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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 holding the world's second largest proven oil reserves. In exchange for protection, advice, technology, and armaments from the United States, the Saudi government has welcomed American investment in the kingdom and has served as a U.S. security and counterterrorism partner.

Since 2015, Saudi leaders' domestic and foreign policy decisions have renewed calls from some U.S. leaders for a reassessment of long-standing bilateral ties. Some in Congress have differed with successive Administrations over how to approach U.S.-Saudi relations in light of differences over the Saudi government's human rights record and participation in the war in Yemen. The Biden Administration has sought to recalibrate the U.S.-Saudi partnership while maintaining U.S. support for the kingdom's security. President Biden visited Saudi Arabia in July 2022, ending a period in which some U.S. leaders limited engagement with Saudi Crown Prince Mohammed bin Salman bin Abd al Aziz Al Saud (the central figure in Saudi policy making) amid human rights concerns.

Leadership and Public Confidence

King Salman bin Abd al Aziz Al Saud (age 87) 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 named one of his sons, Crown Prince Mohammed bin Salman (age 37), as his successor in 2017. In the years since the Crown Prince has asserted control over key national security forces, sidelined potential rivals, and begun implementing ambitious policy changes. In September 2022, the Crown Prince assumed the responsibilities of head of government as Prime Minister, a position historically held by the king.

Channels for Saudis to express dissent appear to have narrowed considerably since 2017. Security forces have detained dozens of activists, clerics, Islamist figures, and journalists, releasing some conditionally during 2021 and 2022. In late 2017, authorities 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. Police released most of this latter group of detainees after reaching undisclosed financial settlement arrangements, amid accounts of abuse. Reports of additional detentions and questioning of leading royals since 2020 suggest that succession issues could remain contested.

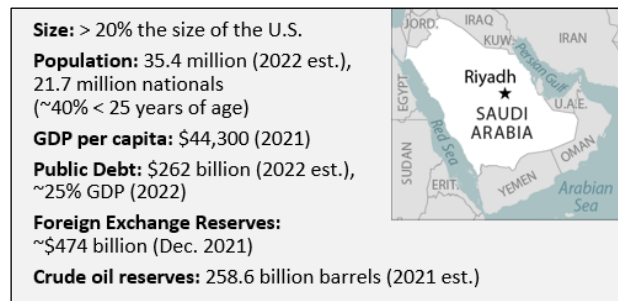
Saudi decision-making has shifted from what had been a relatively risk-averse posture rooted in rulers' concerns for

maintaining elite consensus, to one characterized by bolder, centrally directed changes. The Crown Prince's leadership and decisions have challenged key interest groups, including factions of the royal family, business elites, and conservative religious figures.

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.

Figure 1. Saudi Arabia



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

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. The Coronavirus Disease 2019 (COVID-19) pandemic slowed the kingdom's economy and reduced demand for Saudi oil exports during 2020, but Saudi leaders continued to implement reform plans, buoyed by economic recovery and higher oil revenues in 2021 and 2022 that moved the state budget into surplus.

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.

Many younger Saudis have welcomed changes made to date and call for more; roughly two-thirds of Saudi nationals are under the age of 35. Others express opposition or concern about the changes' potential effects on religious and social values. As it navigates these issues, the Saudi government's relationship with conservative religious figures is evolving,

even as it continues to enlist religious leaders to counteract extremism and promote order.

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, Saudi courts have reduced or suspended sentences for some prominent detainees and released others conditionally, while imposing new lengthy sentences on others.

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. The kingdom prosecuted some unidentified officials on related charges, convicting eight and sentencing five to death, before reducing the death sentences to varying prison terms. 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. In 2022, they solicited technical bids related to the planned construction of two nuclear power reactors. The Trump Administration expedited consideration of required regulatory approvals for U.S. nuclear firms to provide marketing information to Saudi officials. Saudi officials have not forsworn uranium enrichment and state their intent to use domestic uranium resources to produce nuclear fuel. 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.

Saudi Foreign Policy

Iran and Yemen

Saudi officials praised the Trump Administration's decision to withdraw from the Joint Comprehensive Plan of Action (JCPOA) in 2018, but did not express opposition to the Biden Administration's participation in now stalled multilateral talks with Iran. Saudi officials remain concerned about Iranian support for various armed actors in the MENA region, especially the Ansarallah/Houthi movement in Yemen, Lebanon's Hezbollah, and Shia militias in Iraq. Iraq brokered Saudi-Iranian "exploratory talks" in 2021 and 2022; and, in March 2023, China facilitated a Saudi-Iranian agreement to reestablish diplomatic relations and reopen embassies in each country.

Saudi Arabia opposed the 2014-2015 Houthi ouster of the Republic of Yemen government (ROYG), and, since March 2015, the kingdom has led a military coalition of mostly Arab states in efforts to reverse Houthi military gains. Iran has provided arms to the Houthis, who have used ballistic missiles and drones to attack Saudi Arabia and the United Arab Emirates (UAE). An April 2022 truce between the ROYG and the Houthis expired in October 2022 but has

held, bringing a halt to cross border missile attacks from Yemen and to Saudi-led coalition airstrikes.

Israeli-Palestinian Affairs

Saudi Arabia publicly supports key Palestinian demands, while Saudi leaders have engaged quietly with Israel based on shared concerns about Iran. Saudi officials continue to condition Saudi normalization with Israel on terms in the 2002 Arab Peace Initiative, specifically the establishment of a Palestinian state. In 2022, Saudi Arabia opened its airspace to civilian aircraft flying to and from Israel.

"We have said consistently that we believe normalization with Israel is something that is very much in the interest of the region. However, true normalization and true stability will only come through giving the Palestinians hope, through giving the Palestinians dignity. That requires giving the Palestinians a state, and that's the priority."

-- Foreign Minister Prince Faisal bin Farhan Al Saud
-- Davos, Switzerland – January 2023

Relations with China and Russia

Saudi Arabia is a major source of oil imports for the People's Republic of China (PRC). Sino-Saudi economic and diplomatic ties have deepened since the 1990s. PRC President Xi Jinping visited Saudi Arabia in December 2022, and PRC and Saudi officials signed a series of cooperation agreements. Since 2020, media reports have claimed that Saudi Arabia has acquired ballistic missile production technology from China and that China and Saudi Arabia have cooperated on a uranium milling plant.

Saudi Arabia coordinates with Russia on oil production decisions, although the two producers at times have differed over output. Saudi Arabia voted at the United Nations to condemn Russia's 2022 invasion of Ukraine, but opposed Russia's expulsion from the U.N. Human Rights Council. Saudi officials have offered to mediate between Ukraine and Russia and have facilitated related prisoner exchanges.

Saudi-U.S. Relations

The Biden Administration ended U.S. support for the Saudi-led Coalition's offensive military operations against the Houthis, but continues to provide defensive support and praises Saudi dialogue with Iran and parties to the Yemen conflict. The Administration opposed legislation in the 117th Congress that would have disapproved of arms sales to the kingdom or would have withdrawn authorization for non-counterterrorism related uses of U.S. military force in Yemen. The Administration directed the withdrawal of some U.S. Patriot air defense systems and personnel from the kingdom in 2021, but approved new sales of Patriot missiles to Saudi Arabia. As of December 2022, 2,755 U.S. military personnel were deployed to Saudi Arabia "to protect United States forces and interests in the region against hostile action by Iran and Iran-backed groups." Other U.S. troops and contractors implement long-standing defense and security cooperation programs in the kingdom. For more information, see CRS Report RL33533, *Saudi Arabia: Background and U.S. Relations*.

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