

Challenges and Opportunities for the U.S.-Saudi Relationship

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House Committee on Foreign Affairs
Subcommittee on the Middle East and North Africa

June 13, 2017

Chairman Ros-Lehtinen, Ranking Member Deutch, members of the Committee, thank you for this opportunity to testify about an issue of considerable importance related to U.S. foreign policy and national security interests not only in the Middle East, but globally.

Introduction

Since the end of the Second World War, the U.S.-Saudi relationship has been a principal pillar of regional security, stability, and economic progress in the Middle East. Within that context, Saudi Arabia has:

- partnered with the U.S. in resisting destabilizing and expansionist projects, whether by the former Soviet Union, Saddam Hussein's Iraq, or the current regime in Iran;
- articulated moderate proposals to solve the Israeli-Palestinian dispute and promote Arab-Israeli normalization, most notably the Arab Peace Initiative advocated by the late King Abdullah bin Abdul Aziz; and
- cooperated with the U.S. in the fight against terrorism and violent extremism whether from al-Qaeda in the Arabian Peninsula (AQAP) or the Islamic State.

Similarly, as the world's largest exporter of oil, Saudi Arabia makes a critical contribution to the global economy. As an architect of the world's energy

infrastructure, Saudi Arabia's role in ensuring price and production stability in the oil market has contributed to overall global economic growth and prosperity for decades.

Today, Saudi Arabia is confronting new challenges. Forces of destabilization, whether from violent extremist groups that pose a threat to Saudi Arabia, the region, and the world, or from Iran, which pursues its own hegemonic ambitions, threaten the status quo and undermine governments and societies. Domestically, Saudi Arabia is dealing with the complexities of growth and shifting economic and social realities.

Thus the fundamental basis for the U.S.-Saudi relationship has not changed. At a time when the Middle East is challenged by twin forces of upheaval and instability — violent, predominantly Sunni, extremism, and Iranian expansionism — the relationship with Saudi Arabia remains at the heart of U.S. foreign policy and national security objectives. Achieving those goals depends on promoting a stable future in the Middle East and fostering an evolving region that can play a positive role in the larger international framework politically, socially, and economically.

Cooperation in Defense and Security Is at the Heart of the Relationship

To advance our shared goals and objectives in the region, the U.S. has been Saudi Arabia's principal defense and security partner for over sixty years and has helped Saudi Arabia develop a modern and technologically advanced military capability. That capability has been instrumental in preserving peace in the region, preventing the spread of the Iranian revolution and the spillover of the Iran-Iraq War on to the Arabian Peninsula in the 1980s, and turning back Saddam Hussein's aggression from the 1990s until the U.S. invasion of Iraq in 2003. Today, that cooperation has continued in the fight against violent extremism and Iranian aggressive behavior. But these new unconventional challenges also complicate the relationship and have given rise to skepticism on both sides about its durability.

Saudi attitudes toward violent extremist organizations have been a subject of considerable debate within the U.S. and the west, with a number of observers alleging that Saudi Arabia's religious views and social conservatism provided the ideological foundations of violent extremist groups from al-Qaeda to the Islamic State and that Saudi citizens have both participated in and financed the rise of these groups. There is clearly some ambivalence among many Saudis about jihadist

groups, and some have certainly been recruited by these groups, but allegations of widespread Saudi support for extremist groups appear generally overblown.

In fact, Saudi Arabia has inarguably been a principal target of jihadist groups, who have made clear that one of their central objectives is the destruction of the Al Saud ruling family and the imposition of an Islamic “caliphate” on Saudi territory. A valued partner of the U.S. and leader of Saudi Arabia’s security services, Crown Prince Mohammed bin Naif, has personally been the target of several assassination plots by jihadist elements over the past several years.

In response, Saudi security and intelligence forces have worked closely with their U.S. counterparts to defeat these groups. Saudi intelligence services have provided critical intelligence crucial to international efforts to eliminate the global threat from al-Qaeda in the Arabian Peninsula (AQAP), and defeat its external plotting, including the so-called cassette tape plot in 2010 intended to bring down a U.S. commercial airliner. The Saudis have also played a role in the international coalition to defeat and destroy the Islamic State in Syria and Iraq, flying air missions against ISIL targets until the requirement to confront Iranian-supported Houthi elements in Yemen over-stretched Saudi capabilities.

Iran’s growing military support for the Houthis in 2014, including threats to the security of the Saudi-Yemeni border, highlighted the risks to Saudi and Gulf security and stability from the deteriorating political situation in Sana’a. Alarmed by the rapid deterioration of conditions there, and faced with a virtual coup d’etat by the pro-Iranian Houthis, the U.S. and the Saudis agreed that an international intervention in Yemen would be justified to achieve four objectives:

- restoring the legitimate government of Yemen to complete the implementation of the GCC Initiative and the conclusions of the National Dialogue Conference;
- preventing a Houthi/Saleh takeover of the government by force;
- securing the Saudi-Yemeni border; and
- defeating Iran’s efforts to establish a foothold on the Arabian Peninsula threatening Saudi and Gulf security.

Despite initial optimism that military pressure on the Houthis and their ally, former President Ali Abdullah Saleh, would quickly stabilize the situation and allow for a resumption of the political process, this has not been the case. Instead,

over two years into the conflict, the military effort is stalemated, the political process is frozen, and the Saudis find themselves trapped in an increasingly costly conflict with no clear exit strategy and suffering significant damage to their international standing and reputation. Beyond the cost in lives and treasure, the Saudis' inability to achieve a positive outcome has handed Iran a cheap victory and has strained Saudi relations with its key western partners, the U.S. and the UK. In particular, frustration over the extended air campaign in Yemen has triggered allegations that the Saudi effort was reckless, caused needless suffering among the Yemeni population, and inflicted high numbers of civilian casualties. This led the Obama Administration to withdraw critical materiel, intelligence, and logistics support from the Saudis, undermining Saudi confidence in the reliability of the U.S. defense and security commitment.

The promise of the Trump Administration to reverse Obama's restrictions on arms sales, as well as to restore intelligence and logistics support, has unsurprisingly been well-received in Riyadh and interpreted as a signal that the core elements of the bilateral relationship would be revitalized. One component of the proposed sale would be the precision guided munitions that were withheld by the Obama Administration in late 2016 following the mistaken targeting of a funeral in Sana'a that killed dozens of civilians. Other components are largely defensive in nature. The sale of the Terminal High Altitude Air Defense system (THAAD) is consistent with long-standing U.S. encouragement of our friends in the region to improve their defense against Iran's ballistic missile program. Light combat aircraft will contribute to Saudi Arabia's ability to defend its land borders as littoral combat ships will enhance defense of the Saudi coast. But in moving forward on these sales, the Administration needs to proceed cautiously and avoid over-burdening the Saudis with expensive armaments at a time that the Saudi budget is already under stress from low oil revenues and rising economic and social requirements.

Evolution of the U.S.-Saudi Relationship from Obama to Trump

In welcoming the Trump Administration's new course on defense cooperation, the Saudis are replicating a similar hopeful moment eight years earlier. The Saudis, like most of the Arab states, saw the arrival of the Obama Administration in 2009 as the antidote to their unhappiness over Bush Administration policies. In particular, frustration over the mismanaged U.S. invasion and occupation of Iraq as well as aggressive statements promoting radical

reform in the region by figures in or associated with the Bush Administration were a source of friction between the U.S. and our friends and partners. President Obama's pledge to end the occupation of Iraq and reshape our relations in the region were perceived positively.

Disenchantment with the direction of U.S. policy soon re-emerged, however. Washington's reaction to popular uprisings in Egypt and other states in the region disconcerted the Saudis and their Gulf partners. In particular, they perceived that Administration pressure on its long-standing friend, Hosni Mubarak, to step down might presage a similar reaction if popular opposition should take hold in their countries. Dithering and delay in the Administration over Syria policy, crystallized by the failure to follow through on President Obama's "red line" threat to respond to chemical weapons use, reinforced Saudi concerns that U.S. leadership on issues critical to them had grown unsteady. Finally, U.S. determination to reach an agreement with Iran on its nuclear program through the P5+1 process followed by efforts to expand the scope of U.S.-Iranian engagement raised doubts in the minds of the Saudis that the Administration might be pursuing a broader rapprochement with Iran at their expense.

These policy issues were further complicated by communications miscues. The Administration's interest in a "pivot to Asia" and promotion of U.S. "energy independence" were interpreted by the Saudis and others as a signal of declining U.S. commitment to its historic role preserving regional security. Obama's comments to the Atlantic magazine advising that Saudi Arabia should learn to "share" the region with Iran and asserting that the challenges Saudi Arabia faced were largely domestic and self-inflicted were viewed as an expression of Presidential contempt and hostility.

The Saudis were therefore prepared to overlook Donald Trump's aggressive anti-Muslim and anti-Saudi comments on the campaign trail and welcome the arrival of his Administration as an opportunity to, once again, repair the damage inflicted by his predecessor and restore the close, historic relationship. Their optimism was quickly rewarded as the Administration pledged to renew support for the Saudi-led coalition in Yemen, move ahead on arms sales delayed by the Obama Administration, and embraced the U.S.-Saudi partnership confronting Iran. Successful visits by Secretary of Defense Mattis and Secretary of State Tillerson to Saudi Arabia and a return visit by Deputy Crown Prince Mohammed bin Salman to

Washington cemented in place the elements of a revitalized U.S.-Saudi relationship.

The stage was set, then, for a successful visit to Saudi Arabia by President Trump. The Saudis were prepared to respond positively to the three elements of cooperation sought by the Trump Administration: cooperation on the fight against violent extremism, a united front challenging Iran, and the reiteration of Saudi and broader Gulf willingness to respond positively, at least, to progress on resolving the Palestinian-Israeli conflict. Moreover, the Saudis organized a triumphal first engagement for the President abroad. Expanded meetings with the leadership of the Gulf Cooperation Council and the Arab and Islamic world previewed a rising albeit still inchoate regional consensus on measures to address the two core challenges of Iran and violent extremism. With further announcements of significant new economic initiatives, arms sales, and promised bilateral investments, the President's initial stop in Saudi Arabia proved to be the highlight of a nine-day foray into international political and economic engagement.

But subsequent developments have reinforced that much of the progress that was advertised in the Riyadh visit remains very tenuous. Trump Administration claims that the Saudis had committed to hundreds of billions of dollars in new economic initiatives, including over \$100 billion in arms sales, were greeted skeptically. Many of the alleged agreements may never be realized. Despite some indications that the Saudis were prepared to take additional steps toward normalization with Israel, the visit resulted only in a reiteration of their traditional position that they would formalize ties with Tel Aviv only after it makes substantial progress in resolving its central dispute with the Palestinians.

Most damaging, however, has been a flare-up in long-standing Saudi and Emirati hostility towards the Government of Qatar. The allegations that Qatar supports extremism and maintains friendly relations with Iran, which may have been encouraged or even precipitated by the Trump visit, threaten to explode the new-found regional consensus and even to destroy the Gulf Cooperation Council, a critical regional force for stability. Essential U.S. foreign policy and security interests are at risk if the intra-GCC dispute is not resolved quickly and peacefully.

In sum, while the Trump Administration's approach to addressing regional issues has been warmly received by our friends and partners, and they remain optimistic that the new Administration will restore the close ties that linked them to the U.S. historically, the specific, operational elements of that renewed relationship

remain nascent and blurry. It remains to be seen whether the dawning of this restored relationship is real or false.

Human Rights and American Values

When he spoke to the assembled leadership of the Arab and Islamic countries, May 21, Donald Trump's promise that the U.S. would refrain from "lecturing" them on issues related to human rights and civil liberties was particularly warmly received. Among the issues that had caused the greatest friction in the Obama years, the Administration's inclination to criticize government's on their human rights records, particularly its readiness to "take them to the woodshed" in public, was especially problematic. Popular uprisings in the Arab Spring pressured the Administration to speak out more forcefully in support of political liberalization and the need to address the sources of public discontent. But the regional leadership perceived that the Administration's encouragement of open political debate and more open societies morphed into punitive and sanctimonious finger-wagging, failing to take into account the very real security challenges that the governments believed they confronted.

But the proper counter-balance to an overweening and overly sanctimonious emphasis on adopting U.S. or western values of human rights and civil liberties is not to advocate a values free foreign policy. The U.S is locked in a battle of ideas with those who believe that there is a "Chinese model" of development that permits rapid economic progress while retaining traditional, authoritarian political systems. If we dispute that notion, which remains highly attractive to many governments around the world, it is important that the U.S. finds a way to articulate our own views that economic progress and political liberalization are inseparable. The values that our Founding Fathers advocated — freedom of speech, freedom of religion, freedom of assembly — are central to our conception of the appropriate relationship between the government and its citizens not because they are American but because they reflect a universally embraced system of political behavior validated over time that produces stable, durable, and just societies.

Saudi Arabia represents a particularly difficult challenge for the U.S. on issues related to human rights and civil liberties. Saudi society is built around fundamentally different conceptions of social relationships and individual rights. And there is no evidence that the majority of Saudis disagree with their government's position on these issues. As a result, efforts on the part of the U.S.

government to challenge the Saudi approach are generally rejected and often resented. This is not a reason to stop advancing our views. If the Administration prefers to pursue these discussions “in private,” this is not necessarily a bad decision. But whether in private or in public, the U.S. does need to persist in expressing its views on these issues. Ultimately, it is a matter of faith in the U.S. that more open, democratic, and tolerant societies make for better partners.

Evolving Saudi Economic and Social Reforms Offer a New Opening

Declining oil revenues and the growing complexity of the Saudi economy and society are driving ambitious programs for reform under the rubric Vision 2030. The reforms encompass a dramatic shift in the roles of the public and private sectors as the engines of economic development. Vision 2030 advocates significant reductions in the public sector’s historic domination of the country’s economy, including reduced public sector employment and subsidies, while emphasizing the need for young Saudi men and women to move into the private sector for their economic future. The project includes, as well, proposals for economic diversification to move Saudi Arabia away from its dependence on the energy sector as the main engine of economic prosperity. These fundamental changes in the fabric of Saudi Arabia’s economy offer opportunities for U.S. business to develop new areas of cooperation with its Saudi counterparts.

At the same time, Vision 2030 presages a fundamental shift in the historic relationship between the government and its citizens that can become the driver for a revamped approach to civil liberties and human rights. For example, gender equality is a wedge social issue that poses difficulties for the Saudi government to confront directly. But as an economic issue, it is clear that Saudi women, who are better educated than their male counterparts and eager to join the work force, have to be integrated into the economy and that Saudi society cannot move forward if fifty percent of the population is absent from its development. Thus, economic reality rather than political or social reform may become the main instrument for a new, more open Saudi society.

Conclusion

As the U.S. seeks to restore stability and security in the Middle East, defeat violent extremism, and roll back Iranian expansionism, Saudi Arabia remains a vital partner. By definition, much of the emphasis in the bilateral relationship will focus on cooperation in pursuit of security and stability in the Gulf and the Arabian Peninsula. Moving forward, the U.S. should continue to re-build its defense

relationship with Saudi Arabia, including helping the Saudis resolve the ongoing conflict in Yemen. It will be important, however, not to define that relationship purely in terms of arms sales. The lessons of the Yemen conflict demonstrate that more needs to be done to assist the Saudi armed forces to build a truly capable modern military force fully prepared to take on all facets of the country's defense, especially protection of its people and its territory.

But Saudi Arabia itself is at a crossroads. Economically, socially, and politically, the country will be focused on internal developments in the coming years. Much is riding on the success of the Vision 2030 project, which is nothing less than an evolutionary transformation of the country. The U.S. must play a positive role in supporting that transition. The Saudis clearly look to the U.S. private sector, in particular, as an important partner in support of the country's economic diversification.

Undoubtedly, the retreat of the government from its central position astride Saudi society will also mean a revamping of Saudi citizens' expectations about their relationship with their government. Societal reform will bring them new opportunities to ensure that their voice is heard on issues of public policy. This is potentially a critically important development. Through quiet diplomacy, the U.S. can contribute to the kind of political and social reforms that will make Saudi Arabia a more open, democratic society.

Finally, the debate over the reform process will necessarily generate friction and divisions within the leadership ranks of Saudi government and society as different groups press their own visions of how best to achieve the successful implementation of reform. It will be tempting for U.S. policy-makers to become a party to these debates. But the U.S.-Saudi relationship has prospered for decades precisely because the U.S. has avoided becoming enmeshed in these sensitive internal matters and it is absolutely essential that the Administration refrains again from trying to steer the Saudis toward support for any single individual or faction. At the end of the day, the U.S. is seen as a valued partner across the full spectrum of Saudi leadership and the success of our partnership depends on retaining that image of neutrality.