

# CRS Report for Congress

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## Saudi Arabia: Reform and U.S. Policy

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### Summary

In the aftermath of the September 11, 2001 terrorist attacks, in which 15 of the 19 airline hijackers were Saudi citizens, there has been a renewed concern over Islamic extremism in Saudi Arabia and its possible national security implications for the United States. The 9/11 Commission Report recommends that Saudi Arabia and the United States undertake a commitment to political and economic reform in Saudi Arabia, which some believe could mollify social unrest. Others believe that attempted reforms, particularly if advocated by Western governments, might empower Saudi radicals. This report provides an overview of the reform issue in Saudi Arabia, and issues surrounding U.S. policies to support liberalization in Saudi Arabia. For further information on Saudi Arabia, see CRS Issue Brief IB93113, *Saudi Arabia: Current Issues and U.S. Relations*, and CRS Report RL32499, *Saudi Arabia: Terrorist Financing Issues*. This report will be updated periodically.

### Overview

Since terrorists of Saudi origin were involved in the Al Qaeda attacks of September 11, 2001, and since domestic terrorist violence has been increasing in Saudi Arabia, there has been concern over the stability of Saudi Arabia's political and social system and the need for the long term reform of its institutions. Despite increased Saudi security measures aimed at thwarting Islamic militants, many analysts, including the authors of the 9/11 Commission Report,<sup>1</sup> believe that the root causes of terrorism in Saudi Arabia are complex and cannot be eradicated by security policies alone. However, there is currently no consensus in Saudi Arabia or in the West on the path toward reform and how it will help alleviate Saudi Arabia's terrorist problem. Some experts suggest that liberal-minded reform policies would alienate moderate Saudi religious leaders needed in the fight to undermine an underground culture of Islamic militancy in Saudi Arabia.

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<sup>1</sup> See, "What To Do? A Global Strategy," *The 9/11 Commission Report*, section 12.2, p.374.

## Political and Social Conditions in Saudi Arabia

Saudi Arabia is a monarchy with royal power vested in the descendants of King Abd al-Aziz Al Saud (known more commonly as Ibn Saud), the founder of the modern Saudi state. For over two centuries, Saudi Arabia's ruling family has relied upon religious leaders to help bolster its legitimacy among Saudis, and leading conservative Muslim clerics have gained extensive influence over Saudi social policy. As a result of this tacit alliance between the ruling family and the religious hierarchy, clerics practicing a puritanical version of Islam, known as Wahhabism, have been able to institute a number of social restrictions, such as the segregation of the sexes, the prohibition of the sale and consumption of alcohol, and a ban on women driving.<sup>2</sup> Some analysts believe that such social restrictions have fostered a climate of extremism in Saudi Arabia. Saudi officials have issued statements insisting there is no association between Islam and terrorism. For many years, Saudi officials and some outside observers did not place Islamic militancy at the top of their policy agendas, believing that the Kingdom's Islamic roots immunized it from extremist elements.

**Human Rights & Freedom of Information.** As the U.S. State Department observes in its latest country report on human rights, Saudi Arabia has no elected representative institutions, and its human rights record remains poor.<sup>3</sup> Government security forces and the religious police continue to mistreat both citizens and foreigners through intimidation, abuse, and arbitrary detention. Regarding the judiciary, most trials are closed and defendants usually lack legal counsel. According to the report, the government restricts freedom of speech. The Saudi Information Ministry heavily censors the Saudi press and forbids criticism of the royal family and religious establishment. This policy is strictly enforced at the domestic level, and extends to censoring local editions of the traditionally more open Saudi-owned pan Arab newspapers published in London. Although most local newspapers are privately owned, the government approves and appoints editors and can arbitrarily dismiss journalists who cross the government's threshold for criticism. The government owns all broadcast media, but there are many regional satellite stations that are more open and have forced the Saudi authorities to allow the written press a little more freedom. Since 1999, the Saudi government's Internet Service Unit (ISU) has blocked over 2,000 websites, many of which contain sexually explicit material.<sup>4</sup>

## Reform in Saudi Arabia

In Saudi Arabia, reforms that have been undertaken have been instituted from the top down and many Arab and Western critics believe that the process has been mostly symbolic in order to placate democracy advocates abroad. Others believe that Saudi Arabia's conservative society, which is heavily influenced by Arab tribal customs and a puritanical interpretation of Islam, necessitates that its rulers move more slowly in liberalizing the Saudi political and educational system.

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<sup>2</sup> See CRS Report RS21695, *The Islamic Traditions of Wahhabism and Salafiyya*, Aug. 9, 2004.

<sup>3</sup> *Country Reports on Human Rights Practices, 2003*, U.S. State Department's Bureau of Democracy, Human Rights, and Labor, February 25, 2004.

<sup>4</sup> "Saudis Block 2,000 Websites," *BBC News Online*, July 31, 2002.

Many individual Saudi voices are calling for reform. According to a recent International Crisis Group report on Saudi reform, “Reform [has been] a common mantra, echoed by royalty, government officials, *Shura* [Consultative] Council members, businessmen, academics, liberals and Islamists alike. There are clear elements of convergence: virtually all want to preserve the country’s Islamic orientation while ridding it of some of its more intolerant and restrictive mores, and most claim to favor continued rule by the al-Saud as a guarantee of unity and stability while urging gradual movement towards more representative government institutions.”<sup>5</sup> More extreme reform advocates, particularly Saudi exiles abroad who do not appear to have large followings, believe that Saudi Arabia should evolve from an absolute monarchy into a constitutional monarchy with an elected parliament. Many fear that this would risk an Islamist takeover of the Saudi political system. According to one Saudi intellectual, “I don’t think the U.S. will like the outcome of democracy here.”<sup>6</sup>

Saudi Shiites, who compose approximately 5-10% of the total Saudi population and reside in the oil-rich Eastern Province, also are found in the ranks of Saudi reformers. As non-Sunnis, Shiites suffer from official discrimination and are second-class citizens in Saudi Arabia.<sup>7</sup> A petition presented by Shi’ite representatives was followed by an audience with Crown Prince Abdullah on April 30, 2003, indicating that both the government and the Shi’ite petitioners want to continue the more cooperative approach pursued over the last decade.

**Previous Saudi Government Attempts at Reform.** Despite the attention given to Saudi Arabia’s political environment in the wake of the September 11, 2001 attacks, the prospect for political reform in Saudi Arabia was first raised in earnest after the defeat of Iraq in the 1991 Persian Gulf War.<sup>8</sup> At the time, there was both internal and external pressure on Saudi leaders to expand political participation, as some Western officials had been criticized for allegedly going to war against Iraq in order to protect wealthy autocratic regimes in the Persian Gulf. Saudi pro-Western liberals pressured the royal family from within and demanded that the government open up the political system. Saudi leaders cautiously responded, and in 1992-1993, promulgated and established a “Basic Law,” to serve as a precursor to a future Saudi constitution. They also created local and national consultative councils (*Majlis al-Shura*) to serve as advisory boards to the government. The Basic Law banned arbitrary arrest and harassment.<sup>9</sup> It did not alter the Islamic character of the Saudi governing system, which bases its legal system on *Sharia* or Islamic law. The Consultative Council, which was initially comprised of 60 appointed Saudi elites from the academic, business, and religious communities, was given limited powers to question cabinet members, propose laws, and provide recommendations

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<sup>5</sup> “Can Saudi Arabia Reform Itself?” *Middle East Report #28*, International Crisis Group, July 14, 2004.

<sup>6</sup> “Reform With an Islamic Slant,” *Washington Post*, March 9, 2003.

<sup>7</sup> In 1993, Saudi officials improved relations with the Saudi Shiite community and allowed some of its exiled leaders to return to the kingdom.

<sup>8</sup> Saudi leaders considered steps to reform the political system at earlier periods in Saudi history, though the royal family took no concrete steps toward instituting reforms until 1992.

<sup>9</sup> Many observers note that Saudi security services routinely ignore the provisions in the Basic Law.

to the Saudi government.<sup>10</sup> Currently, the *Majlis al-Shura* has no budgetary authority, and its legislative proposals can be vetoed by the Saudi government. The Consultative Council does have the power to delay legislation it opposes, such as a recent proposal by the Saudi government to establish highway tolls. According to Dr. Abdullah bin Saleh Al-Obaid, a professor and member of the Consultative Council, one of the challenges the *Majlis al-Shura* faces is the lack of understanding in Saudi society over the respective roles of the executive and legislative branches of government.<sup>11</sup>

**Recent Reforms and Setbacks.** Saudi Arabia has recently taken steps to expand political participation and loosen some restrictions on freedom of speech, while simultaneously cracking down on the most vocal reformists in order to deter future activities. In July 2004, the government announced that elections for local municipal councils will be held in early 2005, though Saudi women will not have the right to vote or run for office.<sup>12</sup> Crown Prince Abdullah started a “National Dialogue Forum,” allowing reformers to hold open discussions on previously taboo subjects, such as women’s rights, official corruption, and abuses by religious police. The government also permitted the first visit of an international human rights organization (Human Rights Watch), and authorized the country’s first indigenous human rights organization. Crown Prince Abdullah has established a higher committee for education reform, which has been tasked with reviewing the Saudi curriculum and making recommendations to modernize the Saudi school system. At the same time, Saudi Arabia has imprisoned several reformers on charges of “incitement.” Some were released after promising not to engage in future activities, while others were put on trial. Until recently, political prisoners in Saudi Arabia have not been given access to an attorney, nor have they been put on trial before a judge. Some analysts note that a recent trial of Saudi reformers actually worked to their benefit in that some reformers want the Saudi judicial system to be more open and transparent. The Saudi government has since suspended public trials of reformers.

**Prioritizing the Fight Against Terrorism.** Many regional analysts believe that domestic counterterrorism operations and the need to placate religious moderates may supersede reform efforts in Saudi Arabia. In an environment of increasing “homegrown” Islamic militancy modeled on the activities of Al Qaeda, particularly in Saudi Arabia, many governments in Arab and Muslim-majority countries are under pressure to detain suspects without due process. At the same time, they are routinely criticized by international human rights groups for their aggressive interrogation techniques, detentions, and mistreatment of prisoners.

In dealing with the latest manifestation of Islamic militancy, Saudi government officials have focused less on reform-oriented policies and more on co-opting Saudi religious officials in order to undermine the culture of Jihad, which some analysts believe

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<sup>10</sup> On August 20, 1993, King Fahd appointed a 60-member consultative council. It’s membership increased to 90 in 1997 and to 120 in 2001. Women are only permitted to serve as observers at Consultative Council meetings.

<sup>11</sup> Meeting with members of the Saudi Consultative Council, CRS staff visit to Saudi Arabia, September 2004.

<sup>12</sup> A new Saudi election law does not explicitly prevent women from voting or running for office; however, an election implementation committee has ruled against women’s participation in the upcoming municipal elections.

has long simmered in parts of Saudi Arabia. Over the past year, Saudi officials have asked clerics to preach against terrorism in their weekly sermons. More religious figures have spoken out against Islamist militancy on Saudi state television. The government also has offered amnesty to some members of militant groups. Some fear that by pursuing reform-minded policies, Saudi officials would alienate religious leaders, whose cooperation is needed in the fight against terrorism.

**Women's Rights in Saudi Arabia.** The combination of Arab tribal tradition and the integration of Wahhabi or "unitarian" tenets in the Saudi political system has limited women's rights outside of the home. Many Western observers believe that Saudi Arabia's strict social regulations oppress women. Women are prohibited from driving and must be veiled when in public. Although women are permitted to work in certain professions, such as health care and teaching, there continues to be high female unemployment despite a large pool of well-educated female college graduates. Physical abuse also is prevalent; one Saudi female television announcer was recently beaten by her husband, and allowed a television station to broadcast her injuries to the Saudi public in order to raise awareness of the issue. Saudi women also face strict dress codes, enforced by the religious police (*Mutaween*), which require women to be covered in public.

Crown Prince Abdullah has permitted some small steps toward greater awareness for women's issues. In June 2004, the government sponsored a conference on women's issues, and the Council of Ministers recently stated that more jobs should be set aside for Saudi women.<sup>13</sup> In September 2003, 300 prominent Saudi citizens, including 51 women, submitted a petition to Crown Prince Abdullah calling for further reforms.

## Findings of the 9/11 Commission

In its findings on the connection between the September 11, 2001 terrorist attacks and the phenomenon of growing Islamic extremism in Saudi Arabia, the 9/11 Commission Report states that "the United States and Saudi Arabia must determine if they can build a relationship that political leaders on both sides are prepared to publicly defend — a relationship about more than oil. It should include a shared commitment to political and economic reform, as Saudis make common cause with the outside world." This recommendation is based largely on the notion that after the 9/11 attacks, in which 15 of the 19 airline hijackers were Saudi citizens, Saudi Arabia's domestic political environment is of great concern to U.S. national security. Traditionally, the United States has tread lightly on the issue; the U.S.-Saudi relationship has long been based on a tacit understanding that the United States would refrain from interfering in Saudi domestic affairs in return for Saudi cooperation on energy and security issues in the Persian Gulf. The Commission's report recognizes that Saudi Arabia itself faces unrest and terrorist activity by Islamic radicals and that Saudi Arabia must address the extensive influence of its religious establishment and stagnant socio-economic conditions, which some believe are fostering religious extremism.<sup>14</sup> The 9/11 Commission Report insists that the U.S.-Saudi relationship must evolve from its current state and that leaders on both sides

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<sup>13</sup> "In Rare Public Dialogue, Saudi Women Talk Rights," *Christian Science Monitor*, June 14, 2004.

<sup>14</sup> Although the Saudi government has a record budget surplus in 2004 due to the high price of oil, rapid population growth has caused a drop in per capita GDP over the last decade.

must agree on a common framework for addressing reform in Saudi Arabia without unintentionally causing an extremist backlash against either government.

## **U.S. Policy to Support Reform in Saudi Arabia**

Since the September 11, 2001 terrorist attacks, the Bush Administration has pushed for U.S. programs and policies to support democracy and reform in the Middle East; however, many observers feel that both U.S. and Saudi officials remain reluctant to push the sensitive issue of Saudi reform to the forefront of the U.S.-Saudi bilateral relationship. Instead, U.S. and Saudi authorities have cooperated on “hard” security issues, such as tracking Al Qaeda terrorists and local Saudi extremists and bolstering Saudi Arabia’s anti-money laundering capabilities. From the U.S. standpoint, officials have given top priority to security-related cooperation, which itself has been difficult to secure from Saudi officials. In addition, there are few independent reform groups inside Saudi Arabia that are both tolerated by the Saudi government and willing to work with U.S. groups. From the Saudi perspective, there is a deep-seated fear that extremists will use U.S.-Saudi cooperation on reform as a rallying cry to recruit more Saudi nationals to Jihadist groups bent on overthrowing the Saudi royal family.

U.S. diplomatic efforts to promote reform in Saudi Arabia have largely been conducted by the U.S. Embassy in Saudi Arabia and the State Department’s Middle East Partnership Initiative (MEPI) Office in Washington. During 2003, the U.S. Embassy encouraged visits to Saudi Arabia by human rights representatives, and helped arrange a visit by the Assistant Secretary of State for Democracy, Human Rights, and Labor in July. Also during 2003, the Embassy arranged orientation trips to the United States and workshops for Saudi journalists, scholars, officials, and members of the private sector, in some cases under the auspices of the International Visitors program and the MEPI program. Some officials have noted that security concerns inside Saudi Arabia have hampered U.S. embassy personnel from conducting more extensive reform-related activities.

**Legislative Response to the 9/11 Commission Recommendations.** In proposing legislation in response to the 9/11 Commission Report, the House and the Senate have included in their respective bills findings and statements regarding the U.S. relationship with Saudi Arabia. H.R. 10 (passed by the House), the *9/11 Recommendations Implementation Act*, contains a reporting provision, under which the President is required to submit to two specified congressional committees within one year a strategy for collaboration with the people and government of Saudi Arabia on subjects of mutual interest. According to H.R. 10, the strategy is to include a framework for security cooperation against terrorism with emphasis on combating terrorist financing; a framework for political and economic reform in Saudi Arabia; an examination of steps to reverse the trend toward extremism in Saudi Arabia; and a framework for promoting greater tolerance and respect for cultural and religious diversity.

S. 2845 (passed by the Senate), the *National Intelligence Reform Act of 2004*, also contains a reporting requirement describing the U.S. strategy for expanding collaboration with Saudi Arabia, including on issues relating to political and economic reform. S. 2845 calls on the President to consider undertaking a periodic, formal, and visible dialogue between U.S. Government officials and their Saudi counterparts to address challenges to their relationship and identify areas for cooperation.