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## Has Saudi Arabia Been a Positive Influence in the Middle East?

By Dr. John Duke Anthony

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***Viewpoint: Yes. Saudi Arabia has been successful in building up its infrastructure amid relative political stability and it has been a moderating influence in the region.***

Saudi Arabia is a one-of-a-kind country. Alone among the world's 212 countries, the kingdom is the only one to have entered the international comity of nations in the twentieth century not out from under Western imperial rule. For the past seventy years it is unrivaled in being the United States' longest-standing Arab ally.

State revenues from the Saudi's prodigious supplies of oil began in the late 1930s. However, these revenues were not large until following the oil embargo of 1973–1974, begun in conjunction with the October 1973 Arab-Israeli War. The Kingdom then entered an era of modernization and development unmatched by any other developing nation and, indeed, by few among the older, industrialized societies in any region.

Beginning in the late 1960s, and against persistent advice from international consultants, Saudi leaders began adding a technologically advanced industrial base to its energy sector. The purpose was to diversify the economy with a view to adding value in a domain of enterprise where no other Arab, and few Islamic, nations had succeeded before. Starting from a base of zero petrochemical exports as recently as the early 1980s, the Kingdom had by 2003 managed to corner a growing percentage of the international market for petrochemicals. In so doing, it became an even more formidable player than it already was in the councils of world energy, petrochemical, and industrial markets the world over.

In addition, Saudi manufacturing expanded exponentially at the same time. Starting from a narrow manufacturing base of only a few hundred factories in the early 1970s, none of which were more than medium-sized establishments producing goods for what was then an exceptionally small domestic market, the rate and nature of growth in this area has been equally phenomenal. Indeed, at the onset of the twenty-first century, Saudi Arabia boasted nearly three thousand factories of which a majority produced goods for export.

In addition to proving wrong virtually the entire international community of industrial consultants, Saudi Arabia has also experienced success in the field of agriculture. It has been able to demonstrate that those who counseled it not to consider becoming an exporter of agricultural goods, let alone seek to bring into being an agribusiness

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industry and an agrarian middle class where neither existed before, were also in error. As early as the mid 1980s the Kingdom had emerged from next to zero among the international producers of agricultural commodities to become the sixth largest exporter of wheat, an annual source of flowers for the Netherlands, and home to two of the world's largest dairy farms.

In the area of human resources infrastructure development, Saudi Arabia, during the boom period of the mid 1970s to the mid 1980s, boasted that it had built one new school every day. The number of hospitals, clinics, and healthcare systems that were brought into being during this period was no less impressive.

Further, as far as housing is concerned, at one point in the early 1990s the Ministry of Planning pointed out that as much as 25 percent of the Saudi population lived in affordable housing made possible largely by generous consumer loans. A prominent feature was that 20 percent of a particular loan would be waived if the owner succeeded in making payments on schedule on the remainder of the loan.

In addition, throughout half a dozen official five-year development plans, Saudi Arabia succeeded in sharing its newfound wealth in other ways. Among the recipients of its material munificence were the less fortunate of its friends, partners, and allies in the developing world. Indeed, together with neighboring Kuwait and the emirate of Abu Dhabi in the United Arab Emirates (UAE), Saudi Arabia has annually ranked in the top three of the world's most generous charitable donors based on the percentage of annual Gross Domestic Product (GDP) as well as a percentage of its citizens' income per capita.

Furthermore, in 2003 Saudi Arabia agreed to adhere to a common tariff for imports in association with a six-country Gulf Cooperation Council (GCC) customs union among Bahrain, Kuwait, Oman, Qatar, and the UAE. It did so pursuant to establishing a common market and entering into negotiations aimed at concluding a GCC-European Union (EU) free trade agreement. In so doing, few outside observers noticed that the Saudis simultaneously lowered substantially the customs duties that for decades had shielded its manufacturers from lower-cost goods produced elsewhere. Here again, many foreign analysts expected the decision to be rejected by Saudi industrial entrepreneurs. However, as with the other predictions, no social, economic, or political instability ensued as a result. A major reason was the ease with which the government introduced these far-reaching measures. Of additional importance was the patience with which officials explained to Saudi entrepreneurs the potentially greater long-term

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benefits that would follow from the significantly expanded international markets for their goods.

For the same reasons, no political instability resulted from parallel moves by the government to privatize some of the economic jewels in the state sector's crown, such as telecommunications and port management. Future candidates for privatization include power generation, water desalination, and airline transportation, to be combined with the introduction of steeper user and service fees for water and electricity.

The extent to which Saudi Arabia has or has not been a moderating force in the region is a subject of ongoing and at times highly controversial debate. On one side are Westerners, particularly Americans, who in the aftermath of the terrorist attacks on the United States on 11 September 2001, have been highly critical of Saudi Arabia, owing in large measure to the fact that fifteen of the nineteen terrorists responsible for those attacks were Saudis.

At the other extreme has been the Bush administration, which has frequently gone out of its way to emphasize the many mutual benefits that the American and Saudi people have long derived from what, by any standard, has been and remains a special relationship, one long envied by virtually every other country in the world. Indeed, President George W. Bush's father, former U.S. president George H. W. Bush, in a speech given at Tufts University on 26 February 2003, stated that:

in certain quarters here in the United States, there's a certain ugly stereotyping concerning Saudi Arabia that emerged, maybe for understandable reasons, but emerged after 9/ 11. This stereotyping offends me, and concerns me. And our president has spoken out against it several times. It suggests that because most of the hijackers were Saudi citizens, the Saudi government and the Saudi people were also anti-American. And in my view, nothing can be further from the truth.

We have different systems. But, with the exception of a small fringe element that frankly exists in every society—remember Timothy McVeigh—a lot of people were going “Oh, he's probably an Arab terrorist.” Jumping to stereotypical conclusions only to find that he was a right wing nut. And the Saudi's are our staunch allies and friends, and I don't like it when some of the great newspapers in this country try to make enemies out of Saudi Arabia.

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From a more clinical, detached, and less politically nuanced perspective, it can be said that Saudi Arabia, for decades, has had one of the lowest crime rates of any country. At the same time, the incidence of widespread substance abuse, and of violent political, civil, or industrial unrest, has consistently been among the lowest registered anywhere in the world. It is often pointed out that the extent of violent crime in an American city such as Miami, Florida, in a single month is the equivalent to such crimes in all of Saudi Arabia in the span of a decade. A reason for this low occurrence of murder, mayhem, and other crimes of violence has little to do with a pacifistic nature among the citizenry. The phenomenon is attributable far more to the law-abiding nature of most Saudis, among the indigenous population and expatriates alike.

An additional source of the largely moderating effect that Saudi policies and positions have had on the immediate region is rooted in the government's distinctive leadership within a range of regional and international organizations. Indeed, only Egypt comes close among Arab and Islamic nations to the extent to which membership in key rule-setting institutions has made a difference in the conduct of international affairs generally.

Saudi Arabia, for example, is a founding member of the United Nations, League of Arab States, Organization of the Islamic Conference, Organization of Petroleum Exporting Countries (OPEC), Organization of Arab Oil Exporting Countries, Arab Monetary Fund, Gulf Cooperation Council (GCC), and Peninsula Shield [Dar al-Jazirah], the symbolic collective defense force of the six GCC countries, stationed in the Kingdom's northwestern area near Kuwait.

Acting in close concert with the members of these organizations, as well as with great-power countries further afield, Saudi Arabia has made a major difference in helping to end the Iran-Iraq War (1980–1988); to end the Soviet occupation of Afghanistan (1979–1988); to conduct the war against terrorism in Afghanistan and elsewhere; and to settle the Arab world's longest undemarcated border, between the Kingdom and Yemen (2001), as well as to successfully settle border disputes with practically all of its thirteen neighboring countries.

Within OPEC, Saudi Arabia's stewardship since the mid 1970s has been unparalleled among major oil producers. At its own considerable expense Saudi Arabia has maintained what no other country in the world could do: namely, an excess production capacity of more than 2 million barrels a day. The strategic objective in so doing has

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been to act as a moderating force upon what would otherwise be far greater upward pressure upon oil prices.

Despite increased strains in the bilateral relationship following the terrorist attacks on the United States, the Kingdom has been consistent in reassuring what would otherwise have been far more nervous consumers in oil-importing countries that it would remain a stable and secure source of energy. Saudi Arabia has also introduced and kept on the table a proposal to further assure the international marketplace of its responsible stewardship in matters pertaining to energy. To this end, the Kingdom has proposed to pay for the building of an international energy information center, to be based in Riyadh. Representatives of the oil-producing and oil-importing countries would post select personnel to staff the organization. The purpose would be for them to remain in constant communication and consultation with one another so as to avert any crisis in the industry.

In these and other ways, Saudi Arabia has consistently played an outsized role in regional and world affairs. Notwithstanding the penchant for the mainstream American media to focus upon the negatives in any bilateral relationship, most economic and political strategists acknowledge that at no other time in recent history has the United States been as much in need of a friend, such as Saudi Arabia has been and remains, in the war on terrorism.

Not least among the Kingdom's contributions to regional peace and stability has been Crown Prince Abdullah's bold, far-reaching, and historically unprecedented proposal for settling peacefully the long-festered Arab-Israeli conflict. At an Arab League heads of state summit in Beirut, Lebanon, on 30 March 2002, there was unanimous acceptance by all twenty-two members of his proposal that addressed virtually every major concern that Israeli national leaders had articulated to the Arab world since 1948. The proposal called on the Arab countries to recognize Israel and its right to exist within secure borders in exchange for Israeli withdrawal from Arab lands it occupied in the June 1967 war and its recognition of an independent Palestine with Jerusalem as its capital. Therefore, in many different areas related to the Middle East, Saudi Arabia has been a moderating force and has provided an element of stability over the years in a region that has experienced little of it in recent times.