
POLITICAL, ECONOMIC AND CULTURAL DIMENSIONS OF GLOBALIZATION

THE US-SAUDI RELATIONS IN THE POST-OIL ERA

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The relations between the USA and Saudi Arabia emerged on the basis of oil and then developed to other dimensions. However, they became increasingly uncomfortable for both sides after September 11, leading to Obama signing a deal with Iran, the Saudi arch enemy behind their back. The rise of the ISIS (terrorist organization forbidden in Russia) created American popular discontent with the Saudis as the ISIS adopts the Wahabi doctrine, the creed of Saudi Arabia. This would change slowly as Mohamed Bin Salman vowed to modernize the kingdom and to return it to moderate Islam; however, many remain sceptic. Also, oil production meets some challenges. The value of Saudi Arabia is decreasing due to several factors. For ecological considerations, the demand is shifting to renewable energy sources that are more environment friendly. On the other hand, the USA due to the shale oil production is becoming an exporter of oil and thus, the Saudi oil becomes of a less strategic value. This paper assesses the future of this relation since the strategic value of oil is diminishing. It will also see how globalization has influenced this relation and whether any alternatives are possible.

Keywords: Saudi Arabia, the USA, oil, shale oil, renewable energy, globalization, middle power, strategic value.

Introduction

The relations between the USA and Arab-Gulf countries, more specifically Saudi Arabia, emerged with the discovery of oil. Given how important was oil for the functioning of the world, its strategic value dramatically increased. This was reaffirmed after the embargo that took its toll on world economy. From the strategic value of oil and the importance of securing its free flow that was expressed in the Carter doctrine, then came the idea of protecting the US military installation that protected oil after the first Gulf War. The presence of the USA led to the surge of extremism; hence, Saudi Arabia carved for itself a role of a US partner in counter-terrorism activities. In addition, Saudi Arabia had a valuable economic dimension. It appeared important in setting oil prices to fight the Soviets and now it helps keep the price of oil at a certain level for the shale oil to remain economically viable. Additionally, the surplus from oil sales allowed Saudi Arabia to accumulate wealth and become the US important economic partner. However,

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the price of oil experiences a downward trend due to declining demand caused by development of eco-friendly alternatives and the alternative from shale oil, hence the country's strategic value diminishes as well (Paraskova 2019). Also, after September 11, Saudi Arabia was accused of terrorism since fifteen of the nineteen kidnappers were the Saudis. These accusations re-emerged with the ISIS that adopted the Wahhabi doctrine. Today, the foundation, on which the US–Saudi relations rely, seems shaky. Saudi Arabia has not worked on an alternative: in the US it does not have a lobby that can compensate the loss of oil strategic value and make the relations a domestic matter. It could not acquire other allies as strong as the USA since globalization has failed to bring about a multilateral system where other powers could become equivalent to the USA. Due to globalization it is also difficult to diversify the economy. Hence, Saudi Arabia finds itself reliant on a commodity that in the long run does not guarantee the economic or strategic value which it used to have. Due to all those reasons, the Arab Gulf can no longer rely on its strategic value to keep the USA engaged. This is the reason why Saudi Arabia needs to develop an alternative strategic value (instead of being a prime producer of oil) for the USA. In the short run, Saudi Arabia should work on a plausible narrative that would help it to regain its position as the US necessary ally for the sake of regional stability. In the long run, it should also create an indigenous lobby in order to set support independently of strategic changes, similarly to what the Israelis have done.

The Background

The United States' relationship with the Gulf region goes back to oil, since it was American company that was the first company to discover oil in the Kingdom. Aramco, which started as the American-Arab Company with four partners (the Exxon Corporation, Texaco, Inc., the Standard Oil Company of California and the Mobil Oil Corporation) was established in 1944 (Vitalis 2007: 247). In 1980, the Kingdom bought all foreign shares and Aramco became the National oil company. However, the United States were the first investor in the Gulf (Reuters 2019). The cooperation between the Kingdom and the United States dates back to 1945, when Roosevelt met King Abdulaziz on February 14, 1945 aboard of a U.S. Navy destroyer, and the meeting was held in an atmosphere of cooperation except for the question of Palestine (Kennedy 2018). The discovery of oil coincided with industrial revolution that followed the First World War and oil became an alternative to coal and the primary energy component of the world economy.

During the Nixon doctrine era, Saudi Arabia and Iran were twin pillars for regional stability. However, this would change after the revolution since Iran of Khomeini was no longer the US ally. The Iranians blame the US for putting down Mosaddegh after he had nationalised oil. There was the general perception that the USA was the Shah's ally since the Americans helped him to establish SAVAK, the brutal secret police (Gen. Norman Schwarzkopf Sr, helped set up SAVAK). This resentment led to a bad start of the relations between the USA and the Islamic republic. Besides, the revolutionaries demanded the extradition of the Shah who fled his country to the USA (Al-Barasneh and Khatib 2019).

The Arab Gulf countries and in the first place Saudi Arabia filled the gap of the lost Iranian oil. During Carter's presidency, there was introduced the foreign policy initiative (known as the Carter Doctrine) which stated that the USA could use military force to protect its national interest in the Persian Gulf (*i.e.*, oil in Saudi Arabia). This was espe-

cially true since at that time it seemed that the Soviet Union could capture control over the world oil resources. The USA was worried of the Soviet access to Saudi Arabia and control of oil. The Soviets were to the west of Saudi Arabia in Afghanistan and to the east in Mozambique. If the Soviet were to control the oil wells in Saudi Arabia they would control the world source of energy.

Additionally, Saudi Arabia helped the USA in its global policies against the Soviets. During the Reagan era, the Saudi Kingdom kept the oil prices low to prevent the Soviets from selling their gas to Europe. In addition to making the Soviet entry to the energy market economically prohibitive, the low oil prices also helped Reagan in his supply side economics or reaganomics. They also were active in the fight against the Soviets in Afghanistan. The Grand Mufti of Saudi Arabia, Al Baz issued a fatwa encouraging the fight against the Soviets (Weaver 1996). Saudi Arabia in coordination with the USA recruited and sent to Afghanistan thousands of Mujahedeen who are known under the name Afghan Al Arab. The conflict raged for nine years, led to the death of 15,000 Soviet troops and of more than a million Afghans, and ended with Moscow's humiliating withdrawal from the country which hastened the break-up of the Soviet Union (Yusufzai 2020). The close involvement of Saudi Arabia with the USA in its support of the Mujahedeen led to the rupture of diplomatic relations that were only reinstated in 1992. In the Reagan time, Saudi Arabia managed to position itself as a middle power. According to Dong-min Shin's definition (2015), a middle power 'is a state actor which has limited influence on deciding the distribution of power in a given regional system, but is capable of deploying a variety of sources of power to change the position of great powers and defend its own position on matters related to national or regional security that directly affect it.' In addition to its economic power, Saudi Arabia also enjoyed prestige in the Muslim world. Its foreign policy has always been conducted from the perspective of being the centre of the Muslim world. This position allowed the fatwas and calls to have credibility in the Muslim world hence its partnership with the USA was crucial for the US success in Afghanistan and more broadly in struggle with communism.

Saudi Arabia was an indispensable and irreplaceable partner. This enabled the Kingdom to use this leverage to exert pressure on the US foreign policy. It was the middle power that could change the behaviour of great powers. This became most evident during the 1973 embargo during the Arab war with Israel and in 1982 when King Fahad threatened to shut off the supplies of oil if Israel did not withdraw from Lebanon. Israel conducted an invasion to Beirut to kick out the PLO that was active on its northern front.

The Surge of Extremism

With the collapse of the Soviet Union, the USA had no more competition for the oil resources. However, the commitment to the Arab Gulf did not decrease. When Saddam Hussein attacked Kuwait, the United States rushed to rescue Kuwait. Prior to the first Gulf war, Saudi Arabia rejected the deployment of American military bases within its territory. The Kingdom positioning itself as the leader of the Muslim world did not want to show a close connection with the USA, especially since these relations were the subject of much criticism. The belligerent relation that Khomeini had initiated with the House of Saud was due to the latter's alliance with the USA, and Khomeini blamed them for the brutal rule of the Shah. He accused them of being the US stooges (Khatib 2015). Prior to 1990, the USA had a symbolic military presence in Saudi Arabia and the Gulf in

general. It was mainly in the form of aircraft-carriers that were afloat offshore and were connected with the sixth fleet in the Mediterranean. However, after the threat from the Arab neighbour, the Saudis decided that the best way to have protection was to have American troops to protect oil. Thus, Saudi Arabia gained an additional strategic value since it had to protect the military that protected the oil wells. Nevertheless, the American installation in Saudi Arabia had certain consequences. The rise of extremism in Saudi Arabia was caused by Bin Laden's main grievances associated with

what bin Laden called 'infidels' in the land of the prophet. After coming from Afghanistan as a hero who fought the Mujahedeen, bin Laden was at odds with the royal Saudi family over their acceptance of American bases. He left the country in 1992 and was stripped of his citizenship in 1994; then he moved to Afghanistan and started afterwards calling for jihad against 'Americans occupying the land of the two holy mosques.' US soldiers were twice attacked in 1990' (History 2018).

A bomb killed five people in Riyadh in 1995. In June 1996, a large terrorist attack was conducted near Dahrhan in the eastern province. About 400 people were wounded and 19 military were killed. The mounting resentment and extremism culminated in the 9/11 attacks that had a great effect on the mood of Americans as well as on their perception of Saudi Arabia. Prior to September 11, the image of terrorism was mainly associated with Iran. After the attacks, the focus considerable shifted (CNN 2013). Saudi Arabia became to be perceived as a source of terrorism and not as an ally against terrorism. After September 11, the candidates promised to decrease the US dependence on foreign oil which was a direct shift from the Carter doctrine (Wald 2004).

After September 11, Georges W. Bush started diversifying American presence in each of the six Gulf states. The USA kept a minimum force in Saudi Arabia and redeployed military bases to Qatar, Bahrain, Kuwait, Oman, and the UAE; and in 2002 the air command also moved from Saudi Arabia to Al Udeid in Qatar. The base is one of the largest American bases in the world (Borger 2002). Kuwait, a country supportive of the second Gulf War, allowed the USA to conduct operation from Kuwait on Iraq. The operations launched from Kuwait allowed the USA to take a large part of Southern Iraq. Numerous troops were redeployed to Kuwait. CENTCOM was located in Kuwait. In 2003, Saudi Arabia lost the strategic value of hosting important military installation, as the military was no longer concentrated in Saudi Arabia but in Iraq. Al Qaeda that was defeated after the invasion of Afghanistan would revive during the invasion of Iraq. Again, the United States found a strategic value in Saudi Arabia in joint counter terrorism projects. The Saudis employed a soft strategy in counterterrorism activities based on prevention, rehabilitation, social support and counter narrative (Boucek 2008). The project implemented under King Abdullah was successful and was appreciated by the USA. However, with the rise of the ISIS the association with extremism came back to haunt the US-Saudi relations. However, the ISIS attacked Saudi Arabia itself several times including the attack in the sacred city of Medina in 2016. The terrorist organisation made the West look at Saudi Arabia as at a culprit. The fact that the ISIS follows the Wahabi doctrine and their schools teach curriculum used in the Kingdom made Saudi Arabia be suspected of terrorism (Shaheen 2016). The line of thinking was that even if Saudi Arabia was not directly behind the ISIS, the system based on Wahhabism did promote the radical teachings that fuelled the ISIS ideology. Also, the chaos with

funding opposition groups which were not under their patrons' direct control led to the situation when some of the funds were channelled to groups that had connections with terrorist organisations. The vice president Joe Biden in a talk at Harvard accused Saudi Arabia, UAE, and Turkey of funding extremist groups in Syria. Actually, the rise of the ISIS caused some distancing with Saudi Arabia and facilitated the rapprochement with Iran. Iran was considered as the US indirect ally (The Frontline 2018) since they had a common enemy – the ISIS. The ISIS was antagonistic to the Shia quite as much as to the West. Also, with the rise of the ISIS, that affected the image of Saudi Arabia, indirectly improved the American general perception of Iran.

Strategic Importance of Oil

The Arab Gulf countries have also focused on relations with the administration and the White House. The USA has always been interested in the strategic control of oil production. The 1973 embargo showed that the West can hardly cope with oil supply shortage. The lack of energy led to huge growth of airfare and to long queues at petrol stations. The brunt of the embargo was felt by average American and hence the average American felt that oil is a vital source of energy that should be protected. Hence, Saudi Arabia had a leverage it could use in its relations with the USA (South Bend Tribune 2016). Of course, these relations needed to be protected but this protection was also to the US benefit. Possessing the world largest reserves, Saudi Arabia could choose the terms of the relations with the USA. At first, it was important to protect the Saudis from the Soviets. In the bipolar world the control of energy sources by the Soviets would mean their global dominance and the end of free world. In the 1980s, the Congress approved the sale of the Airborne Warning and Control System (AWACS) to Saudi Arabia despite strong resistance on the part of the Pro-Israel lobby. One of the main reasons for the sale was the importance of protecting the oil installations in Saudi Arabia (Simpson 2008). Though Saudi Arabia was vehemently anti-communist, it never publicly allied itself with the USA. King Khaled was famous for saying that the Saudi loyalty is not to the Western or Eastern bloc but to the Muslim people around the world. However, the Saudis' distant and reserved attitude towards the USA allowed Israel to become strategically valuable for the Americans. The concept was promoted by Henry Kissinger who said that Arabs cannot be trusted with the vast amount of oil to be under their control. Israel, which is considered a Western country, could stand as a kind of surrogate fortress that can prevent the Soviet Union from reaching the oil fields (Khatib 2015). The strategic value of oil is related to the concept of national security. The collapse of the Soviet Union created a shift in the American public perception of the national interest. At the time, for the Soviet Union the national interest was a clear concept defined in containing communism around the world and it was easy to garner public support around it. Now national interest has become a fluid concept. Also, due to the US miserable failure in Iraq the mood in the USA became isolationist. Hence the average American is less inclined for supporting interventions abroad to protect a volatile region in order to secure oil supplies. Actually, the victory of Donald Trump with his isolationist agenda at the presidential elections proved this point. During Obama's presidency, the American administration rebuffed a request from Saudi Arabia for interference in Syria though the Saudis pledged to finance it (Martosko 2013). On the other hand, the USA also refused to get embroiled in Yemen (Bazzi 2018). It just offered support to Saudi

Arabia without getting involved directly. Actually, now as the war prolonged and led to a humanitarian catastrophe, the voices are raised to stop the support of the war. The democratic candidate Joe Biden called for stopping the war in Yemen, though he approved it once he was in office. The rise of China also led to deflecting attention from the Middle East region. In Obama's 'pivot to Asia Pacific' the USA needed to increase its presence in the Asia Pacific to retard Chinese growing power which renders nervous the US allies like the Philippines, Japan, and Taiwan. There were moved about 2500 marines from the Middle East as well as from Europe to Asia (to Philippines, Indonesia and Australia) (Bumiller 2012). In addition to countering the Chinese expansionism, Obama's administration wanted to forge stronger the commercial ties with the Far East. All these show the declining interest in the relations with Saudi Arabia. The relations reached its lowest point during Obama's administration. Obama in an interview with the *Atlantic Magazine* said that Saudi Arabia is a very difficult partner to work with. These words and attitude did put the Saudis on edge (Goldberg 2016). The nuclear deal that was conducting without consulting or informing Saudi Arabia has rendered the Saudis very defensive. The security concern of Saudi Arabia only took the second priority with the USA. John Kerry announced that some of the funds released to Iran at the wake of the nuclear deal would be channelled to terrorists and the USA had no control over that. The Obama era was marked by a more independent Saudi foreign policy as the mistrust between the two allies had reached its peak (Labott 2016). Saudi Arabia went directly to criticising the USA when Obama refrained from hitting Assad though he broke the red lines set by the USA around using chemical weapons. Prince Turki Al-Faisal said sarcastically that Obama's red line became pink (Luce 2014).

Alternatives to Alliance with the Americans

The Obama era led to the Saudi increasing activities abroad. There was no more deep confidence that the USA will provide protection that the Saudis need. At the time of King Abdullah, the Arab uprising erupted and one observed Obama's reluctance to stand by the American long-term allies like it happened with Mubarak. However, being a middle power does not necessarily guarantee the influence on great powers. With Obama, Saudi Arabia found itself as a middle power that cannot even defend its own position. Therefore, during the Obama era, Saudi Arabia pursued its foreign policy more or less independently of the USA. The Saudis tried to compensate for the lack of American engagement. They sought more integration and cohesion with other Arab countries. It also sought to seek alliances with other powers. However, both fronts were unsuccessful in providing an alternative to the alliance with the USA. To start with, the current world order is a unipolar order. Neither the collapse of the Soviet Union, nor globalization did lead to a multipolar world. Although globalization has brought more integration and cooperation, the world power is still centred in the USA. Although the European Union remains the largest common market, still it follows the USA in what concerns the world affairs. Globalization did not give more power and influence to international organizations. International organizations, like the United Nations or NATO, are still governed by a certain structure and by certain countries that are most influential in them. The dissolution of the Soviet Union did not lead to emergence of another superpower. Even China that has a vast territory and great economic power still has hardly the authority in the world affairs to rival the USA.

Saudi Arabia tried to make advantage of its authority in the Arab and Muslim world and to try to counter the rising Iranian influence that started to gain American acquiescence with the nuclear treaty and with the rise of the ISIS. On the other hand, Saudi Arabia was strangled by Iran from the north in Iraq and in the south by the Houthis. The Saudis looked for gulf and Arab integration to compensate for the American distancing, even Prince Turki Al-Faisal said that the Gulf cooperation council should become a union (Toumi 2013).

As a middle power, Saudi Arabia tried to use its leverage as a catalyst to organise a 'joint Arab force.' King Salman visited President Sisi in 2015 and pushed for a joint Arab force, though initially the Saudis had reservations on such a force. The force would comprise some 40,000 elite troops, supported by war planes, naval vessels and light armour (BBC 2015). However, since its inception the force faced with a lot of scepticism. Florence Gaub from the international security studies at the EU said, 'The force has not only suffered from a lack of trust among the Arab League member states – it is unclear what it seeks to achieve, and furthermore it appears much more ambitious than any previous collective security arrangement' (Gaub 2015) Anyway the idea was put into hiatus shortly after it was initiated due to disagreement between Saudi Arabia and Egypt over deployment of Libya (*Ibid.*). The failure of the joint Arab force shows the limited influence Saudi Arabia has over other Arab countries. Also the countries did not want to be dragged into undesirable interventions. In November 2017, Saudi Arabia also tried to use its prestige and its influence as a middle power to create 'the Islamic alliance against terrorism' which gathered 41 countries but excluded Iran. It was more perceived as a frame to corner Iran than to fight extremism. The fight against the ISIS in Iraq and Syria was mainly led by the USA and NATO forces. However, another sign of the US disengagement is its push for the Arab countries to coalesce and to form a framework of their own for their own collective security. The USA no longer has a large appetite to play the role of a provider of security of Saudi Arabia. In January 2019, Pompeo visited the Arab countries, floating the idea of an Arab NATO that will have an objective of 'defeating Daesh, countering radical Islamist terrorism, protecting global energy supplies, and rolling back Iranian aggression' as declared in the State Department press release (Gulfnews 2019). The call which pressured for unity against Iran is unlikely to be effective given the diplomatic crisis with Qatar that has been in place for three years.

In the last few years, Saudi Arabia has been increasing its exports of oil to Asia and decreasing export to the USA. One would expect with globalization that Saudi Arabia will diversify its strategic alliances; however, this diversification has its limitations. As mentioned before, no other country could replace the USA in the global affairs. However, the relationship tends to become more imbalanced as the USA has less need for the Saudis whereas Saudi Arabia still needs the USA. Mohammed Bin Salman has tried to forge personal relations with the US President's son-in-law. However, the deals with Jared Kushner have raised questions whether his personal interests do affect his role as a senior advisor to the President of the United States. This role was mainly put into question after it became known that Jared Kushner supported the blockade imposed by Saudi Arabia and Emiratis on Qatar while Kushner's father had met with Qataris weeks before and asked to bail out his distressed New York tower (Bazzi 2019). The deal with the Qatari failed (however, a year after the blockade the deal with a Qatari subsidiary managed to save his office building). In addition, Mohammed Bin Salman, at the beginning of his rule as a crown prince signed many lucrative arm agreements with the

Trump administration (Diamond and Star 2018). When Trump was asked whether he personally had interests with the Saudis after failing attempts to impose sanctions on it after the journalist Jamal Khashoggi had been assassinated, Trump replied that the USA cannot afford to lose the lucrative deals with Saudi Arabia. He said that sanctioning Saudi Arabia will benefit China and Russia who will jump on the arm deals. Despite this alliance, Trump's tone seemed not very comforting to the Saudis. Trump has bluntly said that the crown prince 'might not last two weeks in power without the USA.' Such statements irritated Saudi Arabia (Woody 2018).

Saudi Arabia has also tried to diversify its alliances. The Russian intervention in Syria coupled with American retrenchment pushed Saudi Arabia to look at Russia as a new great power to ally with to shield itself from Iranian expansionism. This also coincided with Putin's eagerness to build stronger commercial ties in the Arab Gulf region, namely, in the sphere of energy and arm deals. In October 2017, during his visit to Moscow, King Salman agreed to buy Russian S-400 surface-to-air missile systems (The Moscow Times 2017). The arm deals go beyond their monetary value, as they involve national security and include training and long-term spare part contracts; they tend to forge alliances between the buyer and the seller. In October 2019, Putin made a trip to the Gulf that involved signing deals with the Gulf countries. The Kingdom also signed a Memorandum of Understanding to manufacture Russian military equipment in Saudi Arabia (Reuters 2019). However, the relations reached a ceiling because of the partnership between Iran and Russia, namely in Syria. Also, any improvement of the relations would face the American veto. This is why the S-400 deal was not realized.

However, the relations with other countries are only used as a backup to the relations with the USA, not as a substitution to it. Though China is Saudi Arabia's number one trade partner with export amounting US\$ 29.1 billion and import amounting US\$18.3 billion still the relations with China are hardly comparable to the relations with the USA (OEC). In 2019, Mohammed Bin Salman visited China to sign a number of business deals. He defended China's right to fight the Muslim minority of the Uyghur (Enzor 2019).

Issues of Saudi Arabia's Image

The country's standing in the Muslim world is another concern for Saudi Arabia as when the Kingdom seeks to diversify its alliances and find substitutes to the USA it should take into account its standing in the Muslim world. It is difficult for Saudi Arabia to forge alliances with countries that are deemed hostile to Muslims. For example, embracing China, puts Saudi Arabia at odds with its position of defending Muslims around the world, especially that the attitude of China towards the Uyghur minority has raised condemnations worldwide. However, Saudi Arabia should be careful about thawing the relations with Israel because Israel is very badly seen by Muslims around the world. When reaching out to powers like Israel and China that can be viewed as antagonistic to Muslims, Saudi Arabia may damage its image of the leader of the Sunni world, which Turkey is increasingly trying to adopt. This is why Erdogan is taking a strong position on issues that are important to the Muslims such as Syria and Palestine.

Also, the issue of image has been the major impediment to the Saudi relations with the USA. In a way the relations with USA have tarnished the Saudi image in the Muslim world, this is why Saudi Arabia tried to keep it low profile. On the other hand, the negative associations to Saudi Arabia have been an impediment to its relations with the USA.

Although Saudi Arabia has always relied on mere utilitarian relations with the American administration and on the assistance it can provide to the USA, the Saudi image has always been a challenge. In September 2016, both Houses of Congress passed Justice against Sponsors of Terrorism Act which directly accuses Saudi Arabia of being responsible for the September 11 attacks. The bill was pushed by the relatives of the victims of the attack. The threat of Adel Al-Jubeir to withdraw Saudi investments from the USA did not prevent it from getting passed (Mazzetti 2016).

Following the killing of Khashoggi, Trump turned down the calls to sanction the Saudis though they were coming from close allies like Lindsay Graham (McBride 2018). However, the murder had an alienating effect. The US media kept on running the story, many American companies boycotted the Investment forum in Riyadh (called Davos of the desert). In July 2019, the US House of Representatives approved three resolutions to block President Donald Trump's planned sale of guided missiles and other weapons to Saudi Arabia and its allies, the United Arab Emirates and Jordan. Although Saudi Arabia works hard on improving its image, many events happened that would destroy the advancement made (The Defense Post 2019). The rise of the ISIS was hyped on by the pro-Iran groups in the USA to portray Saudi Arabia as an exporter of extremist ideology. Saudi Arabia has implemented many projects aimed at opening up the kingdom and breaking the stereotype of an ultra-conservative monarchy. It launched many avant-garde projects, especially in tourism. The projects include opening of Nikki Beach (a luxury beach club that has several branches around the world) in Ithra Jeddah, which is supposed to rival Petra in Jordan.

However, the assassination of Khashoggi created a huge anti-Saudi wave. Though the calls to cut the relations with Saudi Arabia or sanction the Kingdom were silenced, the image of the country was damaged. This is evidenced by Biden's presidential bid where he referred to Saudi Arabia as Pariah (Emmons *et al.* 2019). Showing a strong stand on Saudi is popular.

There is another problem for the Saudis and that is the perception of having too close relations with the Trump administration. The Saudi and Emirati scholars rush to defend Trump in the Arabic media. However, the too close relation with Trump is not to Saudi Arabia's benefit especially now when Biden won. Biden led the 2020 campaign with an anti-Saudi tone. During a debate, Biden vowed to make Saudi Arabia accountable for murder of Khashoggi and called Saudi Arabia a 'pariah'. However, the Saudi ambassador to the US said that this opinion is likely to change if Biden reaches the White House (Gruver 2020). Nevertheless, shortly after Biden took over the presidency he stopped the US support for the war in Yemen.

Nevertheless, the Saudi-UAE-Qatar rivalry is likely to make the relations with USA even more difficult and give the Americans more leverage with each country. Different Arab Gulf countries have always sought to focus on the USA as their main ally. However, in this respect, every country wanted to present itself as the US best ally. Instead of joining forces to have a combined bargaining power with the USA, they still operate on a bilateral basis.

Economic and Ecological Considerations

The invasion of Iraq was supposed to bring an increasing oil supply and a decrease of prices. However, it led to disturbances in the region and to the rise of terrorism which pushed the increase in price. In the period between 2003 and 2008, the accumulation of

wealth from the sale of oil made Saudi Arabia an ever more important importer of arms. As said before, the arm deals go beyond defence machinery. They deepen the relations as they also imply follow up and trainings. Also, the increase of oil prices is a double edge sword which resulted in the surge of another competitor: the shale oil. Shale oil makes the USΦ more independent from the Gulf oil.

The oil price increases created an incentive for the shale oil. The CIA World Factbook on what the world will be like in 2030, shows that there will be an increase in the share of renewables and shale oil so the countries which have income from oil will decrease dramatically. One of the main Obama's projects was fighting the climate change. He aimed at a 40-percent reduction in emissions by 2030 (Pantsios 2015). By 2030, US\$ 86 billion are to be invested in clean energy which will lead to US\$ 140 billion of savings (IRENA 2015). Therefore, the demand for energy from fossils is likely to decrease due to an increase of renewable energy and of alternative sources, which is shale oil.

However, the oil market has ups and downs and Saudi Arabia is a price setter as it enjoys the ability to extract at low cost. It usually increases production to drive other producers out of the market which will then push the price up again. For example, on the 27th of November 2014, Al Naimi, the Saudi Minister of Petroleum and Mineral Resources, refused the request from 12 members of OPEC to cut production since Saudi decrease production is not always compensated by increase in price (Lawler *et al.* 2014). The price went from 115 to below 50 dollars. These price swings are deemed bad to the economy. They are one of the causes of steep swings in the economic cycle as well as depression and booms. There is also a discourse about the hidden cost of energy from the Middle East which results from the cost of protecting the installation as well as the surge of extremism which makes it a very expensive commodity in real terms (Cheek 2011). This is another reason why there is a shift to get a more sustainable source of energy and to eliminate the dependence on a partner that can manipulate the price. Actually, now with the shale oil, despite the fact that the USA is independent of Saudi Arabia as a source of energy, they still depend on it to preserve their shale oil industry. In order for shale oil production to be economically profitable, the market price for oil must be US\$ 60 (Beattie 2019). Thus, after the price war between Russia and Saudi Arabia, the United States intervened, forcing Saudi Arabia to cut production in order to push the price up. Saudi Arabia increased its daily production by a million barrel per day which created downward pressure on prices. The United States threatened to re-evaluate its relations with Saudi Arabia if the latter did not comply (Gulf News 2020). On the other hand, Saudi Arabia used to be the main price setter, even during the Obama administration when sanctions were lifted on Iran. The opening up of Iran did not significantly affect the oil market supply. The infrastructure was old and the political system lacked the necessary transparency to attract investors. Also given that the treaty was an executive order there was always a chance that it would be reversed with the upcoming president, and which is what actually happened.

On the other hand, globalization made it difficult for Saudi Arabia to diversify its economy and hence to reduce oil dependence. For Saudi Arabia it is not cost-effective to go into manufacturing and at the same time it is difficult to go in production of high value-added goods. The more Saudi Arabia is reliant on oil, the more it is dependent on its relations with the USA even if it has minimal export of oil there. This is why, in May

2019, when oil tankers were attacked, the USA rushed and sent the Abraham Lincoln carrier strike group and four B-52 bombers to the Gulf (Brook *et al.* 2019). Globalization has a negative effect on diversification since more countries are focusing on goods and products in which they have a competitive edge. The world is becoming more interconnected but also the specialization that came with globalization made each country more vulnerable (Cincera and Ravet 2011). The corona crisis revealed that a supply chain disruption may turn catastrophic. Hence, every country is becoming more dependent on the outside world and the trade partner and Saudi Arabia is no different. However, the Kingdom's main competitive edge is in its oil, as it enjoys the low cost of production compared to other producers. Even if the USA does not need Saudi oil, it still needs to keep the price of oil at a certain level for strategic purposes. This is no different from Reagan who wanted to lower the oil price to make it difficult for the Soviets to export their gas to Europe.

Saudi Arabia is trying to make a technological leap, taking advantage of the wealth accumulated from oil through the years, and not go through the classical phases of industrial development. One of the pillars of MBS 2030 vision is to prepare the country's economy to a world where fossil energy is no longer an essential commodity. NEOM is an anchor project in this regard. It is supposed to be a smart city which combines tourism, hi-tech and an environment-friendly way of life. However, there are growing doubts about the viability of the project. Now with the pandemic that led to a decrease of economic activity and decrease of oil prices there is scepticism about the ability of the Kingdom to finance such project and make this qualitative leap in the industrialization of the country. The state oil company Aramco has already been part-privatised to raise funds to invest in new industries.

Future of the Relations

The future of the relations is under challenge since there are too many factors that make their maintenance questionable. To start with there are no common culture and values between the USA and Saudi Arabia. The US public views Saudi Arabia as a theocratic monarchy. The YouGov poll in October 2018 shows that only 4 per cent of respondents consider Saudi Arabia as an ally. Though the poll was taken shortly after the assassination of Khashoggi which must have influenced the opinion, however, the survey also shows that Americans have limited trust in the Saudis (YouGov 2018). The same applies to other Gulf countries. According to a poll conducted in 2017 by YouGov, only 27 per cent think of Qatar as an ally (Flanagan 2017). The trend across the Gulf shows that it concerns not only Saudi Arabia but there is a general distrust of the Arab Gulf countries. Also, there is a general disinterest and ignorance so that the Arab Gulf region comes across an alien culture.

Despite many reforms such as allowing women to drive and the Kingdom placing the Western educated women at the forefront of diplomacy, the image has not changed much. The alliance is not to be taken for granted as it is no longer standing on a solid foundation: the core of the relationship revolving on the strategic value of oil is diminishing. The other dimensions of relations stem from the core relations based on oil. They are unlikely to stand on their own, especially now that the overall trend is to re-

duce the reliance on fossil oil. The Justice Against Sponsors of Terrorism Act (JASTA) showed the general attitude towards the Kingdom when despite the fact it had an impact on the US-Saudi relations, the Senate went ahead with it and did override President Obama's veto. The US Senate Majority Leader McConnell said, 'nobody really focused on the potential downsides in terms of our international relationships.' This was the first time in eight years of Obama presidency that a veto was overridden by the Congress (Bellinger 2016).

JASTA reflects what the average American thinks about the Saudis. After the 1973 oil embargo, there has always been the image of the Gulf Arab countries blackmailing the USA using oil; the USA was also financing PLO in the midst of the trend of kidnapping planes. Then came September 11. Since then every presidential candidate has vowed to stop relying on the Gulf oil. This directly contradicts the approach applied during the previous period when in the state of the union, Carter said that the USA would use force to protect oil fields. This is demonstrated by the war in Yemen when the United States, although supporting the war, did not take part in it. The rise of the ISIS contributed to a gruesome stereotype among the Americans. The picture of beheading and barbaric practises showed in the media and coupled with footage of children learning in the ISIS schools from textbooks adopted by the Saudi curriculum contributed to aggravation of the negative image of the Saudis.

Once the ISIS was restrained and was no longer dominating the news, the issue of the assassination of Khashoggi emerged and further led to the deteriorating the image of Saudi Arabia eclipsing the domestic changes like allowing women to drive. The issue of human rights remains a stumbling block between the West and the USA and Saudi Arabia, despite the interests that might bind the two countries together. However, interests arise and disappear when conditions change. The deployment of the US troops in Saudi Arabia led to the cooperation to protect these installations. The rise of terrorism led to the need to cooperate in fighting terrorism. The odd swings in the price of oil push the USA to force Saudi to cut production and keep the price up. The need to protect the installation in Saudi Arabia decreased after the USA moved its large part to Iraq after the second Gulf war. However, there no deep-rooted links between the two countries as there are not common values and the overall image is very negative. As the strategic value of oil declined, Saudi Arabia did not find an equivalent replacement to stay relevant for the USA. On the other hand, Saudi Arabia did not invest in any grassroots base which would be sympathetic to them. If we look at the Israeli example, Israel was promoted by Kissinger as a surrogate fortress to prevent the Soviets from reaching the oil fields. However, Israel organized a grassroots base that was active and influenced policy decisions domestically (Mearsheimer and Walt 2008). Hence the support for Israel became bipartisan domestic issue irrelevant of strategic considerations. When the Soviet Union dissolved, Israel had enough domestic leverage, it did not need to have a strategic value. The Saudis did not work on such an alternative. Their successful lobbying focused on commercial issues where a deal creates jobs for Americans. As oil prices decrease, Saudi Arabia will have less to spend and hence will become economically attractive to the US. Saudi Arabia signed arm deals worth US\$ 110 billion in 2017 when Mohammed bin Salman took over. Those weapons will meet the Kingdom's de-

fence needs for the years to come, and it is hardly possible that similar deals will be signed in the near future (Diamond and Starr 2018). In addition to that, the financial situation exacerbated by decreasing oil prices and the Corona virus does not allow such expenditures in the short and medium-term period. At the same time, the Arab Gulf countries do not work in a collective manner and every country works on its own and focuses on its bilateral relations with the USA. Even at the elite level there is no consistent narrative and no joint efforts to create a better bargaining power with Americans. Every country wants to show itself as the US best friend (Khatib 2015). The current Gulf crisis has been accompanied with toxic lobbying against each other and has done nothing but poisoned the relations between different Gulf countries. The result is far from positive for the US-Saudi relations while various public relations companies that are supposed to create a positive image have a marginal effect at best. On the other hand, Saudi Arabia has failed to find an alternative to the USA mainly because no other power can fill for the United States and the current world order is not multilateral. The prospect of having a regional order to provide security and stability to replace dwindling US-Saudi relations is more far-fetched than ever. In addition to the rivalry with Iran, now Turkey is another competitor. Therefore, Saudi Arabia is in the situation when it is losing its leverage with the USA without having any alternative or having any collective bargaining power. The situation remains delicate and the trend is likely to increase. Biden is already showing signs of distancing from Saudi Arabia. It will only be reversed if there are major changes in Saudi Arabia that will help change the overall public image in the USA and if Saudi Arabia engages with the grassroots. However, engaging with grassroots is a long-term project that takes years and years to bear fruit.

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