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**Saudi Arabia's foreign policy:
relations with the superpowers**

by

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About the author

Holder of the British-Bahraini Foundation Fellowship in 1994-95, Martin Harrison is currently completing his Ph.D. on *Aspects of Saudi foreign policy* at the Centre for Middle Eastern & Islamic Studies (CMEIS), University of Durham. He holds an M.A. in Middle Eastern Politics from the University of Durham.

Saudi Arabia's foreign policy: relations with the superpowers

Since the use of the Arab 'oil weapon' more than twenty years ago in 1973 and the ensuing enormous gains in wealth from oil revenues, the distribution of power in the Middle East has been tilted towards the Gulf region.

As the Middle East's largest oil producer and with over 25 per cent of world oil reserves, Saudi Arabia is the wealthiest and most influential of the Gulf oil producers. The Kingdom has sought to use its oil riches to achieve its political goals in the Middle East as a close ally of the US. Yet in spite of Saudi Arabia's role, its foreign policy remains an enigma.

This study examines Saudi Arabia's foreign policy with regard to the Great Powers which, for our purposes, are the US, the Soviet Union and the former Soviet Republics, and the People's Republic of China. However, in order properly to understand considerations that determine Saudi foreign policy in the international arena, it is essential first to explore the origins of Saudi foreign policy thinking.

Part one therefore explores the historical background to this policy. The study outlines the components that form the key elements of

Saudi foreign policy considerations and shows that the underlying premise for all Saudi foreign policy is security - the security of the Saudi state and by implication the security of the House of Saud.

Part one also examines the nature of the Saudi state and the patterns that Saudi foreign policy has followed at the regional level, as well as the means the Kingdom has used to achieve its foreign policy goals. This section also looks at the Islamic revolution, the Iran-Iraq War and the Gulf War and the ways in which Saudi Arabia tackled these serious threats to its security.

Part two explores the relationship between Saudi Arabia and the US, first 'locating' Saudi Arabia within the international system as a 'Middle Power' and discussing the changing role of such powers in international politics. It starts from the view that Saudi-US relations are primarily founded on economic interaction. Whilst this has been the case from before the end of World War II, the economic relationship became most significant for both parties in 1973. For this reason, Part two concentrates on the Saudi-US relationship from 1973 to 1994, setting the analysis within the framework of the US conception of the international

system to which Saudi Arabia is subject within the contexts of the various US presidential doctrines from 1973 to the present and the inseparability of Saudi-US relations from the Arab-Israeli dispute.

Part three examines the relationship between Saudi Arabia and the Soviet Union and the former Soviet Republics. It shows that while the USSR was one of the first major powers to recognize the Saudi Kingdom in 1926, ties were severed in 1938 and relations thereafter were generally hostile, with occasional bouts of more favourable ties. This part covers in detail the period 1964-94, examining Saudi-Soviet rivalry in the Horn of Africa and the Arabian peninsula, the Soviet reaction to the Iran-Iraq War and the split in Arab opinion over the Soviet invasion of Afghanistan. It also looks at the Gulf War and the subsequent restoration of diplomatic ties between Saudi Arabia and both the Soviet Union and its successor states.

Part four looks at China's relations with Saudi Arabia - mostly from a Chinese perspective. This part also shows that during the 1970s especially Chinese foreign policy was largely a response to perceptions of the Soviet threat to Chinese security which was deemed to be greater than that posed by the US. It also shows how Chinese awareness of the use of the Arab 'oil weapon' transformed its outlook on the Third World.

From 1978, in response to the Chinese modernization drive, China strove to establish economic relations with as many countries as possible. Sino-Saudi economic ties increased, culminating in the restoration of diplomatic links in July 1990. In the post-Cold War world Sino-Saudi relations have found expression largely in economic interactions which are continuing apace with mutually beneficial prospects.

Part one: the historical setting

The key considerations for Saudi foreign policy were borne out of the establishment of the third Saudi state in 1926 by King Abdul Aziz bin Abdul bin Faisal al-Saud. His conduct was characterized by a desire to leave all options open and avoid any alliance with one power that might irreversibly alienate him from others.¹

The major goals of Ibn Saud were the reinstatement of the House of Saud in Arabia, the restoration of former dynastic dominions, and the consolidation of his own authority, rather than the expansion of the Saudi state in order to spread and impose the Wahhabi doctrine.

The dynastic motivation and religious-Wahhabi considerations go to the heart of the issue of expansion. As long as the basic motivation of the community was conversion, which advocated plunder, no limits could be set on expansion. But once the major social force became the Saudi dynasty and its major goal

¹ Jacob Goldberg, *The foreign policy of Saudi Arabia - the formative years, 1902-1918* (Harvard University Press, 1986), p. 179.

was the regaining of ancestral dominions, Wahhabi territorial ambition could be contained for the purposes of *realpolitik*.¹

On the domestic front the traditional Wahhabi life did not lose ground but was strengthened and reinforced by the establishment of the Ikhwan movement. Wahhabism enabled Ibn Saud to turn his entity into the strongest in Arabia and to extend Saudi rule over most of the peninsula. This basic tension between a non-Wahhabi foreign policy which relied on a domestic Wahhabi spirit had existed since the Al-Sauds' revival in 1902. Until 1926 Ibn Saud's dynamism in restoring Saudi territories converged with traditional Wahhabi expansionism and satisfied the Ikhwan. The ending of expansionism in 1926 meant that the contradictions developed into a fully-fledged confrontation between Ibn Saud's new policies and those of the Ikhwan who represented traditional Wahhabism.

The 1929 rebellion by the Ikhwan was an open expression of the division which had characterized the third Saudi state from the outset. Ibn Saud's victory in the final showdown enabled him to continue a policy begun more than 25 years earlier.²

The third Saudi state owes its ability to survive to two changes that Ibn Saud introduced into its fabric. The first concerned the internal

structure of the community and focused on the transformation of the 'true character of the volatile Bedouin society'. Ibn Saud therefore first married into all major tribes under his control, turning them all in a way into Saudis and thereby creating a new focus of identity and loyalty.

Secondly, he encouraged the emergence of the Ikhwan movement and made the Wahhabi doctrine serve as the cement transcending all previous tribal barriers.³

The second change was in foreign policy terms. A Wahhabi state along the lines of the first two Saudi states could not have survived for long in modern times. With uncontrolled expansion as its foundation such a state was bound to be checked and even crushed. Ibn Saud had the insight to grasp this and ensure the survival of the state.⁴

Cornerstone of foreign policy

One of the cornerstones of Saudi foreign policy throughout the twentieth century that was laid by Ibn Saud was opposition to the establishment of pan-Arab or pan-Islamic political formations.

Ibn Saud refused to endorse plans aimed at transforming independent Arab countries into a larger unity. He had little enthusiasm for the pro-unity propaganda of both Arab nationalists in Syria and the

¹ Jacob Goldberg, *The foreign policy of Saudi Arabia - the formative years, 1902-1918* (Harvard University Press, 1986), p. 185.

² Ibid. p. 186.

³ Ibid. pp. 187-8.

⁴ Ibid. p. 188.

Muslim Brothers in Egypt in the 1930s. He opposed plans for a stronger Arab League in 1945 and refused to be drawn into any integration scheme, insisting that the separate existence of each Arab state be recognized.

He and his successors opposed all attempts to create larger Arab or Islamic unions even when he himself could have headed such a grouping. This was because, first, the Saudis realized that Saudi Arabia's remoteness, small population and military limitations meant that it was unlikely that the Kingdom would become leader of any projected union. If such a union were realized it would probably be led by one of the traditional centres in the Arab world - Cairo, Baghdad, or Damascus. Secondly, the Saudis recognized that such a unity would not only pose a direct challenge to the political basis of the Saudi dynasty but would also remove Saudi independence altogether.

The Saudis' deep anxiety on this point ensures their continued opposition to all unity plans to this day.¹ The overriding goal of Saudi foreign policy is thus defensive in nature: securing the independence and integrity of the state, as well as the position of the Saudi royal family, in the face of a chain of external enemies.

Early twentieth century policy

The course of Saudi foreign policy in the first two decades of the

twentieth century also shaped the Kingdom's perception of, and relations with, the West in general. In this respect it also set Saudi Arabia apart from the rest of the Arab world.

The evolution of Saudi foreign policy had none of the strong, deep-seated anti-Western sentiments prevalent in other Arab countries such as Egypt, Syria and Iraq. These feelings resulted from the long confrontation between the European powers, Britain and France, which came to control the Arab states after World War I, and the various national movements that emerged in the Arab world.

The West was perceived not only as the major obstacle frustrating the realization of Arab independence but also as the cause of divisions in the Arab world. The British, in alliance, actually helped the Saudis to obtain freedom from the Ottoman empire. The absence of anti-Western feelings, combined with the fact that Saudi Arabia has no legacy of Western occupation (the former perhaps being a consequence of the latter), may also explain why the process of modernization in Saudi Arabia was not marked by political, social and religious upheavals that occurred elsewhere in the Arab world.

This was all the more remarkable in view of the deep Islamic foundations of the Saudi state. The absence of an anti-Western legacy is also an important reason why Saudi Arabia finds it easier to develop

¹ Jacob Goldberg, *The foreign policy of Saudi Arabia - the formative years, 1902-1918* (Harvard University Press, 1986), p. 182-3.

relations with the US than other Arab countries do.¹

Dynastic and political goals

The emphasis that Ibn Saud placed on dynastic and political goals in the formulation of foreign policy resulted in both the decline in importance of Wahhabism and the gradual weakening of Islam in general as a determinant of Saudi foreign policy.

Rather than steering the direction of Saudi foreign policy, Islam became a means of providing it with legitimacy in the eyes of the Saudis and other Arabs and Muslims. Islam enhanced the Saudi position and offset accusations that Saudi Arabia was too pro-Western.²

This was illustrated at an early stage by Ibn Saud's declaration in 1925 that his conquest of Mecca and Medina would not hinder the pilgrimage or alienate the Islamic world. In 1926 he convened the Muslim World Conference in Mecca, which was in theory designed to discuss the future status of the Hejaz region, but was really an attempt to obtain international Islamic recognition of, and legitimacy for, his control of the Holy Places of Islam, as well as to prove that freedom and security were prevailing in the Hejaz.

Ibn Saud was interested in securing his position in the Islamic world as well as in having other powers, irrespective of religious or ideological persuasion, recognize his status, and in broadening his foreign relations.³

Saudi rulers guard against external threats. They are well aware that the country's vast riches represent an attractive target. Saudi Arabia is aware of this insecurity not only because of its vast wealth, but also because of its strategic position. Security and stability are the watchwords in Saudi thinking and calculations.

Sheikh Ahmed Zaki Yamani the former Saudi minister for petroleum and mineral resources stated the position clearly:

The security and stability of the oil-producing countries is of the utmost importance not only to the producers themselves but to the world at large. The security of oil supplies, so important to consumer countries is totally dependent on the security and stability of the oil producing states. The countries of the world, be they oil suppliers or consumers, have a common vested interest in the security and continuity of oil supplies. Therefore their cooperation in combating any threat to peace in the Middle East is an absolute and constant necessity.⁴

¹ Jacob Goldberg, *The foreign policy of Saudi Arabia - the formative years, 1902-1918*, (Harvard University Press, 1986), pp. 183-4.

² Ibid. p. 187.

³ Ibid. p. 181.

⁴ Adeed Dawisha 'Saudi Arabia's search for security' in Charles Tripp (ed.) *Regional security in the Middle East* (IISS, St Martin's Press, 1984), pp. 7-8.

In the mid-1970s the then Crown Prince Fahd illustrated the Saudi view of the world economy:

We believe that world economic stability is the most important pillar of world peace...The spread of international economic crises distract efforts to achieve peace in the Middle East. Accordingly, when the Kingdom of Saudi Arabia...decided on a 5 per cent increase in oil price against the 10 per cent recommendation of the other members of OPEC...it was only taking into consideration the interests of the international community and world stability in the hope that peace would be returned to those regions that have been deprived of peace and, most importantly...the Middle East. We are a part of the world and we see our oil interest linked to the question of economic peace.¹

As already described this near total preoccupation with security and hence with global, regional and domestic stability, is a crucial aspect of Saudi attitudes, born of the ruling elite's basic impulse for survival and self-perpetuation. This was ingrained in the House of Saud by Ibn Saud and is reflected not only in security policy but also in domestic and foreign policy considerations. The preoccupation with Saudi security is mirrored in the perspectives of the key figures in the country which can best be understood as a series of defensive circles: first, Saudi Arabia itself; second, the peninsula and the

southern Gulf; third, the remainder of the Gulf, the Red Sea, the northern Indian Ocean, and the Middle East.²

A moderate pro-Western force

In the early 1970s Saudi Arabia became one of the primary moderate pro-Western forces in the area, consistently advocating moderation inside OPEC and using its resources to sustain and perpetuate conservative pro-Western regimes. The relationship was mutually beneficial. Saudi Arabia perceived the US as the guarantor of the Saudi Arabian political order against subversion and disruptive forces in the region. The US saw the Saudi regime as an influential ally in a strategically and economically important segment of the globe which was willing to demonstrate the kind of ideological attitudes advocated by the US itself.

In a tour of African states in 1972-73 Saudi Arabia's King Faisal continually preached the perils of communist and atheist principles. Thus there was a coincidence of interests between the US and Saudi Arabia on almost every issue except Israel.³

Saudi thinking on the Arab-Israeli dispute and the Palestinian issue was spelt out in the following statement broadcast in 1980:

¹ Adeed Dawisha 'Saudi Arabia's search for security' in Charles Tripp (ed.) *Regional security in the Middle East* (IISS, St Martin's Press, 1984), p. 8.

² R.D. McLaurin, Don Peretz, Lewis W. Snider, *Middle East Foreign Policy - Issues and Processes* (Praeger Special Studies, 1982), p. 222.

³ Dawisha, 1984, p. 5.

The attitude of the kingdom of Saudi Arabia toward the Middle East problem and the issue of Palestine is firm, clear and known. It derives from the Arabs' unanimous attitude that the issue of Palestine is the core of the Middle East problem, and that a just and comprehensive solution cannot be achieved unless Israel withdraws from all the Arab territories occupied in 1967, including first and foremost, Holy Jerusalem, to which Arab sovereignty must be restored. No solution of the Palestinian issue can achieve peace unless it is based on recognition of the Palestinian people's legitimate rights to return and to self-determination, including the setting up of an independent state on their territory. In all this, Saudi Arabia pursues a unanimous Arab attitude, to which it is committed and which it supports.¹

In the run up to the 1973 October War, King Faisal was the only Arab leader (apart from Egypt's President Sadat and Syria's President Assad) to be kept informed of the imminent offensive against the positions Israel had occupied in the 1967 War. The Arab failure in the 1973 War produced wide agreement in the Arab camp that it was no longer realistic to seek the defeat of Israel on the battlefield and, to some degree, also made it evident that the Palestinian struggle would continue until some sort of genuine

Palestinian homeland in the form of a state run by Palestinians was established.²

Saudi Arabia's most useful contribution to the war effort was the use of the 'oil weapon'. Ten days after the Egyptians and Syrians launched their attacks on Israel on 6 October 1973, Saudi Arabia, along with fellow Arab OPEC members, progressively reduced oil production. The ensuing price rises caused a nearly 250 per cent rise in Saudi gross domestic product in a year. By 1974 Saudi Arabia had been propelled through economic and political factors to a position of pre-eminence in the area, which transformed it from a rather unimportant client state to a regional power of considerable consequence, whose influence extended far beyond the Middle East.³

Saudi aid policy

Saudi Arabia was able to use its influence by distributing or withholding foreign aid to other Arab states, particularly the frontline states and the Palestine Liberation Organisation (PLO) and other developing countries. However, in aid policies, regionalism has always outweighed globalism.⁴

Pressures were brought to bear through the use of foreign aid

¹ Adeed Dawisha, 'Saudi Arabia' in Samuel F. Wells, Jr. & Mark A. Bruzonsky *Security in the Middle East - regional change and great power strategies* (Westview Press, 1987), p. 95.

² Richard Falk, 'US foreign policy in the Middle East: the tragedy of persistence' in Hooshang Amirahmadi (ed.) *The United States and the Middle East - a search for new perspectives* (State University of New York Press, 1993), p. 70.

³ Dawisha, 1984, p. 6.

⁴ Roger Matthews, 'Gulf memories run deep - the foreign policy agenda has changed' in *Financial Times Survey - Saudi Arabia*, 22 December 1993, p. III.

on such countries as Egypt, Pakistan and Sudan to increase the use of Islamic laws and regulations. Saudi Arabia has used its vast financial assets to achieve the following goals:

- ☐ First, to aid friendly neighbouring states against disruptive influences in order to ensure its own stability.
- ☐ Second, to assist the economic and military development of other Arab states (especially those confronting Israel).
- ☐ Third, to help status quo powers to repel Soviet and communist influences.
- ☐ Fourth, to encourage Muslim states to re-establish and/or reinforce Islamic norms and values in their political and social systems;
- ☐ Fifth, to safeguard and bolster the free-market competitive economic systems of the 'free world'.¹

These aid goals reflect Saudi political interests which have been: first to combat radical and subversive forces within its immediate security environment, the Arab world and its periphery; second, the preservation of a rough balance of power within the Arab world that would exclude the overwhelming predominance of any single Arab power; third, the enhancing of Saudi influence and prestige in the Arab world, the Islamic world, and internationally.²

These goals have determined the thrust and direction of Saudi policies as they have unfolded in their separate yet interdependent fields of activity: the Arabian peninsula and the Red Sea area, the

Middle East region and the international system.

Policy towards the Arabian peninsula

Saudi Arabia considers the Arabian peninsula its own sphere of influence and does not take kindly to outside powers interfering there. To ensure the permanence of this role the Saudi rulers, immediately after the October 1973 War launched diplomatic initiatives to settle all the outstanding disputes which might disrupt the stability of the area.

There was little point in trying to defend the area against external 'aggression' or internal 'alien' ideologies and influences if frontier disputes continued to impede cooperation among the states of the region and the coordination of their policies.

This accords with the view of Saudi security as a series of circles extending outwards from Saudi Arabia itself. When the Arabian peninsula is threatened Saudi Arabia becomes nervous and uses the powers at its disposal to contain the threat. This was illustrated by Saudi support for North Yemen against Marxist South Yemen and the continued threat posed by, first, the Marxist south, and then a unified and democratic Yemen.

Saudi Arabia has interfered in Yemeni politics for years and thus it is no surprise that Saudi Arabia paid for members of the Russian air force

¹ Dawisha, 1984, p. 10 and p. 19.

² *Ibid* p. 19.

to use their *MiG-29s* in an attempt to maintain a divided Yemen after the South's secession from the unified country in 1994.¹

It is in the Saudis' interest to keep Yemen divided because as a unified country it poses a threat. Although Riyadh, under US pressure, never recognized the short-lived secessionist Democratic Republic of Yemen (DRY), the Kingdom clearly had sympathy with the breakaway move.²

There are reports that many of the defeated secessionist southern forces took refuge in southern Saudi Arabia where they received Saudi finance, arms and training.

The struggle against the Marxist Dhofari rebels in Oman in the 1970s, the Iran-Iraq War and then the Gulf War also provide further evidence of Saudi anxiety about threats to peninsula stability, Saudi security or both. Clearly the last two events were episodes of great significance because they posed the most serious threats to Saudi security and Saudi thinking on foreign policy.

The two Gulf wars

The Saudis feared the implications of the Islamic revolution in Iran, particularly as the Iranian regime made public on more than one occasion its ambitions in the Gulf. Saudi apprehension was reflected in its

substantial levels of aid to Iraq during the war. By 1982 Saudi Arabia had donated a major portion of the Gulf's annual \$10,000 million aid disbursements to help Iraq's war effort.

Additionally, in an attempt to bolster internal security through collective measures, Saudi Arabia formed the Gulf Co-operation Council (GCC) in 1981, with Bahrain, Qatar, the UAE, Kuwait and Oman.³

Saudi Arabia inevitably saw the GCC as an institution through which it could control Gulf politics and from whose collective security umbrella it could benefit. When the war began to tilt Iran's way, the Saudis made vigorous efforts through the Organization of the Islamic Conference to use diplomatic means to end the war.

When the war ceased, the Saudis were only too aware of the military giant they had created in Iraq under Saddam Hussein's control. The subsequent Iraqi invasion and temporary annexation of Kuwait was the confirmation of the Saudis' worst fears. The Saudis viewed their allies-turned-enemies as an integral part of Saddam's plot to control Saudi Arabia and the Gulf states. The conspiracy envisaged King Hussein of Jordan seizing the Saudi Hejaz, with Mecca and Medina, and incorporating it into Jordan. Yemen was to take over parts of southern Saudi Arabia while the Palestinians were to gain a major part of Kuwait.

¹ James Adams, 'Saudis hired Russian MiGs to fight in Yemen war', *The Sunday Times*, 7 August 1994.

² Economist Intelligence Unit, *Saudi Arabia*, Third Quarter 1994, p. 10.

³ Lenore G. Martin, 'Patterns of regional conflict and US Gulf policy' in William J. Olson, *US Strategic interests in the Gulf region* (Westview Press, 1987), p. 16.

The Saudi ambassador to the US Prince Bandar bin Sultan summed up Saudi attitudes thus:

All who stood up for Saddam will go under with him. We will make supporters of Iraq pay dearly for their betrayal.

Having received \$400 million annually, King Hussein, he said, '...Should know that his Saudi life-line has been severed for ever.' The annual \$400 million subsidy was suspended. The Saudis likewise abolished Yemeni workers' privileges and by the end of 1990 about one million Yemenis had to leave.

Thousands of Saudi troops were deployed along the Yemeni border. Riyadh warned Sana'a that any attempt to exploit the crisis would be dealt with by 'massive attacks on Yemenis strategic, military and oil facilities.'¹ The feeling in Riyadh was that the crisis was bound to revamp the Middle East and Saudi Arabia's role in it. In the aftermath of the second Gulf War, 'a new Arab political and economic order' was to be created, using the manpower of Egypt and Syria, and the money of Saudi Arabia and the Gulf states. It was to provide a new security structure in the Gulf, distribute Arab wealth more equitably and lead towards a peace settlement with Israel.²

However, many of the aspects of the situation which prevailed before the start of the Gulf War in August 1990 have returned. After a twelve-month boycott of the PLO, King Fahd wrote to Yasser Arafat in July 1991 urging him to compromise on Palestinian representation in the Middle East peace conference, implying that this might improve Saudi-Palestinian relations.³

King Fahd officially congratulated Yasser Arafat on the latter's arrival in Gaza and the city of Jericho in July 1994 after a 27-year exile. Yasser Arafat met King Fahd on 9 July and Saudi Arabia pledged \$100 million of the \$2,400 million promised by the international donor community to the Palestine National Authority (PNA).⁴

It was also realized that the removal of Saddam Hussein and the entire Ba'ath regime in Iraq might lead to the disintegration of Iraq which posed the dual threat of Shi'ites in southern Iraq and the absence of a counterbalance to Iranian power.

By the beginning of 1992 Saudi foreign policy was still in turmoil. New elements had been introduced during the crisis and remained unaltered - specifically relations with Iran, the axis of alliance with Egypt and Syria and the hostility towards Yemen and Jordan because of their support for Iraq.⁵

¹ Jacob Goldberg, 'Saudi Arabia's desert storm and winter sandstorm' in Gad Barzilai, Aharon Klieman and Gil Shidlo (eds.) *The Gulf crisis and its global aftermath* (Routledge, 1993), p. 73.

² Ibid. p. 67.

³ Ibid. p. 81.

⁴ Economist Intelligence Unit, *Saudi Arabia*, Third Quarter 1994, p. 14.

⁵ Goldberg, 1993, p. 81.

King Hussein was still isolated from Riyadh - an isolation which might also have reflected dynastic rivalry between King Hussein and King Fahd.¹

Saudi policy was nevertheless showing signs of reverting to its traditional pre-crisis attitudes: preference for low profile, backstage roles, appeasement and less visible relations with Washington.²

On the domestic front, King Fahd realized that the religious establishment carried substantial weight. He acceded to its wishes because it remains a pillar of the Saudi state and a source of legitimacy for the House of Saud. King Fahd appears to have struck a deal with the religious groups by which they would give way in the pro-Western orientation while he would refrain from political reforms.³ In the aftermath of the Gulf War, Saudi Arabia will think carefully about providing assistance to any neighbour which might use it to finance military expansion.

However, financial assistance remains an important foreign policy tool for Saudi Arabia and will continue to be utilized where it "...could help other countries to build a better economic and political future."⁴

Part two: relations with the US

So far, the analysis of considerations for Saudi thinking on foreign

policy has been addressed from a 'bottom-up' perspective, taking into account domestic factors and their effect on the Middle East as a region.

However, this study seeks to show that while Saudi foreign policy derives greatly from domestic and regional considerations, it is also part of the international system. Here it is necessary to look at the issue of Saudi foreign policy from a 'top-down' perspective - that is, in levels of analysis, from the international system down to the nation-state. As part of the international community, Saudi Arabia is also subject to its twists and turns.

Saudi thinking assumes that the Middle East is under the influence of the US and has been ever since World War II. Within the international system, Saudi Arabia can be described as a 'Middle Power'. Set within the bipolar and indeed post-bipolar context, the role of the middle powers has become more important in recent years.

While the improvement in superpower relations allowed some middle-sized powers to take their own initiatives in international politics, it also permitted other such powers to assume roles in regional politics which, in the Cold War years, had been less possible. As a result international relations in many parts of the world came to depend more heavily on the conduct of these middle powers. With their scope of

¹ Economist Intelligence Unit, *Saudi Arabia*, Second Quarter 1994, p. 12.

² Goldberg, 1993, p. 81.

³ Ibid.

⁴ Matthews, 1993, p. III.

action widened and their influence enhanced, some became increasingly conscious of both their identity and potential as intermediate powers.¹

Superpower patrons provide their clients with military equipment and economic aid; clients for their part offer the superpowers whatever assets they have. Clients that possess mineral or energy resources, or are strategically located, are more important to their patron and can thus exercise greater influence over them.²

Saudi-US economic interaction

In Saudi Arabia's case the key factor was its oil. The relationship between Saudi Arabia and the US is by conventional standards one of the most important such links between a Third World country and an industrial nation. While the foreign policy of most countries is a compound of different factors - strategic, military, political, economic - that of Washington towards Saudi Arabia is openly and massively founded on economic interaction.

The US-Saudi relationship was clearly and distinctly formed in 1943, long before any hints of serious energy shortages. Former US President Roosevelt, under pressure from US companies, declared that the defence of Saudi Arabia was a

national interest. It was US firms that were able to reap the profits from this energy source whilst the flow of oil to other industrial economies fuelled the postwar boom.³

Economic links between the US and Saudi Arabia between 1947 and 1980 were such that Saudi Arabia bought \$56,000 million worth of US goods, \$34,000 million of which was for military equipment. The Joint US-Saudi Committee for Economic Cooperation, set up in 1976, had, by 1982, overseen contracts worth over \$650 million. Saudi Arabia ranks among the top ten countries in the US export market. Most importantly, payment for oil supplies is made in US dollars, a fact which has made the Saudis key players in the support of the dollar. According to one estimate in 1979, \$35,000 million was held in US government securities and a further \$24,000 million in other US investments.⁴

In the 1980s the Saudis owned huge amounts of US debt and both during and after the Gulf War the US received billions of dollars to pay for its military build-up and actions. The US government has sought to use the disposition of reserves in such a way as to coordinate economic support for the Saudi government and to encourage Saudi support for the US economy. By 1992 Saudi exports to the US

¹ Carsten Holbraad, *Middle powers in international politics* (Macmillan Press, 1984), p. 4.

² Jacob Bercovitch, 'Superpowers and client states: analysing relations and patterns of influence' in Moshe Efrat and Jacob Bercovitch (eds.), *Superpowers and client states in the Middle East - the imbalance of influence* (Routledge, 1991), p. 22.

³ Fred Halliday, 'A curious and close liaison: Saudi Arabia's relations with the United States' in Tim Niblock (ed.), *State, society and economy in Saudi Arabia* (Croom Helm, 1982), p. 125.

⁴ *Ibid.* p. 132.

accounted for 20.2 per cent of total Saudi exports, while imports from the US accounted for 20.9 per cent of all Saudi imports.¹

Saudi-US relations from Nixon to Carter

It was Saudi Arabia's use of the 'oil weapon' in 1973 which caused it to 'burst forth' into the international arena. It was also about this time that a temporary 'thaw', or simply a pragmatic 're-alignment', occurred as a result of US realizations (through the Vietnam experience) that its power and influence did have limitations.

The clearest indication of the modified US approach to international politics came in the Nixon or Guam Doctrine in 1969:

- ☐ The US will keep all of its treaty commitments;
- ☐ The US will provide a shield if a nuclear power threatens the freedom of a nation allied with it or of a nation whose survival the US considers vital to its security;
- ☐ In cases involving other types of aggression, the US will furnish military and economic assistance when requested in accordance with US treaty commitments. But the US will look to the nation directly threatened to assume the primary responsibility of providing the manpower for its defence.²

Rather than resort to isolationism, Nixon made it clear that where the US was not treaty-bound to protect an ally (unless it was under threat from a nuclear power - primarily the Soviet Union) it would have to fend for itself or rely on the protection of regional powers whose development for such purposes Nixon favoured.

In the Gulf, Saudi Arabia and Iran were seen as 'twin pillars' guarding the security of the area. However, in 1973 the leading role that Saudi Arabia played in imposing political constraints on oil supplies and the Shah's support for higher oil prices were clear indications of the inadequacies of the Nixon Doctrine, as the twin pillars on which it rested could themselves threaten US security.³

From then on the US recognized that the issue of the Arab-Israeli dispute was inseparable from relations with Arab countries and that Saudi Arabia was no exception. During the next five years, the US paid increasing attention to a settlement of the Arab-Israeli dispute. The Saudis were impressed by US President Carter's Middle East peace efforts and in 1977, when real progress seemed to be made, the Saudis brought pressure to bear on Egypt, Syria and the PLO and kept the oil price steady.

¹ Economist Intelligence Unit, *Saudi Arabia*, Third Quarter 1994, p. 4.

² Elizabeth J. Gamlen, 'United States strategic policy toward the Middle East: central command and the reflagging of Kuwait's tankers' in Hooshang Amirahmadi (ed.) *The United States and the Middle East - a search for new perspectives* (State University of New York Press, 1993), p. 215.

³ *Ibid.* p. 216.

Camp David Agreements

They welcomed the US-Soviet communiqué in October 1977 in support of the Geneva Middle East peace conference under superpower sponsorship. However, with the Camp David Agreements in 1979 there was widespread disappointment and anger because they were viewed as a separate peace between Egypt and Israel which did not tackle the Palestinian issue.¹ Despite their close alliance, both sides misjudged each other over Camp David: the Saudis expected that their new influence would move the US more than it did, and the US imagined that Saudi reliance on the US would produce greater responsiveness in Riyadh.²

The result was a souring of Saudi-US relations which had deteriorated with the lack of US action in saving its ally in Iran in 1978, with the problems Carter had in the US Congress over the *F-15s* sale to Saudi Arabia - a consequence of intense lobbying on Israel's behalf by the Jewish lobby in the US, and with the Soviet invasion of Afghanistan in 1979. In response to regional developments, the Carter Doctrine in 1980 said:

Any attempt by any outside force to gain control of the Persian Gulf will be regarded as an assault on the vital interests of the US and such

an assault will be repelled by any means necessary, including military force.³

The Carter Doctrine had the dual purpose of drawing a line in the sand over which the Soviet Union would cross only at the risk of war with the US, and of trying to restore Gulf confidence in US policy. The dispatch of *Airborne Warning and Control System* aircraft (AWACS) to Saudi Arabia was considered consistent with the Carter Doctrine. By responding to Saudi Arabia the Carter Administration appeared to have extended the US commitment, raising the possibility of introducing US military power into regional conflicts to ensure continued flow of oil.⁴

Saudi-US relations from Reagan to Bush

After the fall of the Shah, Saudi Arabia was an unlikely candidate to assume the military role Iran had performed and the need for US military intervention became more likely. The development under Carter of a Rapid Deployment Force for the Gulf, and then under Reagan of the US Central Command (USCENTCOM) underlined the new US Gulf policy of preparedness to resist military intervention by the Soviet Union, an overthrow of the Saudi

¹ William B. Quandt, 'Riyadh between the superpowers' in *Foreign Policy*, no. 44, 1981, pp. 40-2.

² Halliday, 1982, p. 133.

³ Naseer H. Aruri, 'US policy toward the Arab-Israeli conflict' in Hooshang Amirahmadi (ed.), *The United States and the Middle East - a search for new perspectives* (State University of New York Press, 1993), pp. 103-4.

⁴ M.S. El Azhary, 'The attitudes of the superpowers towards the Gulf War', *International Affairs*, 1983, vol. 59, no. 4, pp. 609-21.

regime, or other crises within the Gulf sheikhdoms, all of which were viewed as a possible result of the Iranian revolution.¹

The Carter Doctrine had viewed the Middle East region in Cold War terms, that is in US eyes the danger posed to Saudi Arabia and the other Gulf states came from the Soviet Union. The Reagan Codicil to the Carter Doctrine sought to clarify this with specific reference to internal threats against Saudi Arabia as well:

We will not permit Saudi Arabia to be an Iran...No way will we stand by and see it taken over.²

While the Reagan Administration adhered to the Carter approach of combining direct intervention with the use of regional agents, its major efforts were directed toward building what the then secretary of state Alexander Haig called a 'consensus of strategic concerns'. The security of Saudi Arabia was intertwined with that of Israel:

Without a strong Israel, our hope to improve the prospects for peace and security in the region cannot be fulfilled. A secure Saudi Arabia and a strong US-Saudi relationship are central to these same tasks.³

However, the Saudis opposed the build-up of US forces on Saudi soil as a practical expression of this 'consensus' for the following reasons:

- ☐ First, it would lead to allegations of cooperation with Israel;
- ☐ Second, it would lead to suspicions that the US might seize the oilfields;
- ☐ Third, it would result in increased domestic criticism of the regime.

So the Saudis asked for temporary assistance only and purchased equipment for themselves.

In the Saudi view the most effective deterrent was a sound global balance of power. If the prospect of nuclear war did not deter the USSR, how could a few divisions of US troops on Saudi soil do any better? Thus an *ad hoc* build-up was preferred with naval support stationed 'over the horizon'.⁴

US obsession with the Soviet 'threat'

The fundamental problem with US security policy in the post-World War II international system was that it analyzed regional crises from the perspectives of its global conflict with the Soviet Union. US policy-makers were obsessed with the potential Soviet 'threat'. Viewing the Middle East from a global perspective was the chief source of many US - and Russian - errors of both judgement and policy. Such an outlook has sometimes encouraged the superpowers to formulate policies that take no account of the regional actors' own interests, fears,

¹ Martin, 1987, p. 19.

² Aruri, 1993, p. 109.

³ Ibid.

⁴ Quandt, 1981, pp. 38-9.

expectations and desire to control their own destiny.¹

The Iranian attack on a Saudi oil tanker in May 1984 enabled the Saudis and the US to work together. Reagan described the threat to navigation in the Gulf as a matter of US 'national security' which enabled Congressional approval to be circumvented and he sent 400 *Stinger* missiles and 200 launchers to Saudi Arabia, together with a tanker aircraft. With the help of more tanker aircraft and US *AWACS*, the Saudis sent their *F-15s* against Iranian *F-4s* hunting for oil tankers near the Saudi coast and in June 1984 they shot down one Iranian plane.²

However, the Saudis were further alienated from the US Congress in 1986 after a particularly hostile Congressional onslaught against Riyadh which resulted in less than 10 per cent of an original arms' request being approved. Such was the 'see-saw' pattern in Saudi-US relations which characterized the Reagan presidency. However, global relations were steadily improving and by the time George Bush came to office in 1989, the Cold War was slowly thawing.

Saudi-US relations from Bush to Clinton

The changing global relationship was reflected in the Bush Doctrine which foresaw a post-Cold War global arrangement dominated by the US, with Western Europe, Japan and the Soviet Union acting as junior partners.³ This emerging post-Cold War international system was almost immediately challenged by Saddam Hussein's invasion of Kuwait in August 1990.

In responding to Iraq's aggression, President Bush cited eight reasons:

- Reversal of the aggression.
- Security of Saudi Arabia and the Persian Gulf states.
- Restoration of the al-Sabah rule in Kuwait.
- To ensure the safety of Americans in the area.
- The importance of the oil factor.
- To preserve 'the American way of life'.
- The danger to Israel and to world peace posed by Saddam Hussein's weapons of mass destruction and missiles that could deliver them.
- To ensure the creation of a 'new world order'.⁴

¹ Fawaz A. Gerges, 'Regional security after the Gulf crisis: the American role', *Journal of Palestine Studies*, 1991, vol. 20, no. 4, p. 61.

² Robert O. Freedman, 'Soviet policy toward the Persian Gulf from the outbreak of the Iran-Iraq war to the death of Konstantin Chernenko' in William J. Olson (ed.) *US strategic interests in the Gulf region* (Westview Press, 1987), pp. 67-8.

³ Hooshang Amirahmadi, 'Global restructuring, the Persian Gulf war, and the US quest for world leadership' in Hooshang Amirahmadi (ed.) *The United States and the Middle East - a search for new perspectives* (State University of New York Press, 1993), p. 379.

⁴ *Ibid.* pp. 365-6.

Oil security

Until then, the US had held the view that the Soviets would threaten the security of the oilfields.

However, the threat, '...Did not come from the industrialized world, nor did it come from the ideological confrontation between east and west. It came from within...'¹

The West's vulnerability to disruption of the flow of cheap oil was originally related to the Soviet threat and had therefore developed a military and strategic dimension. However, as the Cold War diminished, the US discovered a new threat to its regional interest: unfriendly regional powers such as Iraq and Iran which are said to have the potential to take control of OPEC oil production and pricing away from pro-US Saudi Arabia and its Persian Gulf allies, or to create instability.

For the US, such a danger is underscored by the fact that the Persian Gulf oil reserves will outlast other world reserves and production costs there are the least expensive. This dependency on oil supplies from the Persian Gulf should be seen in the light of future expected increases in demand for oil in the West and globally. The US economy is currently highly vulnerable to oil price rises and other unexpected external shocks. It is no wonder that the US' vital interest in the Middle

East has increasingly become defined in terms of assuring the uninterrupted flow of inexpensive oil made possible by maintaining the dominant position of Saudi Arabia within OPEC.²

Saudi Arabia and the US have made concerted efforts to oppose the return of Iraqi oil to the international markets and may prove successful in doing so until at least the end of 1995. The resumption of Iraqi oil exports would worsen the Kingdom's financial difficulties by forcing the Saudis to cut back on production or face substantially lower prices.³

Saudi-US relations after the Gulf War

During the Reagan Administration, the relationship between the US government and the United Nations had reached its lowest point. The Reagan Doctrine showed a thinly disguised contempt for the UN. The unilateralism that characterized the doctrine was all but a formal rejection of the organization that was seen as increasingly dominated by states hostile to US interests.

Yet the Bush Administration appeared almost to have reversed the outlook that informed the Reagan Doctrine. It did so by insisting, in the Gulf crisis, that the measures against Iraq should have a multilateral character and that their legitimacy should be based on authorizing decisions of the UN

¹ Matthews, 1993, p. III.

² Amirahmadi, 1993, pp. 368-9.

³ Economist Intelligence Unit, *Saudi Arabia*, Third Quarter 1994, p. 4.

Security Council. It did so also by virtue of the role assigned to the UN, and to the principle of collective security in the Administration's vision of a new world order.

While this vision emphasized law and order it was clear that the US would be responsible for that order, but within the parameters of the UN.¹ During the Cold War, the Third World's reassertion and its wavering allegiance to either superpower also helped to increase tension at the international level and to create a multipolar system. In the post-Cold War period the Third World has become both a potential friend and a dangerous enemy for developed countries.²

The Middle East's prominence as the most volatile area in world politics (the internal dynamics of which seem impenetrable to control) has, if anything, increased. The Gulf crisis was the first in which the superpowers were on the same side. Saddam Hussein provided the first major challenge to the post-Cold War international order in which the US is the hegemonic political and military power.³

Middle East peace process

One of the key consequences of the US position after the Gulf War for the region as a whole has been its promotion of the Middle East Peace

process which has spawned agreements between Israel and the PLO, Israel and Jordan and, perhaps in the near future, Israel and Syria. In 1991 the Saudis sought to contribute to the US-sponsored peace process by agreeing to send a GCC representative as an observer to any peace conference and offering to end its economic boycott of Israel if such a move would halt the creation of new settlements in the occupied Palestinian territories.⁴

Though Saudi Arabia welcomed the Declaration of Principles signed by Israel and the PLO in Washington on 13 September 1993, the Saudis want to see much more progress towards a comprehensive Middle East peace settlement before they are willing to speculate about any wider implications. Saudi officials are totally dismissive of suggestions by Israel that Saudi Arabia could be one of the next Arab countries to establish formal diplomatic relations with it. 'They are just dreaming,' said one senior official.⁵

In one sense the US-Saudi relationship fits into the established pattern of US relations with influential Third World countries, whether according to the Nixon, Carter, Reagan or Bush Doctrines. While the Nixon Doctrine emphasized the delegation of regional power to strong junior allies, Carter laid greatest emphasis, in the Third World context, on using 'regional

¹ Robert W. Tucker, 'Origins of the new world order' in Gad Barzilai, Aharon Klieman and Gil Shidlo (eds.) *The Gulf crisis and its global aftermath* (Routledge, 1993), p. 164.

² Amirahmadi, 1993, p. 404.

³ Gerges, 1991, p. 62.

⁴ Economist Intelligence Unit, *Saudi Arabia Country Profile*, 1993/94, pp. 9-10.

⁵ Matthews, 1993, p. III.

influentials' to handle economic as well as strategic issues and to break the constrictions of the bipolar US-USSR conflict. The Reagan Codicil (or even the Reagan Doctrine) sought to rally conservative powers against the risks of social upheaval in the region. Yet Saudi Arabia was ill-suited to work within these frameworks: although its financial power and religious character give it definite forms of influence in the Arab world and beyond, Saudi Arabia is in certain aspects an extremely weak country.¹

Under the Bush Doctrine, whose basic remit appears to have been carried forward under the Clinton presidency, Saudi Arabia can always count on US support in the event of any action by a hostile power which threatens Saudi security.² The question for the US remains, however that of 'keeping a discreet distance' in deference to domestic Saudi and regional factors when the region is relatively calm. King Fahd is and will remain strongly pro-US. As long as he remains in power the Saud family will ultimately look to the US to guarantee the safety of the Kingdom, but Saudi defence policy will remain firmly pro-Western regardless of who succeeds Fahd.³

Part three:

Relations with the Soviet Union and the former Soviet Republics

Superpower rivalry in the Gulf

It was important to the superpowers that the Gulf should not be seen to fall within an exclusive ideological sphere of influence. The US interest in the Gulf is not only in guaranteeing Western access but also in restricting Soviet activities there as much as possible. The USSR persisted in trying to enter that market precisely because it was seen internationally as a Western preserve. There are many examples of the region's rulers having used superpower paranoia to good effect in negotiating favourable trade agreements and developing indigenous defence capabilities.⁴

Saudi-Soviet relations, 1926-38

Historically, especially in the Gulf, the Soviet leadership found it easier to follow traditional Marxist-Leninist theories of 'historic determinism' and wait for the collapse of the 'patriarchal-feudal' regimes there which they believed to be inevitable and imminent. The Chairman of the USSR Council of Ministers Nikita Khrushchev reflected this in his

¹ Halliday, 1982, p. 129.

² Economist Intelligence Unit, *Saudi Arabia*, Third Quarter 1994, p. 9.

³ Ibid. p. 4.

⁴ Michael Cunningham, *Hostages to fortune - the future of Western interests in the Arabian Gulf* (Brassey's Defence Publishers, 1988), p. 30.

savage comment on the quality of Arab leadership with reference to Kuwait:

There is some little ruler sitting there, an Arab of course, a Muslim. He is given bribes, he lives the life of the rich, but he is trading in the riches of his people. He never had a conscience and he won't ever have any¹

It is not entirely proper to speak of Saudi-Soviet bilateral relations since the two countries had extremely limited contact over the years and did not even have diplomatic relations until 1990 (except in the 1930s when the Soviet Union was one of the first countries to recognise the Kingdom and to establish diplomatic relations with it). Instead, Saudi-Soviet relations were mainly limited to commentary by officials and the media, though there was a small amount of trade.

Soviet commentary on Saudi Arabia alternated between hostile statements on how the Saudi monarchy was the servant of US imperialism and was increasingly opposed by the oppressed working classes, and friendly statements noting that Saudi-Soviet cooperation could do much to enhance the Arab cause in the Arab-Israeli dispute and pleading for the establishment of diplomatic relations.²

Saudi commentary on the USSR was generally negative since the Saudis saw the USSR and communism as hostile to Muslim principles and the conservative monarchy. Occasionally however, the Saudis said something favourable about the Soviets, thereby creating fears in the West and hope in the USSR for a *rapprochement* between Riyadh and Moscow.³

After Ibn Saud took over the entire Hejaz in 1925 and assumed the title of King in January 1926, the USSR became the first country to acknowledge his rule over the Hejaz by giving him diplomatic recognition on 16 February 1926.⁴ Subsequently, however, Saudi-Soviet relations became fairly quiet. Ibn Saud was not about to take active measures to challenge the British position in Arabia but instead was co-operating with London. The Soviets themselves began to seek cooperation with London as the German leader Adolf Hitler became stronger. Whether to improve relations with London or for another reason, the Soviets in 1938 withdrew their diplomatic missions from Saudi Arabia, Yemen, Turkey, Afghanistan and Persia. This must have been, with hindsight, a source of deep regret because unlike Yemen, which restored ties in 1955,⁵ the Saudis were to make the Soviets wait over fifty years before resuming diplomatic relations.

¹ Michael Cunningham, *Hostages to fortune - the future of Western interests in the Arabian Gulf* (Brassey's Defence Publishers, 1988), p. 46.

² Mark N. Katz, *Russia & Arabia - Soviet foreign policy toward the Arabian peninsula* (The John Hopkins Press, 1986), p. 131.

³ Ibid.

⁴ Ibid. pp. 131-2.

⁵ Ibid. pp. 132-3.

The Yemeni civil war

After more than twenty-five years of mutual hostility, in 1964 a thaw appeared to occur in Saudi-Soviet relations when the Soviet leaders Brezhnev and Kosygin ousted Khrushchev in October of that year and Faisal deposed Saud in Saudi Arabia in November. The Soviets congratulated Faisal and the King allowed a Soviet journalist to enter the country - the first to be permitted to do so since the 1930s. Faisal told him that Saudi Arabia had no quarrel with the USSR or prejudice against Russians and that there were 'no obstacles' to improving bilateral relations. However, the cease-fire in the Yemeni civil war did not last and Saudi-Egyptian relations again turned sour. Since Moscow sided with Cairo, the USSR and Saudi Arabia once again became enemies. Egyptian involvement in the Yemeni civil war continued until Egypt's defeat in the June 1967 Arab-Israeli conflict which induced Egypt's President Nasser to agree to withdraw his troops from the peninsula in exchange for Saudi assistance and an end to Saudi aid to the Yemeni royalists. Nasser was no longer a threat to Saudi Arabia, but King Faisal was concerned about the increase in Soviet advisers and weapons sent to Egypt.

When the last Egyptians left Yemen and the republicans were besieged by the royalists in Sana'a, the USSR airlifted arms and supplies to the capital and provided some pilots

for the Yemen Arab Republic's aircraft in order to save the republic. The Saudis threatened to continue aiding the royalists but by early 1968 Moscow's interest in North Yemen waned as its attention shifted to competition with China for influence over the Marxist government that had come to power in South Yemen in November 1967.¹ The Saudis supported South Yemeni émigrés who attempted several times to overthrow the National Liberation Front or make the Hadramut independent in 1968-73; in response the Soviets gave military assistance to Aden in order to defeat these efforts.² In addition, the USSR gave some support to the Marxist rebels in Oman while Saudi Arabia opted to help Sultan Qaboos, who overthrew his father in 1970.

In the late 1960s and early 1970s, the Saudis and Soviets vied for influence over these three countries that directly bordered the Kingdom.³ By mid-1970 the North Yemeni civil war had ended with the republicans as victors. These were moderate republicans who were willing to be reconciled with most of the royalists and with the Saudis. When Nasser died in 1970, Sadat came to power in Cairo; in July 1972 he expelled most of the Soviet military advisers in Egypt. In 1973 Faisal for the first time sent congratulations to Soviet President Podgorny on the anniversary of the October Revolution (7 November). There was speculation that Saudi-Soviet relations would be restored. But Faisal had little faith in Soviet claims of friendly intentions

¹ Katz, 1986, p. 135.

² Ibid.

³ Ibid.

and he was convinced that the USSR had links with Israel and that both opposed the Arabs. He remained hostile to the Soviet Union until his death in 1975.¹

Aftermath of the 1973 Arab-Israeli war

In the aftermath of the 1973 Arab-Israeli war, the Soviet position in the Gulf, and in the Middle East, deteriorated sharply. Egypt moved from the Soviet to the US camp as US secretary of state Henry Kissinger mediated the Sinai I and Sinai II Egyptian-Israeli accords, and Egypt abrogated its Treaty of Friendship and Cooperation with the USSR in 1976; Syria re-established relations with the US and pulled away from the USSR as Kissinger secured a Golan Heights' agreement.²

When King Khaled assumed the throne in Saudi Arabia, security had improved in the southern part of the peninsula. The Omani rebels were on the defensive and were to be defeated by the end of the year. South Yemeni President Salim Rubayyi 'Ali had begun making efforts to improve Aden's relations with the smaller Gulf states. Aden established diplomatic relations with Bahrain, Qatar and the UAE in 1975 and with Saudi Arabia in March 1976.³

Soviet concern about Chinese diplomacy

Soviet concern about Chinese diplomacy increased in the 1970s. By 1978 China had established diplomatic relations with Oman, Djibouti and Libya. This appeared to be part of a concerted effort to counter Soviet influence. The prospect of an unstated alliance developing among a belt of states on its periphery encompassing China, Iran, Turkey and the maverick East European states of Yugoslavia and Romania disturbed the USSR deeply and the Soviets therefore sought to discourage even the development of bilateral relations between them. Moscow accused China of supporting 'reactionary' states, such as Oman (and Egypt) and of pro-imperialist initiatives, such as Persian Gulf security arrangements designed to isolate national liberation movements. In practice, Sino-Soviet rivalry did not radically affect Soviet policy in the Persian Gulf.⁴

With the competition between Moscow and Riyadh for influence in South Yemen and the Horn of Africa, the temporary mood of friendliness created by a calmer situation in Yemen did not last. The USSR hoped to remain on good terms with Somalia's leader, Siad Barre, but it also hoped to gain an ally in much more populous Ethiopia, where there had been a revolution in 1974.⁵ From that year, the Saudis had

¹ Katz, 1986, p. 136.

² Freedman, 1987, pp. 46-7.

³ Katz, 1986, pp. 136-7.

⁴ Shahram Chubin, 'Soviet policy towards Iran and the Gulf' in Charles Tripp (ed.), *Regional security in the Middle East* (IISS, St Martin's Press, 1984), p. 129.

⁵ Katz, 1986, pp. 136-7.

offered financial aid to the Somali government on condition that it expelled the Russian military personnel from Somalia. This project was supported by the then US ambassador to Saudi Arabia, James Akins, but was vetoed by Kissinger on the grounds that the Soviet presence in Somalia was a convenient legitimization for the build-up of US military facilities on the island of Diego Garcia in the Indian Ocean.¹

The Somalis wanted to take the Ogaden region (which is ethnically Somali) from Ethiopia. When Carter came into office, the position changed and the Saudis went ahead with their plan to win over Somalia. Carter voiced his hope that Somalia would change sides and break with the Soviet Union.

Somalia tried to take the Ogaden by force and when the Soviets gave military aid to Addis Ababa, Barre abrogated his treaty of friendship and cooperation with Moscow and expelled Soviet and Cuban military advisers, all with Saudi encouragement, at the end of 1977.² As a result a low-level Soviet presence in Somalia was replaced by a much larger Soviet and Cuban presence in the strategically more important and ten times more populous country of Ethiopia. The Saudis had created a new problem ten times larger than the one they had originally proposed to solve.³

Soviet invasion of Afghanistan

These events had a marked effect on South Yemen as the pro-Saudi Yemeni leader 'Ali was unable to stop his pro-Soviet rival, 'Abd al-Fattah Isma'il, from allowing the USSR to use South Yemen to transfer arms and advisers to Ethiopia. In 1978 Isma'il overthrew 'Ali and Soviet influence was established in Aden. The USSR and the People's Democratic Republic of Yemen's (PDY's) efforts to blame the killings of Yemen Arab Republic (YAR) leaders al-Hamdi (October 1977) and al-Ghashmi (two days before the Aden coup in June 1978) on Riyadh seemed intended to weaken Saudi influence in North Yemen and again were a cause of Saudi-Soviet tension.⁴ However, with the Egypt-Israeli Camp David Agreements, Saudi-US relations deteriorated and so Saudi-Soviet relations began to improve until the Soviet invasion of Afghanistan.

The Soviet intervention in Afghanistan was not, as Moscow claimed, the result of 'direct' foreign activity against the Kabul government. It was instead the result of a tribal uprising that would not have escalated without the support the rebels received from Saudi Arabia and Kuwait.⁵ The Soviet invasion had the following effects:

¹ Halliday, 1982, p. 134.

² Katz, 1986, pp. 136-7.

³ Halliday, 1982, pp. 134-5.

⁴ Katz, 1986, pp. 136-7.

⁵ Halliday, 1982, pp. 134-5.

*first, it alienated many of the Arab states that Moscow had been courting, some of which began to turn towards the US in spite of Camp David, as a counterbalance,

*second, the Soviet invasion seemed to split the anti-Camp David unity of the Arab world which was already weakened by the re-emergence of tension between Syria and Iraq following Saddam Hussein's accession to power in Iraq in July 1979.¹

The Arab world split into three major groups:

1. Front of Steadfastness and Confrontation - composed of Syria, Iraq, Libya, South Yemen, the PLO and Algeria opposed Camp David and, apart from Algeria, backed the Soviet invasion of Afghanistan.
2. The Egyptian camp - composed of Egypt, Sudan, Somalia and Oman. This grouping supported Camp David but opposed the Soviet invasion of Afghanistan.
3. The Arab Centrists - Saudi Arabia, Jordan, Kuwait, North Yemen, the UAE, Bahrain, Qatar, Morocco and Tunisia which opposed both the Camp David Agreements and the Soviet invasion of Afghanistan.

The Soviet aim was to unite the Front of Steadfastness with the Arab Centrists.² Unfortunately the Iran-Iraq War broke out and prevented this.

Soviet policy since the Iran-Iraq War

Soviet policy toward the Gulf since the outbreak of the Iran-Iraq War can be summarised as follows:

* First, Soviet policy was primarily reactive in nature as Moscow sought to resolve the difficulties in its Gulf and general Middle East position that were caused by the outbreak and continuation of the war,

*Second, Soviet influence in the key states of the Gulf - Iraq, Iran, Saudi Arabia and Kuwait - was shown to be limited as Moscow, largely because of the war, proved unable to exploit the crisis in US policy caused by the fall of the Shah or the US débâcle in Lebanon to increase Soviet influence in the Gulf,

*Third, the US' hand was strengthened as the Gulf states felt an increased need for help against Iran;

*Fourth, a severe split opened in the Arab world as Moscow's two closest allies - Syria and Libya - backed Iran while the centrist Arab states backed Iraq and in so doing gravitated towards the pro-Western grouping of Arab states led by Egypt, a development that held the possibility of the expansion of the Camp David process.

*Finally, Moscow's central strategy during this period, besides seeking a quick end to the war, was to undermine the US in the Gulf. This involved calling for the

¹ Freedman, 1987, pp. 48-9

² Ibid

neutralization of the Gulf, continuing to woo Kuwait to prevent the GCC from orientation towards Egypt, and exploiting events such as the Israeli strike against Iraq's nuclear reactor in 1981, the Israeli invasion of Lebanon in 1982, and the US débâcle in Lebanon in 1984 to portray the US and Israel as the main enemies of the Arab world and thereby divert attention from the Soviet invasion of Afghanistan which was another barrier to Soviet influence in the Gulf.¹

In spite of the lack of success of their overall Gulf policy during the Iran-Iraq War, the Soviets continued their efforts to restore diplomatic ties with Saudi Arabia. In 1984 when a major dispute erupted over US Congressional opposition to the sale of *Stinger* missiles to Saudi Arabia, the Saudis invited the Soviet ambassador, Anatoly Dobrynin, to dine at the Saudi embassy in Washington and there was talk of a Saudi-Soviet *rapprochement*.²

In March 1985, Saudi Arabia held secret talks with Soviet officials at a meeting convened in Kuwait. The Saudi delegation noted at the meeting its anger with the US and the Reagan Administration over the Palestinian issue in the wake of Washington's refusal to press Israel into negotiating with the PLO.³ Saudi preconditions for ties with the USSR were stipulated as follows:

The kingdom of Saudi Arabia wants to see a non-belligerent Soviet attitude towards Islam in order to

consider the question of diplomatic relations

and

the future of relations depends on the extent of the Soviet leadership's response to Islamic causes in Afghanistan or elsewhere.⁴

Moscow continued its low-level contacts with Riyadh. The Saudi oil minister went to Moscow in January 1987 where he met Prime Minister Ryzhkov to discuss OPEC and oil prices, but Ryzhkov repeatedly mentioned the USSR's desire for normal relations with Riyadh. A week later the Soviet ambassador to the UAE ruled out an exchange of ambassadors as the Saudis 'weren't ready'.⁵

The Iraqi invasion of Kuwait

It was not surprising, in the wake of the Iraqi invasion of Kuwait, that in September 1990 the Saudis restored diplomatic ties and declared their interest in seeing Soviet troops participate in the multinational force. Saudi businessmen welcomed the prospect of the opportunity to invest in exploitation of the immense Soviet natural resources. Plans were rapidly instigated for a Saudi-Soviet Economic Council and for close chamber of commerce exchanges. Riyadh saw the Soviet Union as 'a major market for petrochemicals, consumer re-exports, intermediate goods, wheat

¹ Freedman, 1987, p. 74.

² Carol R. Saivetz, *The Soviet Union and the Gulf in the 1980s* (Westview Press, 1989), p. 80.

³ Economist Intelligence Unit, *Saudi Arabia*, No. 2 1985, p. 5.

⁴ Economist Intelligence Unit, *Saudi Arabia*, No. 1 1986, p. 6.

⁵ Saivetz, 1989, p. 90.

and barley, and foodstuffs'. Moscow, in turn, had great hopes for joint ventures, particularly in attracting Gulf money for investment in the Muslim republics of Central Asia. (Saudi Arabia has a prominent community of businessmen of Central Asian origin - refugees from the Bolshevik Revolution.) The Soviets were also able to benefit from a transfer of oil technology from the Saudis which the Soviets greatly needed.¹ On 13 May 1991 Saudi Arabia received its first visit by a Soviet foreign minister. Alexander Bessmertnyk's claim that he had 'possibly even identical' views on regional requirements to those of his counterpart Saudi defence minister Prince Saud al-Faisal served to confirm the absence of any viable alternative to a *Pax Americana*.²

In return for Soviet support for US efforts to end the Iraqi occupation of Kuwait and to promote a Middle East peace settlement, the Saudis agreed to grant the USSR a \$1,500 million loan. The first \$250 million was reportedly disbursed before the August 1991 coup in the Soviet Union which led to all payments being temporarily halted. However, restrictions were lifted a few days later. In general Saudi ministers welcomed the political changes in the USSR.

In mid-1991 Riyadh extended diplomatic recognition to the three Baltic republics of Lithuania, Latvia and Estonia. Saudi imports from the

USSR rose from \$25 million in 1989 to \$48 million in 1990; Moscow and Riyadh discussed an official trade agreement and planned a Soviet trade exhibition in Saudi Arabia for 1992.³ In January 1992 Saudi Arabia recognized the independent status of the remaining Soviet republics - Russia, Ukraine, Belarus, Moldova, Georgia, Azerbaijan, Armenia, Kazakhstan, Uzbekistan, Tajikistan, Turkmenistan and Kyrgyzstan. It was presumed that the Kingdom's previous diplomatic recognition of the USSR now applied to the Russian Federation.⁴

Saudi interest in Central Asia

In mid-1992 the Saudi foreign minister visited Uzbekistan, Tajikistan, Turkmenistan and Azerbaijan and established diplomatic relations with all of them. Saudi interests in Central Asia and the Transcaucasus reflect both Muslim solidarity and the desire to counter Iranian influence in the region. However, Saudi Arabia, like other powers with interests in this region, is wary of close involvement for fear of being dragged into intractable conflicts there. The cynicism of these new states towards their wealthy Muslim 'brothers' is scarcely disguised. Before arriving in Saudi Arabia to perform the *umra* (minor pilgrimage), President Karimov of Uzbekistan established diplomatic relations with Israel.⁵ In August 1992, King Fahd welcomed Dzhokav Dudayev, the leader of the

¹ Graham E. Fuller, 'Moscow and the Gulf War', *Foreign Affairs*, vol. 70, no. 3, 1991, p. 70.

² Economist Intelligence Unit, *Saudi Arabia*, No. 3 1991, p. 12.

³ Economist Intelligence Unit, *Saudi Arabia*, No. 4 1991, p. 11 and p. 29.

⁴ Economist Intelligence Unit, *Saudi Arabia*, No. 1 1992, p. 11.

⁵ Economist Intelligence Unit, *Saudi Arabia*, No. 2 1992, p. 10.

secessionist Chechen republic.¹ Kyrgyzstan was invited to a meeting of Islamic Development Bank (IDB) governors in Saudi Arabia in November 1992 but no money was promised to it.² This has, in general, been Saudi Arabia's attitude towards Central Asia so far. Most of the aid contributed by Saudi Arabia has been in the form of donations of religious materials, funds for mosques and so on. Saudi Arabia does not appear keen on investing in the new republics until their economic viability is proven but it does seek influence by using the carrot of financial assistance from time to time.

When they became independent, it was widely assumed that the Central Asian republics would gravitate towards Asia. The southern half of Kazakhstan and Kyrgyzstan would drift towards China; Tajikistan towards Iran and Uzbekistan and Turkmenistan towards Turkey.³ These republics' reorientation is still taking place so it is difficult to tell at this stage exactly which states they will finally attach themselves to.

Moscow has no apparent desire to reconquer Central Asia; it pays most attention to Tajikistan where Moscow is most committed among the five former Central Asian republics. In addition to the fact that the region has huge economic problems, few Muscovites would see much point in reincorporating 40 million Muslims into their now

mostly Slavic state. However, they do fear the political unrest, tinged with Islamic politics, which brought bloodshed to Tajikistan.⁴

In the early 1970s, many observers in both the US and the USSR thought that the decline of US influence in the Third World would lead to the rise of Soviet influence there. However, the USSR encountered many of the problems that had beset the US there.⁵ Soviet interests in the Gulf were often complicated by policies which reflected the inconsistencies between Soviet doctrinal-ideological postures and Russian national interests - an inconsistency which eventually played a part in the demise of the Soviet Union itself. During the Cold War, the Saudis used the prospect of increased ties with the USSR, or even of the establishment of diplomatic relations with it, to show their displeasure with the US in its intransigence towards the Arab-Israeli dispute, or because of its failure to assist the Saudis directly with arms. The recognition of Soviet assistance during the Gulf crisis was the key factor which facilitated the restoration of diplomatic relations. The potential for interaction between Saudi Arabia and the former Soviet Central Asian republics and the Transcaucasus region, with the reservations stated above, could be highly beneficial to the Saudis in the medium to long term.

¹ Economist Intelligence Unit, *Saudi Arabia*, No. 4 1992, p. 9.

² Ibid.

³ Anthony Hyman, 'Moving out of Moscow's orbit: the outlook for Central Asia', *International Affairs*, vol. 69, no. 2, 1993, p. 290.

⁴ Ian MacWilliam, 'Russia's last bastion against Islam', *The Observer*, 28 August 1994, p. 16.

⁵ Mark N. Katz, *The Third World in Soviet military thought* (Croom Helm, 1982), p. 158.

Part four:

Relations with China

Since their rise to power in the 1940s, Mao Tse Tung, Deng Xiaoping and their advisers pursued security within the structure of the existing international order: they adopted a balance-of-power strategy. Their self-esteem was soothed in the 1970s and 1980s with the notion of a global 'strategic triangle'.¹ Many Chinese leaders and their strategists, unless they have had extensive exposure to the West, still cling to the view that sovereignty is an attainable and essential goal of the state. They hold mercantilist views of international trade. In essence, they believe that interstate relations are a zero-sum game.

Both China's history and memories of imperialist domination until 1949 have led its elderly leaders to believe that a hierarchy of power is inevitable among nations, and that the more powerful tend to exploit and dominate the weak. Chinese strategies to attain national security and power involve retaining independence and flexibility and avoiding entangling alliances and enduring commitments. This understanding of world affairs facilitated the *rapprochement* with the US in the 1970s.²

Chinese foreign policy post-1972

After 1972, Beijing continued to hold the view that superpower détente was a 'smokescreen' for Soviet expansionism and thus ultimately worked to China's disadvantage. China attributed this new pattern of superpower rivalry to two related developments: first, the continuing erosion of US strength; and second, the corresponding increase in the Soviet Union's military capability and assertiveness. In this context Beijing saw the superpowers scrambling for position, primarily in the developing world.³

From 1972 to 1978 China's move towards foreign policy pragmatism gathered momentum, fuelled by important international and domestic developments. Amongst these was a perceived shift in Moscow's favour in the East-West balance together with an uncertain politico-economic situation. China's foreign policy throughout this period featured a steady though cautious movement towards closer tactical alignment with the US against the Soviet Union and an increasing attention to, and courtship of, the governments of the world's small and medium powers. Thus, the period 1972-78 represents an intermediate stage in the evolution of Chinese foreign policy pragmatism.⁴

¹ Michael Oksenberg, 'The China problem', *Foreign Affairs*, vol. 70, no. 3, 1991, p. 9.

² *Ibid.* p. 10.

³ John Calabrese, *China's changing relations with the Middle East*, (Pinter Publications, 1990), p. 73.

⁴ *Ibid.*

The US failure in Vietnam signified to China that the Soviet Union had dislodged the US as China's principal enemy. Yet this did not mean that the Soviet Union had replaced the US as China's only enemy. The uncertain domestic political climate following the deaths of China's three principal leaders in 1976 ensured that, throughout the period, China's strategic movement into 'alliance' with the US was only temporary. Building on Mao's Theory of the Three Worlds as articulated in Deng Xiaoping's 1974 speech to the UN, China placed new stress on cultivating inter-governmental relations, though not necessarily with a 'loss of revolutionary perspective or a denial of principle'.

Beijing's attitude to the Third World

The basis of China's relations with the Third World was economic-nationalist, not socialist.¹

Beijing regarded the Third World as an 'increasingly important force' and its policy towards developing nations was a means of confronting changes in the international arena which occurred mainly as a result of changes in the superpower relationship.²

The Middle East's geographic importance to China is crucial to understanding why the Chinese are

disturbed when another outside power (the British in 1956, the Soviets in 1979, the US in 1991) appears about to intrude militarily into the security zone.³ In 1971, the *Peking Review* made an explicit connection between the superpowers' strategic rivalry in the Middle East and OPEC countries' initiatives to regain indigenous control of oil:

In the eyes of the imperialists, the so-called Middle East question is, in essence, the oil question of how to divide spheres of influence. Warring for supremacy among themselves, they have brought terrible upheaval and disasters to the area. The demand of OPEC member states for higher oil posted prices and tax rates reflects the strong desire of the people of these countries to rid themselves of imperialist plunder and exploitation.⁴

The Arab oil weapon

The use of the Arab oil weapon in 1973 transformed Chinese foreign policy. In the first place, it gave substance to Beijing's call for the Third World to wage war against superpower hegemony. Secondly, in emphasising the Third World's application of economic pressure to redress its grievances, China was able to salvage its materialist-revolutionary credentials while simultaneously continuing to recast its

¹ John Calabrese, *China's changing relations with the Middle East*, (Pinter Publications, 1990), p. 74.

² Ibid.

³ Lillian Craig Harris on John Calabrese, *China's changing relations with the Middle East*, *China Quarterly*, no. 129, 1992, p. 234.

⁴ Calabrese, 1990, p. 83.

image as a responsible member of the international community. Thus the 1973 oil embargo sparked China's call for Third World control of Third World resources, the centre-piece of Beijing's Third World policy from the late 1970s onwards.¹

In the Middle East, particularly in the Gulf, Beijing sought to engage local regimes in official bilateral relations in order to enhance its strategic position *vis-à-vis* Moscow and also to detach these regimes from Taiwan. It also aimed to boost China's status as the legitimate leader of an emergent Third World force in world politics. The Arab use of the oil weapon demonstrated to Beijing the potential of Third World resource power and the desirability of becoming its champion.²

It might have been expected that maintaining and expanding economic ties in the Middle East would require China to be responsive to local sensitivities. This would have been extremely difficult to achieve. China did conduct trade with Israel but this apparently did little harm to China's relations with Arab states. Likewise, China's trade with Saudi Arabia operated in the absence of official diplomatic ties and in the presence of flourishing commerce between Taiwan and Saudi Arabia.³

China's attempts to forge diplomatic links

In the 1970s Soviet gains in South Yemen and the latter's instability was of considerable concern to China. The assassination of the president of the Yemen Arab Republic (YAR) in June 1978 and the death in a coup d'état a few days later of PDRY President Salim Rubayy 'Ali, who was well known to Beijing, brought Chinese charges of a Soviet-inspired plot. China, however, maintained diplomatic ties with both Aden and Sana'a and the Chinese media, to upstage Soviet ambitions, repeated the theme that the Yemeni people desired unity. Perception of an enhanced Soviet position in the area was certainly a major factor in China's establishment of diplomatic ties with Oman and Djibouti in 1978. Saudi Arabia remained a prime Chinese diplomatic target.⁴ In 1978 the *National China News Agency* reproduced an interview given to the Iranian *Ettela'at* by the Saudi foreign minister, Prince Saud bin Faisal in which the Prince condemned superpower intervention in the world. He appealed to the littoral states to 'strive to keep the region free from major power rivalry', that is to 'prevent it from becoming a playground of superpowers wanting to increase their influence for their own strategic interests.'

In May 1979 the Chinese ambassador to Kuwait told the daily

¹ Calabrese, 1990, p. 84.

² Ibid. p. 92.

³ Ibid. p. 122.

⁴ Lillian Craig Harris, 'China's response to perceived Soviet gains in the Middle East', *Asian Survey*, vol. 20, no. 4, 1980, pp. 371-2.

As-Siyassah that his country would like to establish diplomatic relations with Saudi Arabia. He stated that despite the differences in social structure between the two regimes the two states belonged to the group of Third World states and maintained what he described as 'identical' viewpoints on numerous issues. He concluded that although no direct contact had been made between the two countries many states were 'concerned' with Saudi-Chinese relations and China wanted to promote them.¹

China and the Hajj

China made an approach through Islam and the *Hajj* with a view to appealing to the emotions of the Saudi people: after a gap of 15 years, the Islamic Association of China was permitted to organize a *Hajj* pilgrimage towards the end of 1979, and a 'Newsletter' was published on the pilgrimage which made glowing references to Saudis and other Muslims.

The Chinese also attempted to attract Saudi attention in the wake of the Ka'aba incident. *Riyadh Radio* reported that Saudi Arabia's King Khaled had received a cable from the Muslims of China in which they extended their support for his government's 'wise measures' following the Holy Mosque incident.² In 1978-80 Beijing made further efforts to impress upon Riyadh their common interest in preventing Soviet dominance in the Gulf. The Saudis

remained adamant in their refusal to establish diplomatic relations with either Moscow or Beijing, although Riyadh allowed small amounts of trade with China - a foothold that China used elsewhere as a prelude to diplomatic ties.

China's desire to see the US function as an instrument of Chinese policy and China's perception that the best way to counter the Soviets was to move toward a 'united front' with the capitalist superpower, culminated in the normalization of Sino-US relations in January 1979. China's perception of a Soviet threat to the Third World almost certainly contributed to China's offer, in April 1979, to begin bilateral talks with the USSR. These opened in Moscow in September but were postponed indefinitely by China in January 1980 in a move which indicated China's view that the Soviet Union's geostrategic advantage was so great at that time that action had to take priority over dialogue.³

The restructuring of Chinese relations with the superpowers, and an enhanced Soviet naval presence in the Indian Ocean, increased the Gulf's geostrategic importance to China. As the 1980s progressed, China's efforts in the Gulf began to yield some notable, though scarcely noticed, results. China had drawn loans and investment from Kuwait and Saudi Arabia; it had exchanged information about oil exploration, drilling and refining; and it had occasionally bought oil, either to offset shortfalls in domestic production, or

¹ A.H.H. Abidi, *China, Iran and the Persian Gulf* (Radiant Publishers, 1982), pp. 231-2.

² Ibid. p. 232.

³ Harris, 1980, pp. 371-2.

to serve as payment for civilian goods or arms.¹

The restraint and sensitivity that China displayed on issues which were politically important to Gulf leaders contributed to these results. Beijing discontinued support for national liberation movements in the Gulf and the Arabian peninsula. At the same time, China maintained support for the Palestinians, though in a revised form - favouring a negotiated settlement of the Arab-Israeli dispute yet without repudiating armed struggle. This enabled China to adopt a position that was acceptable to Arab 'moderates' (such as Saudi Arabia) as well as Middle East 'militants' (such as Iran). China distanced itself from US-Middle East policy, encouraging Washington to adopt a more 'even-handed' approach to the Arab-Israeli dispute, and to pursue a comprehensive settlement of it. China assisted the Afghan Mujaheddin, but remained neutral in the Iran-Iraq War. Thus, China gradually built a reputation as a supportive, rather than a subversive, force in the region.²

China pursued commercial relations with Saudi Arabia without preconditions (that is, it did not require the establishment of diplomatic ties or termination of Saudi-Taiwanese relations). At the same time, China quietly developed economic and military cooperation with Israel, yet resisted establishing diplo-

matic ties in deference to Arab opinion.³

China's reassessment and revision of its relations with the superpowers preceded by several years the end of the Cold War.

Strengthened economic ties

The announcement in 1982 of China's 'independent foreign policy' signalled Beijing's recognition of a declining Soviet strategic threat and the value of differentiating its policies from those of Washington. 1982 marked the start of the gradual unravelling of the Sino-US 'strategic partnership' and the point when Chinese and US Gulf policy diverged. Until then, Beijing and Washington had buried their differences in the interest of confronting the common Soviet threat. As the 1980s progressed friction between them increased in direct relation to their declining strategic alignment. China reverted to public disapproval of US involvement in the Gulf which it regarded as intrusive and inimical to regional stability. The demise of the Soviet Union increased the Chinese fear of US 'hegemonism'.⁴

From 1982 Saudi and Chinese attitudes concerning the superpowers continued to have much in common. While Beijing and Riyadh saw a decline in the Soviet strategic threat, they also shared a growing disillusionment with the US. These

¹ John Calabrese, 'Peaceful or dangerous collaborators? China's relations with the Gulf', *Pacific Affairs*, vol. 65, no. 4, 1992-3, pp. 471-2.

² *Ibid.* pp. 472-3.

³ *Ibid.*

⁴ *Ibid.* p. 474.

parallel attitudes towards the superpowers enabled Sino-Saudi relations to improve.¹ The Chinese government was keen to 'bag' Saudi Arabia which was one of the few important countries still to recognize Taiwan, and as a country which offered commercial openings for Chinese goods and labour.²

Sino-Saudi economic relations developed more visibly and more rapidly than Sino-Saudi political co-operation. From 1982 to 1986 the value of Chinese exports to Saudi Arabia exceeded \$100 million, making Saudi Arabia China's leading Gulf trade partner. In the first nine months of 1987, China reportedly sold \$231.4 million worth of goods to Saudi Arabia and bought \$66.8 million of goods from it. In December 1987, Jia Shi, chairman of the China Council for the Promotion of International Trade (CCPIT) led the first delegation of its kind to Riyadh. The ensuing talks resulted in China agreeing to buy 340,000 tons of products in 1988 at an estimated cost of \$65 million³ from the Saudi Basic Industries Corporation (SABIC), one of the Kingdom's leading industries. In November 1988 the two countries signed an agreement to open commercial offices in each other's capitals.⁴

Both before and after Shi's visit to Riyadh, Saudi officials were reported to have encouraged the flow of private Saudi capital into the Chinese economy. The main aim

was to purchase for re-export Chinese products manufactured with the assistance of Saudi private investment. These transactions had advantages for both sides: for China, Saudi investment funds offered an additional lubricant to the national economy. In addition, Saudi marketing and distribution expertise could help to place Chinese products in new or protected markets where Chinese goods had not previously been sold. The general incentive for Saudi Arabia to pursue such co-operation was the opportunity to trade an enduring asset (oil money) for a permanent deficiency (labour-intensive industrial capability).⁵

Filling the missile gap

The US reluctance to transfer missiles to the Gulf was reinforced by emergent superpower détente. One of the concrete manifestations of improved superpower relations was the signing of the Intermediate Nuclear Forces (INF) Treaty in December 1987. This accord imposed a worldwide ban on the superpowers' deployment, or transfer, of missiles with a range of 500-5,000 kilometres. However, Saudi Arabia in the following year purchased Chinese CSS-2 missiles (an INF-range system). Revelations of covert US arms transfers to Iran magnified Saudi impressions of US unreliability. The 'war of the cities' in the Iran-Iraq war accentuated the dangers of using missiles against civilian targets and

¹ Calabrese, 1990, p. 148.

² Economist Intelligence Unit, *Saudi Arabia*, No. 3 1984, p. 7.

³ Calabrese, 1990, p. 148.

⁴ Economist Intelligence Unit, *Saudi Arabia*, No. 1 1989, p. 5.

⁵ Calabrese, 1990, p. 148.

impressed upon Riyadh the need to possess weapons of a similar kind, if only for deterrent purposes. Israel's test-launching of the *Jericho-II* strategic missile compounded Saudi Arabia's concerns. Thus China profited not merely from what the US was unwilling to furnish, but also from what the superpowers were forbidden to provide under the terms of their treaty.¹

The furore over Chinese sales to the Gulf focused attention on the development of Sino-Israeli military cooperation. Such cooperation pointed to much broader Sino-Israeli ties, not only complicating Israel's dialogue with the USSR but also embarrassing China before its Arab audience. The political dimension of Chinese involvement deliberately took a back seat to Chinese economic activities in the region. However, strictly economic activities often resulted in politically complicating outcomes.²

The furore continues with the revelations in 1994 by Mohammed Khilewi, the former second ranking official at Saudi Arabia's UN mission, that Saudi Arabia made secret efforts in 1989 to acquire nuclear arms in the US and China.³

Militarily Middle Eastern governments became the largest customers for Chinese arms and military equipment. Returns from these sales, in the form of unprecedented

amounts of precious hard currency allowed China to acquire (from Israel, among others) access to advanced technology and intelligence. The sales also allowed it to test its weapons on the battlefield (such as during the Iran-Iraq War). Both the revenues and the experience gained contributed extensively to China's defence modernization.⁴

The Tiananmen factor

The downturn in Sino-Gulf relations in 1989-92 was chiefly attributable to China's economic policy, compounded by unfavourable economic conditions in the Gulf. As part of its economic retrenchment, China reduced imports. Gulf countries, plagued by declining oil prices, rationalized their budgets. Post Iran-Iraq War 'reconstruction' did not provide China with any immediate windfall. Thus, if the unrest in China had any adverse impact on Sino-Gulf commercial activity, it was merely to dampen business confidence at a time when several other factors had already constrained business activity.⁵

Within days of the events in Tiananmen Square, Chinese ambassadors in Middle Eastern capitals had met local leaders to explain the so-called 'recent developments' in China and to re-affirm Beijing's commitment to continuing its reform, open-door policy, and friendly and

¹ Calabrese, 1990, p. 150.

² Ibid. pp. 155-7.

³ Reuters, 'Saudis accused', *The Independent*, 8 August 1994, p. 6.

⁴ Yitzhak Shichor, 'China and the Middle East since Tiananmen', *The Annals of the American Academy of Political and Social Science*, vol. 519, 1992, p. 87.

⁵ Calabrese, 1992, p. 476.

cooperative relations with other countries. Sino-Saudi relations hardly suffered: Riyadh's commercial representative presented his credentials in late August 1989 to China's foreign minister and in July 1990 Prince Bandar bin Sultan, Saudi ambassador to the US, who had orchestrated the CSS-2 missile deal, arrived in Beijing with King Fahd's agreement to establish diplomatic relations.

This was effected a few days later by China's foreign minister Qian in Riyadh. No mention was made of the Tiananmen massacre nor of reports, circulating since April 1990, of Muslim unrest in China's Xinjiang province. The Tiananmen crackdown was considered by Saudi Arabia as an internal affair in which no one should interfere. It was also regarded as a necessary measure, taken legitimately by a sovereign government that felt threatened.¹ Chinese leaders had seen the 'irreversible' nature of the Soviet empire's decline, and therefore the 'fundamental' nature of the change in the structure of the international system. They believed that the Soviet demise and the collapse of the East European bloc were the results of domestic failure. The postwar old order, the Yalta system, was disintegrating and was being replaced by a new world order. The East European experience convinced the Chinese leadership that to stay in power it must press on with the reforms instigated in 1978, and in late 1989 to

early 1990 it showed its intention of doing so.²

Changing global relations

As the postwar bipolar system came to an end, China predicted a strong trend toward multipolarity in international relations, saying that the latter was a more reasonable type of international system. China had respected the prevailing world order in the past decade and had effectively used the opportunities it offered. It also believed, however, that the system had created unjust political and economic arrangements under which developing countries were not respected, were not given equal opportunities and were underrepresented. Although China abandoned in the 1970s the policy of seeking a change to the international system through revolution, it never stopped criticizing the system and never gave up its own aspirations. China never expected to see a breakthrough and took only incremental measures to 'amend' the existing system. With the sudden demise of the old order, China espied the moment for nations other than the superpowers and the rich to have an important say in international relations.³

After the Gulf War, China was concerned that US determination to settle the crisis by force would set an example for future foreign policy conduct among the Western powers, and that US victory in the war would make the US 'the

¹ Shichor, 1992, pp. 88-9 and p. 92.

² Hwei-ling Huo, 'Patterns of behaviour in China's foreign policy - the Gulf crisis and beyond', *Asian Survey*, vol. 32, no. 3, 1992, p. 267.

³ *Ibid.* pp. 269-70.

unchallenged superpower¹ supported by its allies in the post-Cold War era. China now believes that in the long term the US does not have the resources for world domination and that the concept of balance of power will prevail, but that in the short term the world will have to experience a 'unipolar moment'. The Gulf crisis can be seen as China's début as a Great Power in the post-Cold War era. However, Foreign Minister Qian Qichen asserted in March 1991 that 'the use of force can in no way solve all problems and the Gulf War cannot be made a precedent for settling international issues.'²

Sino-Saudi trade relations

The Middle East has been caught up in China's export explosion, and the Gulf is being courted to take part in the rush to invest in the People's Republic. Gulf oil producers are poised to play an important role in provision of future oil supplies to China, which has now become a net oil importer. China's demand in 2000 is expected to reach 3.8 million barrels a day (b/d). During his June 1993 tour, the Chinese vice-premier Li Lanqing arranged the first term agreements with Saudi Arabia and Oman. (Imports had previously been arranged through intermediaries.)

Another aim of his visits was to persuade foreign investors to explore the Tarim Basin in China's western Xinjiang province. Although

Gulf investment in China has so far been relatively low compared with that of other countries, some joint ventures have been established in downstream industries. Saudi Arabia is building a 300,000 b/d refinery with Sinochem of China in the eastern province of Shandong which is due for completion in 1997.³

China's exports to the Gulf doubled between 1991 and 1993. The UAE was the biggest market, closely followed by Saudi Arabia. Almost half the goods were textiles, garments, leather goods and footwear, but this will soon change. According to one businessman involved in China-Gulf trade:

It seems inevitable that China will gradually move up in the market from its dominant position in goods sold in the souq to machinery and equipment.⁴

The Chinese government is aware of the flaws in its marketing policy and the philosophy of 'pile them high and sell them cheap'. With these flaws in mind, Saudi Arabia's Al-Zamil Group has established Middle East China in Bahrain in cooperation with China's Machinery Building Ministry to develop a joint marketing approach.⁵

China was expected to increase bilateral trade with Saudi Arabia by 20 per cent in 1994. Trade in 1993 was worth \$570 million and contributed \$310 million to the

¹ Huo, 1992, p. 270 and p. 272.

² Charlotte Blum, 'China sells itself in the Gulf', *Middle East Economic Digest*, 3 September 1993, vol. 37, no. 35, pp. 4-5.

³ *Ibid.* p. 4.

⁴ *Ibid.*

Kingdom's trade deficit. Saudi Arabia imported \$440 million worth of textiles, light industrial goods, foodstuffs and handicrafts while its exports to China consisted mostly of crude oil, fertilisers, chemical raw materials and wheat valued at a total of \$130 million.¹ In May 1994 it was announced that a Saudi delegation would visit China to investigate new investment prospects in oil refining and Beijing's oil imports will increase as economic growth continues. The Saudi oil company Saudi Aramco is planning to take a 45 per cent stake in a new 200,000 b/d refinery to be built near Qingdao. Ssang Yong Oil Refining Company of South Korea, in which Saudi Aramco has a 35 per cent equity stake is expected to take a 15 per cent share in the project.²

On a global level, now that the link between trade and human rights³ issues has been severed following US President Clinton's decision in May 1994 to de-link the two issues in renewing China's Most Favoured Nation (MFN) status, the US has promised 'aggressive' support in China with US Secretary of State for Commerce Ron Brown commenting, 'I don't want a level playing field, I want a tilted playing field, I want it tilted towards us.' He added that the US Administration's policy was, '...Relentlessly pragmatic. We are bottom-line oriented.'⁴ The 'knock-on' effects for Saudi Arabia could yield substantial economic benefits.

Part five: conclusions

The main aim of this study has been to show that history and geopolitical considerations have been determinant in Saudi foreign policy formulation. Great importance has been attached to the security of the peninsula, to Middle East stability and to Saudi Arabia's role in the international system.

It has illustrated how Saudi Arabia views its security in a series of circles radiating outwards - Saudi Arabia; the peninsula and the southern Gulf; the remainder of the Gulf, the Red Sea, the northern Indian Ocean and the Middle East; and the international arena beyond. Saudi Arabia has been bestowed with immense financial resources as a consequence of its oil resources. Its security is directly linked to using these resources as a policy instrument in the absence of conventional attributes to preserve its security, most notably a large population from which to create a sizeable military force.

Hence it seeks to influence, by the granting or withholding of financial support within the circles where it would have most impact (such as by means of aid to many Middle Eastern states); by seeking to control the Arabian peninsula whose stability, due to its proximity, is the most vital to Saudi external security; or by investing in foreign economies, most notably that of the US

¹ Economist Intelligence Unit, *Saudi Arabia*, First Quarter 1994, p. 20.

² Economist Intelligence Unit, *Saudi Arabia*, Second Quarter 1994, p. 28.

³ Teresa Poole, 'Brown hails new epoch in Sino-US relations', *The Independent*, 30 August 1994, p. 8.

whose continued dominance in the world is integral to Saudi security.

However, the weaknesses of Saudi foreign policy thinking have often been apparent. In regional politics, Saudi aid policies have worked only when it was in the recipient's perceived interest to continue following the donor's lead. The events of 1990-91 showed the limitations of Saudi aid as a foreign policy instrument. Iraq used the military resources that it had built up with aid provided by Saudi Arabia and Kuwait to protect them from Iran, to about-face, swallow one of the donors and seriously threaten the other.

This has resulted in even greater Saudi 'dependence' on the US and the relationship between them becoming even more over. Although it preserves Saudi military security, such a relationship also threatens the stability of the region as long as the Arab-Israeli dispute continues. Thus a final settlement of the dispute has become a crucial aspect of US relations with Saudi Arabia. Domestic forces in Saudi Arabia, an Islamic state, make it difficult to justify the Kingdom's close relationship with the US when the latter's Israeli allies still hold Palestinian territory and (which, from an Islamic perspective, is particularly disturbing), Jerusalem, the third holiest site of Islam.

The Arab-Israeli dispute fans the flames of radicalism, a force which, though currently of Islamic orientation, threatens conservative, monarchical states such as Saudi Arabia. The impetus for change

within Saudi Arabia cannot take hold as its eventual outcome would be the demise of the House of Saud. A balance must be maintained between a strongly pro-US foreign policy stance and deference to Islamic domestic considerations which underpin the legitimacy of the state.

In the relationship between Saudi Arabia and the former Soviet Union, it can clearly be seen that during the Cold War the Saudis used the prospect of closer ties, or even of the restoration of diplomatic relations, as a means of showing the US that continuous, unquestioning support of US policy in the region could not be taken for granted. It can equally be seen that although Saudi Arabia had no ties with the Soviet Union, Saudi hostility towards communism within the region, though drawing it closer to the US, often made matters worse where the latter sought to compete with the USSR, such as in the Horn of Africa, in Yemen and even in Afghanistan.

However, inaction might simply have led to a greater Soviet presence closer to Saudi soil. Perhaps Saudi Arabia was able, through both its own and US actions, to keep the Soviet Union 'at arm's length'. This enabled Saudi Arabia to 'flirt' with the Soviet Union during low points in the Saudi-US relationship without having to face the prospect of seriously seeking favourable terms with the USSR.

The ending of the Cold War and the demise of the Soviet Union have opened up political and commercial opportunities for Saudi Arabia as an Islamic state in the

newly-independent republics of the Transcaucasus and Central Asia. Caution is, however, needed in this highly volatile area. To counter Iranian influence (and therefore as a matter of security), it is vital for Saudi Arabia to maintain a level of interest which prevents the creation of a solely Iran-oriented area. In the medium to long term, economic benefits will undoubtedly flow to foreign states which have interests there.

Whilst the Saudi-US relationship is the most important, increased ties between two middle-ranking powers, such as China and Saudi Arabia, have potential for growth on several political and economic levels. As the world's fastest growing economy, China has certain needs which Saudi Arabia is well placed to meet: investment capital and oil. Requirements for both will inevitably increase. For Saudi Arabia, China is a potential source of industrial tech-

nology and labour. That Saudi Arabia should turn towards East and South-East Asia for such resources is not new, but the difference now is that China promises to be the biggest of Saudi Arabia's Far Eastern trading partners and, unlike Japan, will seek political influence on a wide scale. In the short to medium term, China will require more of what Saudi Arabia is best placed to give. At the same time the Kingdom's need for industrial technology to build up its industrial base and secure a post-oil future will be met increasingly from China.

Thus, in its policies towards the Great Powers, as in its regional and domestic actions, the present Saudi Arabian state finds itself always obliged to underpin its policies with considerations of security and its relations with all states by whatever means must always find expression from this premise.

APPENDIXSaudi trade with the US, 1971-72

Saudi trade with the US (% of total Saudi exports and imports)					
Years	Exports	Imports	Years	Exports	Imports
1971	3.4	16.8	1983	8	19.8
1972	5	19.5	1984	6.7	17.4
1973	5.3	19.1	1985	5.5	17
1976	4.7	18.7	1986	16.7	17.5
1977	9.5	18.6	1987	19.8	15.3
1978	15.7	20.9	1988	21.8	16.2
1979	17.2	19.8	1989	25.8	18.2
1980	20	20	1990	24	16.7
1981	13.2	21.4	1991	22.9	20.2
1982	8.2	21	1992	20.2	20.9

Source: Economist Intelligence Unit: Saudi Arabia - Quarterly Country Reports, Country Profiles & Annual Supplements - 1974 to 1994

Saudi trade with the USSR, 1980-88 (million roubles)

Saudi trade with the USSR (million roubles)					
Years	Exports	Imports	Years	Exports	Imports
1980	30.8	-	1987	12.4	-
1985	15.1	378.8	1988	12.8	12.6

Source: Vitaly Naumkin, 'The USSR & The Arab Gulf: A Current Balance Sheet & Future Assessment' in Charles E. Davies *Global Interests in The Arab Gulf*, 1992, p. 211.

