



Saudi Arabia

Change, Continuity, and Controversy

The kingdom of Saudi Arabia, ruled by the Al Saud family since its founding in 1932, wields considerable global influence through its administration of the birthplace of the Islamic faith and by virtue of its large oil reserves. Saudi leaders' domestic and foreign policy decisions have been fueling calls from some U.S. leaders for a reassessment of long-standing bilateral ties. The Al Saud have sought protection, advice, technology, and armaments from the United States, along with support in developing their country's natural and human resources and in facing national security threats. U.S. leaders have praised Saudi cooperation in security and counterterrorism matters and have sought to preserve the secure, apolitical flow of the kingdom's energy resources and capital to global markets. The Trump Administration and some in Congress differed over how to approach U.S.-Saudi ties in light of differences over human rights and the war in Yemen. These issues and Iran policy remain at the top of the bilateral agenda for President Joseph Biden and the 117th Congress.

Leadership and Public Confidence

King Salman bin Abd al Aziz Al Saud (age 85) assumed the throne in 2015 after the death of his half-brother, the late King Abdullah bin Abd al Aziz. King Salman has altered the responsibilities and relative power of leading members of the next generation of the Al Saud family, the grandsons of the kingdom's founder. King Salman's son, Crown Prince Mohammed bin Salman (age 35), is now the central figure in Saudi policymaking, having asserted control over key national security forces, sidelined potential rivals, and begun implementing ambitious policy changes.

In parallel, channels for expressing dissent within the kingdom appear to have narrowed considerably. Since 2017, security forces have detained dozens of activists, clerics, Islamist figures, and journalists representing different ideological trends and perspectives. In late 2017, authorities also imprisoned dozens of wealthy individuals (and potential family rivals of the crown prince) for months in the Ritz Carlton hotel in Riyadh as part of a nominal anticorruption campaign. Most of this latter group of detainees were released after reaching undisclosed financial settlement arrangements, amid accounts of abuse. Reports of additional detentions and questioning of leading royals in 2020 suggest that succession issues could remain contested.

Saudi decision-making has shifted from what had been a relatively risk-averse posture rooted in rulers' concerns for maintaining elite consensus, to one characterized by bolder, centrally directed changes. Crown Prince Mohammed bin Salman's leadership has challenged key interest groups, including factions of the royal family, business elites, and conservative religious figures, and has led Saudis and outsiders alike to reexamine their assumptions about the kingdom's future.

Figure 1. Saudi Arabia



Source: CRS, using ESRI, and U.S. State Department data.

Vision 2030 and Social Change

The centerpiece of Saudi leaders' domestic agenda is the Vision 2030 initiative, which seeks to transform the kingdom's economy by diversifying the government's sources of revenue and reducing long-standing oil export dependence through investment and private sector growth. An initial public offering of shares in state oil company Saudi Aramco raised \$26 billion in late 2019. Authorities have reduced some consumer and industrial subsidies and have introduced and raised a value-added tax. Amid some domestic criticism, authorities also have offered some relief payments, salary increases, and tax exemptions. In 2020, lower oil prices and demand stemming from the global Coronavirus Disease 2019 (COVID-19) pandemic lowered revenues. The 2021 Saudi budget cuts spending.

Economic transformation has driven social change in the kingdom since the early 20th century, and the Vision 2030 initiative is being accompanied by significant changes in the state's approach to some sensitive social matters. Authorities reversed the kingdom's long-standing ban on women driving in June 2018, in part to expand women's participation in the workforce. Parallel changes have created more public space for women in some social and cultural events. Authorities have partially amended male guardianship rules restricting women's autonomy and have acted to provide for more uniform judicial rulings in related cases. Some Saudis welcome changes made to date and call for more; others express opposition or concern about the changes' potential effects on religious and social values.

Human Rights

More aggressive human rights restrictions have accompanied recent social change. The imprisonment and trial of several women's right activists and other vocal figures has prompted congressional scrutiny of the

kingdom's use of its Specialized Criminal Court and anti-terrorism laws to confront dissent. Since December 2020, the kingdom's courts have reduced or suspended sentences given to Saudi-American Dr. Walid al Fitaihi and women's rights campaigner Loujain al Hathloul. Other Saudi and U.S.-Saudi nationals have been released conditionally.

In October 2018, Saudi officials killed Saudi journalist and U.S. resident Jamal Khashoggi in the Saudi consulate in Istanbul, Turkey, leading the U.S. government to impose travel and financial sanctions on some Saudi officials suspected of involvement. The kingdom prosecuted some unidentified officials on related charges, convicting eight and sentencing five to death. Saudi courts later reduced the death sentences to prison terms of varying lengths. In February 2021, the U.S. intelligence community released a report assessing that the crown prince "approved an operation in Istanbul, Turkey to capture or kill" Khashoggi. Saudi officials disputed the report's conclusions.

Saudi Nuclear Plans

Saudi leaders seek to recast the role of energy resources in the kingdom's economy and plan to develop domestic civilian nuclear power infrastructure. They have solicited bids for the construction of two nuclear power reactors. The Trump Administration expedited consideration of required regulatory approvals for U.S. firms to provide marketing information to Saudi officials. Saudi officials have not forsworn uranium enrichment and state their intent to develop and use domestic resources. Saudi nuclear facilities are subject to International Atomic Energy Agency (IAEA) safeguards, though some press reports have raised questions about possibly undeclared sites. The IAEA has reviewed declared Saudi nuclear infrastructure and recommends adoption and implementation of an Additional Protocol.

Combatting Terrorism and Extremism

The U.S. government describes U.S.-Saudi cooperation on counterterrorism as robust and credits Saudi officials with reducing the financing of terrorism by Saudi nationals and with helping to undermine terrorist propaganda. The Islamic State group has been highly critical of Saudi authorities and religious officials, and U.S. threat assessments judge that the Islamic State and Al Qaeda pose continuing risks to the kingdom's security. The Saudi government's relationship with conservative religious figures is evolving, with the state promoting potentially controversial social policy changes while enlisting religious leaders to counteract extremist messages.

"There is no place among us for an extremist who sees moderation as degeneration."

King Salman bin Abd al Aziz, December 2017

COVID-19

Saudi authorities have imposed border closures, visa restrictions, internal curfews, and travel limits, and reduced religious pilgrimage access in response to the COVID-19 pandemic, including limiting the 2020 Hajj pilgrimage. As of March 12, 2021, the World Health Organization confirmed official Saudi reporting of more than 381,000 total cases of COVID-19, including more than 9,000 active cases, and more than 6,550 deaths due to COVID-19. The new case rate has declined since June 2020, when the U.S.

government cited COVID-19 in allowing the voluntary departure of nonemergency U.S. personnel and dependents.

Saudi Foreign Policy

Iran, the JCPOA, and Yemen

Saudi officials praised the Trump Administration's decision to withdraw from the Joint Comprehensive Plan of Action (JCPOA) in 2018, and Saudi officials have said they expect the United States to consult with the kingdom about potentially rejoining the agreement. Saudi officials encourage the United States to confront Iran about Iranian support for armed actors across the region, especially the Ansarallah/Houthi movement in Yemen, Lebanon's Hezbollah, and Shia militia groups in Iraq.

In Yemen, Saudi Arabia has led a military coalition of mostly Arab states since March 2015 in efforts to reinstate the government of President Abdu Rabbu Mansour Hadi, whom the Houthis ousted in a 2014-2015 offensive. Iran has provided the Houthis ballistic missiles and drones used to attack Saudi Arabia. After a missile and drone strike on Saudi oil facilities attributed to Iran temporarily halved Saudi oil output in September 2019, President Trump deployed additional U.S. aircraft and personnel to the kingdom. Missile and drone attacks continue. As of January 2021, roughly 2,500 U.S. military personnel reportedly were in the kingdom, with air defense systems and aircraft.

Amid concern about civilian casualties in Yemen, the Trump Administration ended U.S. refueling of Saudi coalition aircraft in late 2018. President Biden announced in February 2021 that remaining U.S. support for offensive Saudi operations in Yemen will end, and he named a new U.S. envoy to support peace talks. U.N. officials consider Yemen to be the world's worst humanitarian crisis and cite Houthi and Saudi coalition policies as contributing factors.

Israeli-Palestinian Affairs

Saudi Arabia is a leader among Arab states in supporting key Palestinian demands, and Saudi leaders have engaged quietly with Israel based on shared concerns about Iran. Saudi officials continue to condition Saudi normalization with Israel on terms outlined in the 2002 Arab Peace Initiative. Saudi Foreign Minister Faisal bin Farhan Al Saud said in December 2020 that Saudi Arabia is "completely open to full normalization with Israel. ... But in order for that to happen and for that to be sustainable, we do need the Palestinians to get their state and we do need to settle that situation." In late 2020, Saudi Arabia granted Israel flyover rights within its airspace to facilitate direct Israeli airline travel to the United Arab Emirates and Bahrain.

Relations with China and Russia

Greater Saudi energy exports to China have underwritten new Sino-Saudi economic and diplomatic ties, leading to new cooperation initiatives. Saudi leaders also maintain substantive dialogue with Russia, including on Syria and other regional issues. Saudi-Russian coordination on oil policy resumed following a breakdown in March 2020 that helped drive oil prices downward. Saudi Arabia buys some Chinese arms and has discussed purchases from Russia.

For more information, see CRS Report RL33533, *Saudi Arabia: Background and U.S. Relations*.

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