

MEMORANDUM

TO: President Obama
FROM: Bruce Riedel
DATE: January 17, 2013
BLACK SWAN: Revolution in Riyadh



Saudi Arabia is the world's last absolute monarchy. Like Louis XIV, King Abdallah has complete authority. A revolution in Saudi Arabia remains unlikely but, for the first time, due to the Arab Awakenings, it has become possible. The Saudi royal family has unique strengths and legitimacy; the Kingdom was founded in the 18th century as an alliance between the royal family and an austere Islamic preacher whose followers still partner with the House of Saud to govern the state. Almost alone in the Islamic world it was never conquered by European imperialism. The King is the Custodian of Islam's two holiest cities. And it has the world's largest oil company and the world's largest oil reserves. This combination of religious piety and vast revenues has so far been sufficient to stave off the kind of unrest that has shaken much of the Arab world in recent years.

Nevertheless, revolutionary change in the Kingdom would be a disaster for American interests across the board. As the world's swing oil producer, prolonged instability in Saudi Arabia would cause havoc in global oil markets, setting back economic recovery in the West and disrupting economic growth in the East. Saudi Arabia is also America's oldest ally in the Middle East, a partnership that dates back to 1945; the overthrow of the monarchy would represent a severe setback to America's position in the region and provide a dramatic strategic windfall for Iran. The small oil-rich monarchies of the Gulf would be endangered, as would the Hashemite Kingdom of Jordan.

Recommendation:

Unfortunately, notwithstanding the stakes, the United States has no serious option for heading off a revolution in the Kingdom if it is coming. Since American interests are so intimately tied to the House of Saud, the U.S. does not have the choice of distancing the United States from it in an effort to get on the right side of history. Nevertheless, you should try to reestablish trust with the King and urge him to move more rapidly on his political reform agenda, while recognizing that this effort is likely to

have limited results. In the meantime, you should ensure the best possible intelligence is available to see a crisis coming, put in place measures to limit the impact on the global economy of any disruption in oil supply, be ready to shore up the neighboring kingdoms and sheikhdoms, and then try to ride out the storm.

Background:

The Kingdom of Saudi Arabia is a proven survivor. Two earlier Saudi kingdoms were defeated by the Ottoman Empire and eradicated. But the House of Saud came back. They survived a wave of revolutions against Arab monarchies in the 1950s and 1960s. A jihadist coup attempt in 1979 seized the Grand Mosque in Mecca but was crushed. Osama bin Laden and al Qaeda staged a four-year-long insurrection to topple the royal family and failed less than a decade ago. Nevertheless, al Qaeda cadres remain in the Kingdom and next door in Yemen.

Today, the Arab Awakenings pose the most severe test for the Kingdom since its creation. The same demographic challenges that prompted revolution in Egypt and Yemen apply in Saudi Arabia: a very young population and very high underemployment. Extreme gender discrimination, highly restricted freedom of expression, longstanding regional rivalry with revolutionary Iran across the Gulf, and a restive Shia minority add to the explosive potential. In recognition of their vulnerability the Saudi royals have spent over \$130 billion since the Arab Awakenings began to try to buy off dissenters at home. Abroad they have sent troops across the King Fahd Causeway to stifle revolution in Bahrain, brokered a political deal in Yemen replacing Ali Abdallah Salih with his deputy, and sought closer unity among the six Gulf Cooperation Council sheikhdoms. They have also invited Jordan and Morocco to join the "kings club." But they are also pragmatists and have backed revolutions in Libya and Syria that undermine longstanding enemies of the Kingdom, especially Iran.

So far, they have helped ensure that revolution has not unseated any Arab monarch. However, Bahrain and Jordan have become the weakest links in the royal chain. The King of Bahrain is failing to suppress a prolonged rebellion against his rule; the King of Jordan could be next. Unrest in Jordan would threaten the peace with Israel. But the United States – and Israel – can cope with instability in both small states. Not so in Saudi Arabia.

If an Awakening takes place in Saudi Arabia it will probably look a lot like the revolutions in the other Arab states. Already demonstrations,

peaceful and violent, have wracked the oil-rich Eastern Province for over a year. These are Shia protests and thus atypical of the rest of the Kingdom because Shias represent only 10 percent of the population. Shia dissidents in ARAMCO, the Saudi oil company, have also used cyber warfare to attack its computer systems, crashing over 30,000 work-stations this past August. They probably received Iranian help.

Much more disturbing to the royals would be protests in Sunni parts of the Kingdom. These might start in the so-called Koran belt north of the capital where dissent is endemic or in the neglected Asir province on the Yemeni border. Once they start they could snowball and reach the major cities of the Hejaz, including Jidda, Mecca, Taif, and Medina. The Saudi opposition is well-armed with mobile phone technology, which could ensure rapid communication of dissent within the Kingdom and to the outside world.

The critical defender of the regime would be the National Guard. King Abdallah has spent his life building this Praetorian elite force. The United States has trained and equipped it with tens of billions of dollars' worth of helicopters and armored vehicles. But the key unknown is whether the Guard will shoot on its brothers and sisters in the street. It may fragment or it may simply refuse to suppress dissent if it is largely peaceful, especially at the start.

The succession issue adds another layer of complication. Every succession in the Kingdom since its founder Abdel Aziz bin Saud died in 1953 has been among his brothers. King Abdallah and Crown Prince Salman are, literally, the end of that breed and both are in frail health; after them there are only two remaining half brothers that might suit and then there is no clear line of succession in the next generation. If Abdallah and/or Salman die as unrest unfolds, and a succession crisis ensues, then the Kingdom could be even more vulnerable to revolution.

Like in other Arab revolutions, the opposition revolutionaries will not be united on anything except ousting the monarchy. There will be secular democrats but also al Qaeda and Wahhabi elements in the opposition. Trying to pick and choose will be very difficult. The unity of the kingdom could collapse as the Hejaz separates from the rest, the east falls to Iran-backed Shia and the center becomes a jihadist stronghold.

For the United States, revolution in Saudi Arabia would be a game-changer. While the United States can live without Saudi oil, China, India, Japan and Europe cannot. Any disruption in Saudi oil exports either due to unrest, cyber attacks or a new regime's decision to reduce exports substantially

will have major impacts on the global economy. The CIA war against al Qaeda is heavily dependent on the Kingdom; Saudi intelligence operations foiled the last two al Qaeda in the Arabian Peninsula attacks on the American homeland. The U.S. military training mission in the Kingdom, founded in 1953, is the largest such mission in the world. The Saudis have also been a key player in containing Iran for decades. King Abdallah was the author of the Arab peace plan that bears his name.

The other monarchs of Arabia would inevitably be in jeopardy if revolution comes to Saudi Arabia. The Sunni minority in Bahrain could not last without Saudi money and tanks. Qatar, Kuwait and the United Arab Emirates are city-states that would be unable to defend themselves against a Saudi revolutionary regime, despite all their money. The Hashemite dynasty would be at risk as well without Saudi and Gulf money and oil. Only the Sultan of Oman is probably isolated and strong enough to endure. Despite the stakes, the options are as unappealing as those President Carter faced in dealing with the end of the Pahlavi monarchy in Iran. And unlike the Shah who tried half-hearted reforms, the Saudi royal family has shown no interest in sharing power or in an elected legislature.

The United States has no serious options for effecting gradual reform in the Kingdom. The King fears, probably rightly, that power sharing is impossible in an absolutist state. In Bahrain, the Saudis showed clearly their view that opening the door to political pluralism will doom a monarchy. And the King will be distrustful of your counsel on this matter because of the stance that you took against his friend and fellow authoritarian, Hosni Mubarak.

Nevertheless, it is important to try to reestablish trust with the King, who continues to need the United States to counter the external threat he perceives from Iran, and to encourage him quietly to accelerate reforms that he has already indicated a willingness to undertake. But, at the same time, you should plan for the worst. The intelligence community should be directed to make internal developments, not just counter-terrorism, its top priority in the Kingdom now. The U.S. cannot afford a surprise like 1978 and you need to know the players in the opposition, especially the Wahhabi clerics, in depth. You should also take steps to help shore up Saudi Arabia's smaller neighbors who are staunch allies of the United States and to limit the impact of a disruption of Saudi oil supplies. This will be a formidable challenge but it is essential to preparing for what could be a very black swan.