a large difference from the father to son succession that is common in other monarchies around the world. Ibn Saud was the father to an astonishing thirty-six sons and twenty-one daughters\textsuperscript{130}, leaving a large generation to rule the country until the present day. But as these sons age and the numbers from their generation decline, the question of how power will be passed on to the grandsons of Ibn Saud becomes a looming problem that will have to be addressed.

King Abdullah has temporarily put off this challenge by appointing two of the final remaining sons of Ibn Saud as his successors. The King has already outlived two of his appointed successors, Crown Prince Sultan who died in 2011, and Crown Prince Nayef who died in 2012. Currently, the second in line to the throne is crown prince Salman, who is

\textsuperscript{129} Ibid 224-225
\textsuperscript{130} Kechichian, Joseph A. *Succession in Saudi Arabia*, 175
already 78 years old, and is rumored to have health problems such as Alzheimer’s. Due to the possibility that the King, who is already at least 89 years old, and the Crown Prince may both pass away in the near future, Abdullah appointed another son of Ibn Saud to be third in line to the throne. This man is Crown Prince Murqin bin Abdul Aziz, and he is the youngest surviving son of Ibn Saud. Initially this decision gives the impression that throne will finally pass to Ibn Saud’s grandsons in the near future, as the line of Ibn Saud’s sons is coming to an end. But Murqin is a relatively young 69 years old, and if he gets the throne and lives as long as King Abdullah, Murqin will still be ruling in 2034\textsuperscript{131}.

It will not be until after King Abdullah dies that the generation of grandsons will even be appointed as possible successors to the throne. It will no longer be the king who has direct control of appointing the successor. King Abdullah has implemented a small political reform with the creation of the Allegiance Council. The organization consists of a representative from each family branch of Ibn Saud, either his son or a male heir of that line. In all future decisions on the successor to the throne, after King Abdullah, the king will bring his choices to the Allegiance Council to vote on. The Allegiance Council can choose to accept his one of his choices, or suggest an entirely different candidate from the male line of Ibn Saud\textsuperscript{132133}. They technically have hundreds of men that are eligible to fill position, as there are hundreds of princes in the generation of the grandsons of Ibn Saud, and an estimated 8,000 young princes in the subsequent generations\textsuperscript{134}. However, the Basic Law of Government enacted in 1992 under King Fahd says only “the most upright among them

\textsuperscript{131} Next after next...” The Economist. 3 April 2014.
\textsuperscript{132} Lippman, Thomas. “Prince Muqrin and the Question of Saudi Succession” Al Monitor. 3 February 2013
\textsuperscript{133} Simon, Henderson. “Who Will Be the Next King of Saudi Arabia?” The Washington Institute. 12 February 2013
\textsuperscript{134} “Next after next...” The Economist. 3 April 2014.
shall receive allegiance”\(^\text{135}\). While seniority among the seemingly endless family tree of Ibn Saud plays a large factor in their pick for the succession, the al-Saud family will also chose the candidate with the most leadership ability, for the sake of a successful country, and more importantly so the al-Saud family does not find itself embarrassed and losing authority due to an incompetent leader. But this decision will likely not occur for another 20 years. When it is finally time to make this decision, the family factions and strife may be revealed to the public, as the first voice for the next generation will set a precedent for how that generation leads in the future.

With the wave of revolutions of the Arab Spring, many wondered whether the monarchy would also go the way of Mubarak in Egypt, or Ben Ali in Tunisia. Some predicted that the liberal unrest among the unemployed Saudi youth would lead to a revolution just as powerful as the other nations that led the Arab Spring\(^\text{136}\). But after the most dramatic wave of revolutions passed by, Saudi Arabia remained untouched by mass movements that could have removed the al-Saud family from power. The wealth of the monarchy still “gives regimes quite a few carrots and sticks to deal with restive populations”\(^\text{137}\). This power, in conjunction with Abdullah’s reforms, worked to quell a possible revolution. This will likely be the pattern for the next few decades, as the wealth of the monarchy and the intense desire of the House of Saud to stay in power will create successful strategies for preventing such extreme unrest as found in Egypt and Tunisia.

Although the internal political balance may stay the same, Saudi Arabia’s international political partnerships will continue to change dramatically. For decades, the

\(^{135}\) Kechichian, Joseph A. *Succession in Saudi Arabia*, 72

\(^{136}\) Al-Rasheed, Madawi. “Yes, It Could Happen Here.” *Foreign Policy*

\(^{137}\) “Saudi Arabia in the new Middle East.” *Council on Foreign Relations*. 26 January 201
United States has been the kingdom’s most powerful and consistent ally, as the main consumer of Saudi oil and provider of military assistance. But the dynamic will change in the future, as Saudi Arabia looks to expand partnerships with other countries, such as China or Brazil, whose economies are developing at a rapid rate. The future of oil consumption is with these nations rising on the world stage, not countries like America who are making a conscious effort to reduce oil consumption\textsuperscript{138}.

The partnerships with surrounding Muslim countries will grow more complex, as the Arab Spring revolutions have created a new balance of Sunni and Shi’a powers. The concerns over Shi’a forces growing in the Middle East greatly troubles Saudi Arabia, particularly after seeing the shocking decisions of the United States to negotiate with its formerly unforgivable enemy, Iran, over their nuclear weapons, and then not using military force to push the Assad regime out of Syria. In protest of these actions, which Saudi Arabia views as Western compliance with the Shi’a enemy, the kingdom was even willing to reject a seat on the United Nations Security Council in protest\textsuperscript{139}. Syria is a large area for concern, as sectarian fighting has led to Saudi Arabia funding Sunni militants, and young Saudis even traveling to Syria to fight. This situation is very reminiscent of what occurred in Afghanistan, and Saudi Arabia will have to combat the risk of extremism that can once again develop in the young Saudis fighting abroad for jihad\textsuperscript{140}. The government has tried to address these issues at the source, by officially prohibiting Saudi citizens from traveling abroad to fight in Syria. But in rare cases, those passionate about fighting a Syrian jihad

\textsuperscript{138} Lacey, Robert. *Inside the Kingdom* 246-247
\textsuperscript{140} Erlich, Reese. “With Official Wink and Nod, Young Saudis Join Syria’s Rebels.” *NPR*
have found ways to bypass this decree and make their way abroad\textsuperscript{141}. While the government has worked hard to crush terrorist threats within their country, extensions of al-Qaeda are still at risk of developing elsewhere and returning to cause chaos in the kingdom. Around the rest of the world, Saudi funding of Wahhabi religious schools, or schools with an even darker extremist ideologies, has reached 85 to 90 billion dollars over the last 30 years\textsuperscript{142}. This has had a lasting effect on young Muslims in other countries, and no program for reeducation will reach the potential terrorists that may have been created abroad.

Despite the many problems that have emerged from the reliance on religion for legitimacy, the Wahhabi nature of the monarchy and the people will not change in the future. The House of Saud can more easily maintain a monarchy in the name of preserving an Islamic government. It is a way to check the demands for democracy, claiming that elections in that manner are not compatible with Islam\textsuperscript{143}. Because Islam has become ingrained in the fabric of the government by employing ulema as government officials, “Wahhabism has been moderated and tempered...by its own authorized representatives”\textsuperscript{144}. The kingdom has grown more comfortable in using religion when it is necessary to fuel the policies that are needed to rule the nation. In the past this led to extremists calling out the hypocrisy of the monarchy, but as the refined government interpretation of Wahhabism turns from harsh extremism to something more compatible

\begin{itemize}
  \item Worth, Robert F. “Saudis Back Syrian Rebels Despite Risks.” \textit{The New York Times.}
  \item The Global Spread of Wahhabi Islam: How Great a Threat? \textit{Pew Research Center: Religion and Public Life Project}
  \item Nevo, Joseph. “Religion and national identity in Saudi Arabia.” 45
  \item Ibid. 43
\end{itemize}
with the modern world, hopefully the mindset of the Saudi population will evolve the same way.

The Arabian Peninsula has changed drastically since the first meeting of Muhammed Ibn Saud and Muhammad ibn Abd Al-Wahhab in the small oasis in the middle of the Najd. With the discovery of oil, the nation suddenly moved into the modern world, with many of the population unsure how to deal with the sudden progress. But Saudi Arabia will continue to evolve in the future, as the al-Saud family must balance the demands for extreme progressive, liberal reform, with the demands for extreme conservative, puritan policies.
Works Cited


