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A Political and Historic Analysis of the Relationship between the United States and Saudi Arabia: how the relationship between the United States and Saudi Arabia has influenced U.S. Foreign Policy in the Middle East

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A Political and Historic Analysis of the Relationship between the United States and Saudi Arabia:

How the relationship between the United States and Saudi Arabia has influenced U.S. Foreign Policy in the Middle East.

By

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A project submitted in partial fulfillment of the requirements of the University Scholars Program

Seattle Pacific University

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Abstract:

This research discusses the importance of the relationship between the United States and Saudi Arabia and how this relationship has influenced and shaped U.S. foreign policy in the Middle East. The relationship is framed by the international relations theory of neoclassical realism and the institutions theory of critical junctures. Through this framework, a historical and political case study is performed, analyzing the antithesis that the relationship has continued throughout history because of economic interests and oil. This paper discusses the alternative hypotheses and the other factors that have played an important role in U.S. foreign policy in the Middle East, and the factors that have played an important role in shaping the relationship between the United States and Saudi Arabia.
I. Introduction:

Why is This Relationship Important?
When discussing the topic of the relationship between the United States and Saudi Arabia most people assume the answer to what shapes this relationship and what has shaped U.S. foreign policy is a simple answer: oil. However, when looking into the history of the relationship and looking into the political and historical turning points in the relationship, we can see that this relationship is more complex and more influential than one might first think. But if the relationship was completely economically based on oil, the questions of why there have been times of distrust and why the relationship has at times been less influential due to less friendly interactions, would not be relevant.

The United States has been an important international actor since before the Cold War, when it emerged as an international superpower. There have been many international relations theories that have tried to explain the interactions made between two nations, which have led to international times of peace and war. Although it is not widely known how important the relationship between the United States and Saudi Arabia is, this relationship has shaped and influenced many major decisions the United States has made when regarding foreign policy. This relationship has influenced economic, diplomatic, and political decisions, including whether the U.S. will send troops into the Middle East and engage in a war.

Why is this Study Influential in My Life?
I grew up in rural Alaska, where stores, paved roads, and hospitals didn’t exist. There was one church in each town, we might sing a few hymns along with someone in the community playing the piano and we would listen to the one pastor preach. The larger of the two towns, consisting of approximately 150 people, had close connections with the Graham family. Franklin Graham, his wife and daughter Sissy would come and stay during the summers. Our community had a tight connection with Samaritan’s Purse and the work they did in Russia. You could ask what denomination or type of churches I attended up until my 10\textsuperscript{th} birthday, but I cannot say because I am not sure how to categorize them. When my mother moved my siblings and myself to the big city of Soldotna, approx. population: 6000, we attended a Bible Chapel that was about 4 blocks away from our house. Our first week in Soldotna, I remember getting lost trying to find our way to church.

In the past few weeks I have been faced with the concept of theology resonating within a Church’s teaching. Prior to my time at SPU I was raised being told Catholic was not Christian. My father was raised strictly Reformed Calvinist and my mother tended to bring us to evangelically focused congregations. I would summarize my experience with faith and the church to be a synthesis of personal piety, true creationism, “sola scriptura,” that humans all are totally depraved and that we cannot get over our sin, and as Christians we have a complex relationship being in the world but not of the world. And because of my family’s background they do not understand my desire to work in politics.
Scholarship in my field can be cultivated through the integration of multiple disciplines. My particular focus is in conflict resolution, cross-cultural reconciliation, strategic negotiation, and international relations-affairs. This requires an understanding of multiple disciplines, because every conflict, disagreement, and relationship is an isolated incident that can only be fully understood within the context of many other factors, some of which include: economics, laws, treaties and agreements, power, cultural and social norms, the development of thought, and history. I was drawn to politics because it combines economics, sociology, psychology, law, and philosophy. Faith intersects with the study of politics through the historical aspects of faith, how it relates to culture, and in some cases such as Iran and Saudi Arabia, faith and religion can be influential in making and maintaining laws and power.

I believe God has called us to live in the world and of the world, to be lawmakers, peacekeepers, people who seek to understand others, and reconcilers. To be able to fulfill this calling, it is important to understand human nature and human behavior and how these aspects influence individuals, institutions, and the interactions made between them in conflict over power and money. It is hard to understand human nature and human behavior without having an understanding of morality and where morality is cultivated in a society. “Christian scholars’ work may also involve analysis of how humans construct moral systems to serve cultural functions” (Marsden). It is easy to become part of the conflict over power, but I believe my faith has given me an optimistic view of human nature, that reconciliation and conflict resolution is a possibility, and working as a moral force influencing these interactions is an acceptable calling for a Christian.

I believe I can be a Christian and be called to work in the world and work for the world, that there is no difference between what is sacred and secular. Even though, at times my past beliefs haunt me and tell me that I am wrong and that using that statement is an excuse to support my desire to work in politics. I constantly struggle with finding a middle ground for my life goals, vocation, and faith. Jacobson speaks of human beings being curious and creative and that scholarship is in our nature through our innate desire to learn and innovate.

Scholarship, to me, is the ability to continue that innate desire through a dialectical process, trial and error, always questioning what is fact and known. “Scholarship requires the hard work of researching one’s projects, carefully developing one’s own perspective, and then sharing those new intelligently crafted creative insights with others.” I follow along the beliefs that true genius is found in the creation of ideas, art, and technology. True scholars are dedicated to cultivating their creative sides through “paying attention to the world” and using their hard work and research to “intervene, encourage and discourage certain outcomes.” Through the attention paid to the world one can discover isolated facts, but scholarship requires more than discovering information. Scholarship requires these facts to be analyzed and used and put into perspective “making connections across the disciplines, placing specialties in larger context, illuminating data in a revealing way, working to interpret, draw together, and bring new insights to original research.”

I believe my honors project is taking all of these scholarly models into consideration. One paper may not be enough to make a major difference in my field of study, but it will hopefully encourage further debate. My project will look at how a relationship between two countries has been influential in the decision of when and when not to go to war, how a relationship can influence these types of decisions, and how a relationship can change and impact future decisions. I will be looking at a country that has been often overlooked when it
comes to political and economic influence and shed light on how this country has influenced years of foreign policy through a neoclassical realist international theory.

My proposed honors project topic stewards my personal intellectual gifts through my ability to retain and process large amounts of information. An academic research topic such as the one I have chosen to study will take time and will require the synthesis of multiple disciplines and a vast amount of information in these various subject. It will require an ability to synthesize large quantities of data along with the understanding of different cultures and ideas and how they interact. I have a love of culture that extends beyond the typical Western border and have cultivated an ability to understand foreign social norms. I enjoy exploring new cultures through the people I meet and learning about how they view the world. I think my intellectual gifts include being able to relate to people all over the world and having the desire to understand and listen to thoughts foreign to my own.

1. The Question:
   How has the relationship between the United States and Saudi Arabia influenced U.S. foreign policy in the Middle East? Specifically, how has this relationship evolved and changed over time, and how has it changed how the United States has been involved in Middle Eastern policy formation?

2. The Arguments:
   A. The United States’ interests in the Middle East revolve around the oil economy. The United States initiated the relationship to establish American companies in Saudi Arabia to share and exploit their resources through mutual economically beneficial agreements.
   B. The United States’ interests in the Middle East initially revolved around the oil economy. The interest in oil came about after WWI and WWII, as military technological advances required the oil. As the relationship developed, specific national security interests created new institutions, which changed the U.S.-Saudi relationship. Events, which ad hoc can be viewed as critical junctures, revolving around national security and economic security established new institutions, which have created a more complex form of interactions shaping U.S. Middle Eastern policies.
   C. The United States has always been most interested in the monetary value creating the economic relationship with Saudi Arabia. This relationship has used national security interests as a façade. The relationship’s main focus is on gaining and exploiting resources for both nation’s individual and mutual gain.

Strategic Outline:

The purpose of this paper is to discuss the influence of the relationship between the United States and Saudi Arabia in shaping U.S.-Middle Eastern policies. This study will discuss the importance of the relationship, through a basic historical summary of the relationship, which will touch on external factors and events. The question will be dissected and answered through a political/historical case study, using neoclassical realism and critical juncture theory. These theories will provide the guidelines for testing each possible hypothesis and discuss the validity of each one’s argument.
This paper is composed of 5 parts. First the introduction, second the empirical background, third the theory, fourth the case study, and finally the conclusion. Each part is composed of various sub sections discussing the topic further in depth. The introduction will also discuss the importance of the discussion of this relationship, the defining question of the paper, the arguments, and the strategic outline. The empirical background will give a basic historical/political summary focusing on a few major influential aspects of the relationship between the United States and Saudi Arabia, and will conclude by identifying and emphasizing important events, questions, and mysteries to the relationship. This section will also define the hypotheses and discuss their alternatives. The theory section will first discuss the development of the neoclassical realist theory, it will summarize the theory, discuss important variables and causal factors, it will discuss the variables specifically important for this case study, it will briefly discuss critical juncture theory, and will explain the critical junctures specifically important to this question. The case study section will be the analysis and testing of each hypothesis through the use of the neoclassical realist framework and through discussing the importance of critical junctures in combination with important variables and causal factors. The conclusion of this paper will discuss what can be learned from this relationship, and what we can learn that is applicable to explaining the current situation between U.S.-SA relations, current, and future U.S. foreign policies.

II. Empirical Background:

3. Summary
   
   A. The founding of Saudi Arabia

   The history of Saudi Arabia begins in Najd. This was the location where Mohammad al Saud and Mohammad ibn Abdallah al Wahab grew up. Mohammad al-Wahab was a scholar who studied in Madinah, Iraq, and then Iran. He studied Islam under the Hanibali School. In 1744 Mohammad ibn Saud and Mohammad ibn Abd al Wahab swore a traditional oath to work together to establish an Islamic state. This agreement established a clear and defined mission to base their political authority upon and was created to justify their conquest of the peninsula.

   Abdullah al Aziz ibn Saud, the son of Mohammad al Saud continued the conquest and founded modern Saudi Arabia. He was able to accomplish this through the use of the Ikhwan. The Ikhwan was a Wahhabi army. Early in the year 1902, Abd al-Aziz took Riyadh from the Al-Rashid family’s control. Abd al-Aziz had to fight the Al-Rashids of Ha’il and the Sherif of Mecca to fully gain control of the Arabian Peninsula. Abd al-Aziz became the only independent Arab leader after WWI. After founding Saudi Arabia, Ibn Saud had to destroy the Ikhwan because they became unmanageable. Their religious fervor and their deeply ingrained mission of conquest became an internal threat. The Ikhwan wanted to fight all non-Wahhabi Muslims. They had to be contained because Abd al-Aziz did not want to challenge British sovereignty to the north of the newly established Saudi State.

   Britain was in the Middle East because in 1912 the British converted their coal-powered navy over to oil. In 1915 oil became a strategic commodity due to the First World War. Before WWI, the United States was the leading oil producer and exporter. Between the years 1923-28 British Petroleum showed no interest in going into Saudi Arabia. The United States began to compete with Europe for access to oil. This is what
initially brought the United States into the Middle East. In the 1920’s, due to overcapacity and over production, price wars became an issue. The financial stability of the oil industry became an issue for all countries involved. In 1928, the initial intent was for an oil cartel to be created to prevent the collapse of oil prices. In 1930 there was the worldwide depression. Oil was a strategic commodity at risk of price instability, due to war, overproduction, and underproduction. In 1932 Chevron/Bapco, also known as SOCAL, found oil in Bahrain, a small island outside the Eastern Province of Saudi Arabia, which was not affected by the “Red Line Agreement.” The “Red Line Agreement” initially kept many oil companies from going into areas of the Middle East in search of oil due to complicated oil sharing requirements. This agreement was created to prevent any one company from creating a monopoly on oil. In 1933 an U.S. company returned to Saudi Arabia in search of oil. The Saudi king welcomed the company because of his need for funds.

B. **ARAMCO History**

The first U.S. oil exploration in Saudi Arabia was in 1923 by the California Arabian Oil Company. CASOC shared the selling of oil found in Saudi Arabia to prevent an oil price collapse with TEXACO. After the worldwide depression, Europe and the U.S. began to extensively search for oil in the Middle East. Oil was first found on the Iranian side of the Persian Gulf. Oil was then found in Bahrain. Finally in the 1930s oil was found in the Eastern Province in Saudi Arabia. It was profitable because it was close to the surface, easy to extract, and inexpensive to extract. ARAMCO was established in 1933 by CASOC, the year after King Abdulaziz completely took control of the Arabian Peninsula. ARAMCO stands for the Arabian American Oil Company; this name was changed in January of 1944. The first headquarters for ARAMCO were in San Francisco. In 1948 the Standard Oil of New Jersey, which is now known as Exxon Mobil, bought into ARAMCO. In 1950 Saudi Arabia began to pressure ARAMCO for better terms. When ARAMCO started splitting pretax profits 50/50, Saudi profits finally began to increase. Saudi Arabia received 56m in oil revenues that year and the next year that number doubled. In 1950 the Tapline pipeline was completed. It was only in 1952 that the headquarters where finally moved to Dhahran in Saudi Arabia where the SAUDI ARAMCO headquarters were founded. In 1962 the Saudi government created Petromin.

In 1972 the Saudi government bought 25% into ARAMCO under the newly established government owned company known as Petromin. Saudi Arabia threatened to cut off oil from ARAMCO, who sells to 4 of the 7 largest oil companies in the world, due to the OPEC oil embargo. In 1974 Petromin purchased 60% of the company and the worldwide oil embargo ended. In the 1980s the Saudi government bought 100% of the company making ARAMCO a Saudi based company. The government completed its Saudization goal. During the 1970s-80s ARAMCO began giving out scholarships to Saudi students, sending them abroad to foreign universities, to educated them and prepare them for management positions within the company. By 1980 around 15,000 Saudi students were studying abroad and about 70% were studying in the United States.

In 1984 EXXON, The Standard Oil of California, and Texaco owned 28.3% of ARAMCO, and Mobil owned 15%. During the early 1980s payments to the 4 “parent” companies were completed and in 1988 the Saudi government, who renamed the company SAUDI ARAMCO, officially owned ARAMCO. The state owned oil
company, Petromin, created a monopoly over the local distribution of oil but not a monopoly on the overseas distribution of the oil.\textsuperscript{10} Saudi Aramco was entrusted with the Saudi gas gathering system. The Eastern Province took over the regional electricity supply through the Saudi Consolidation Electric Company (SECO).\textsuperscript{11} By the 1990s Saudi ARAMCO acquired the responsibility over all Saudi domestic exploration and development of oil and energy resources.\textsuperscript{12} Saudi ARAMCO is continuing to grow, invest in foreign oil, and invest in newly found Saudi oil. The company now has one of the highest crude oil reserves in the world.\textsuperscript{13} Saudi ARAMCO is also known for hiring many Shi’ite workers.

C. \textit{OPEC History}

The Organization of Petroleum Exporting Countries was created in September 1960. OPEC was created to aid in oil producing countries gaining control over their resources. Abdullah Tariki from Saudi Arabia cofounded OPEC.\textsuperscript{14} Libya led the other OPEC countries in their demand for higher prices and tax rates in 1970.\textsuperscript{15} In 1972 he created a plan to transition oil companies from multinational corporations to the local peoples, many OPEC countries started nationalizing their oil between the years 1973-75.\textsuperscript{16} Iran was the #1 producer of oil, until they began to use their oil as an anti-Western weapon. This did not work because there was enough oil available from other oil producing countries to make up for Iran sanctioning the exportation of their oil to Western countries, including the United States. Abdullah Tariki cofounded OPEC. The OPEC players were not in favor of the Camp David Accords. Saudi Arabia and Iraq made up 1/3 of OPEC’s productivity capacity.

By 1973, Saudi Arabia and Iraq became cordial mainly because of their participation in OPEC. In 1973 war erupted in the Middle East, for some of the OPEC countries their only weapon was their oil. Saudi Arabia along with the other Oil Arab Producing Exporting Countries (OAPEC) used oil as a weapon. Saudi Arabia used their oil as a weapon, through sanctioning countries that were in support of the Camp David Accords and Israel. Nixon provided Israel $2.2 billion in military aid. In 1973 the oil embargo was put into effect and a worldwide oil shortage was executed. OPEC then demanded higher oil prices. OPEC had the power over the prices and the oil market. Prices became so high in the 1970s that people began to be aware of their energy use and began to explore potential alternative sources of energy. Saudi Arabia, an OPEC leader, started feeling the effects of the embargo. Saudi Arabia’s economy relies mainly on oil, and because of this they prefer lower oil prices to maintain long-term stability in the market.\textsuperscript{17}

OPEC prices decreased in 1980-85, while Saudi Arabia increased their production of oil.\textsuperscript{18} OPEC began to guide OPEC country’s interests regarding policy formation. A prosperous West is important for many OPEC countries, including Saudi Arabia, because most of their investments are in countries associated with the Organization for Economic Co-operation and Development (OECD). After the breakup of the Soviet Union, Saudi Arabia made up for the lack of their oil production, which made Saudi Arabia in control of producing 1/3 of OPEC’s total production.

D. \textit{The Year 1979-1980 (Cold War/the Iraq-Iran War)}
There were two major history-defining moments in the year 1979. The first was the Iranian Revolution. The second was the Soviet Union invasion of Afghanistan. The Soviet Union was encircling oil-rich countries. In 1979 Saudi Arabia broke their economic relations with Egypt, however this did not change the status of Egyptian workers living and working in Saudi Arabia. There was a lack of skilled manpower and forces in Saudi Arabia, and this caused them to consciously avoid any friction in their relationship with the Egyptian workers already in S.A.

Between the years 1978-79, Iran was in chaos, Egypt was expelled from the Arab League, Syria was in disarray, and Iraq was quickly moving away from its previous isolation. Within Saudi Arabia, during 1979-1980, there was an uprising within the Shi’ite communities, particularly in Qatif in the Eastern Province. In 1979 forces within Saudi Arabia captured the Grand Mosque. It took the government troops two weeks to recapture the Mosque, with the aid of Jordan and France. However, the Saudi government will deny the aid because non-Muslims are forbidden to enter Mecca and the Mosque.

Within the greater Islamic world, the Soviet Union invaded Afghanistan, which was known for its strategic location as a buffer state between the Soviet Union and the Gulf states. In December 1979, the Soviets sent 80,000 troops into Afghanistan. In opposition of Soviet expansion, Saudi Arabia encouraged Muslim’s to fight against the Soviets and sent funds to support the resistance and opposition forces. The Middle East began to split, and Syria signed on with the Soviet Union, which upset Saudi Arabia.

War broke out between Iran and Iraq in 1980, when Iraq invaded Iran. Saudi Arabia became vulnerable because of its support of Iraq. The Gulf Cooperation Council (GCC) was officially announced in 1981, to build up a defense network against any invasion in the Gulf. Although, the GCC was first established in 1976 by Bahrain, Kuwait, Oman, Saudi Arabia, and the United Arab Emirates. The purpose of the GCC was to unify economic, industrial, and defense interests between the countries. The GCC had difficulties maintaining financial support to Iraq because of the oil revenues going down in the 1980s.

Saudi Arabia urged the United States to build an Iraqi oil pipeline through Saudi Arabia to increase Iraqi oil revenues. However, during the Iraq-Iran War, the United States remained neutral, and let Iraq and Iran fight without any intervention. The United States did attempt to repair relations with Iraq during the conflict, partly because the United States’ closest relations (Saudi Arabia and Jordan) urged the U.S. to improve their relations with Iraq.

Saudi Arabia initially upped their oil production to compensate for the loss of oil production during the Iranian Revolution and the Iraq-Iran War. However, in 1982 Iran and Nigeria were beginning to cheat the OPEC system. They overproduced oil without regarding how that might affect oil prices. Saudi Arabia had to cut production to prevent a price collapse. Iran and Nigeria’s actions caused the OPEC countries to be distrustful of one another, especially Saudi Arabia towards Iran. As Iran cheated and profited, Saudi Arabia had to practice restraint and their oil revenues suffered because of Iran’s actions.

**E. The Iraqi Invasion of Kuwait**

In the year 1990, Iraq invaded Kuwait. “Kuwait had been actively producing oil well beyond its allotment,” while Iraq’s economy was slowly repairing itself and
recovering from the Iraq-Iran War. When Iraq invaded Kuwait, Iraq took control of 19% of the world’s total oil. Iraq invaded Kuwait because Iraq viewed Kuwait cheating the system by over producing as an act of war against the other oil producing countries. This is how Iraq justified its invasion of Kuwait.

During this invasion, the United States was not content with sitting back and letting Kuwait and Iraq fight it out. The United States did not remain neutral. The United States’ assistance in expelling Iraq from Kuwait proved many of the Saudi leaders wrong about the reliability of the U.S. “Prince Bandar and King Fahad thought that the U.S. would prove themselves unreliable.” A major reason the United States got involved was because of the strong probability of Iraq, after taking control of Kuwait, moving on to invade Saudi Arabia. The Iraqi troops were sending troops through the Saudi borders. The United States and Saudi Arabia knew that if they allowed Iraq to seize Kuwait, the entire Middle East would be at risk of attack and Iraq would be capable of conquering the Gulf and the majority of all the world’s oil reserves. The Middle East would no longer be as it was, and institutions such as the GCC and OPEC would be at risk of extinction.

The Saudi oil market began to increase, but because of the large sums of debt that Saudi Arabia was acquiring to protect their kingdom and expel Iraq from Kuwait, Saudi Arabia’s economy became stagnant. They gained profits because with the collapse of the Soviet Union in 1991, Saudi Arabia maintained their status as the “swing producer” and compensated for the lack of Soviet oil. In the 1990s, Saudi Arabia created a stock exchange to increase revenues within the kingdom.

Kuwait was part of the GCC, as well as an oil rich OPEC country. Iraq wanted to expand into the Gulf. This was a surprise for Saudi Arabia, who had been funding and supporting Iraq during the Iraq-Iran War. Now Iraq was invading their close ally, which put them in a tricky situation. They called on the U.S. for military support, taking out large loans to pay for the majority of all the costs to have U.S. troops go into Kuwait and protect the kingdom against an attack. Desert Storm and Desert Shield were very expensive, however, for the Saudis pushing Iraq out of Kuwait and protecting the Arabian Peninsula was worth the monetary cost.

4. Conclusion
Through this background we can better understand the impact the oil has on the relationship between the United States and Saudi Arabia. We also can see how oil has been majorly influential due to the importance of stable oil prices worldwide. This is why it is important to note the events when oil has been used as a weapon by Iran and Middle East in 1973-74.

Another important take away from this background summary is how many countries in the Middle East have proven to be instable and have been unreliable when it came to their agreements and relationships with one another. This has caused distrust among the Middle Eastern countries and it has caused suspicion among the West as they choose which countries to rely on in diplomatic and economic terms.

Questions to consider are: when did oil become a national security issue? Why did oil become a national security issue? How has oil influenced the relationship between the United States and Saudi Arabia? How has this relationship been influential putting the oil aside? What institutions have majorly impacted the relationship between the United States and Saudi Arabia?
5. Hypotheses and Alternatives
   A. The relationship between Saudi Arabia and the United States has solely been based on shared economic interests.
   B. This relationship has been initially guided by economic interests that through institutional change brought about by critical junctures has led the relationship to be influenced by mutual national security interests.
   C. The relationship has revolved around economic interests, and national security interests were used as a false motivation behind manipulative coercive economic factors.

III. Theory:
   1. The Development of Neoclassical Realism
      Neoclassical realism was developed as a more methodological approach to theorizing about international relations. Neorealists made efforts to subconsciously address the questions of why wars occur, why balances of power develop, and why cooperation can be difficult. Neoclassical realists utilized these efforts and incorporated the positivist methodology that the classical realists lacked. They approached the international field with the assumption that it is possible to derive testable hypotheses and specify predictions and/or observable implications of the hypotheses to then test the hypothesis against the neoclassical realist theory and alternative hypotheses using empirical evidence. They come at the problem with a top down view of the state.

      For neoclassical realists states are the most important actors, and within the definition of the state, this includes both key decision-makers and key institutions. The state then acts by assessing threats, and those who respond to the threats then adjust the state’s strategy within the international arena. This “must start with the elites’ recognizing the shifts in the distributions of power, the changes in the intentions of other states and non-state actors.” The elites’ are defined as economic state actors and domestic groups.

      Like realists, neoclassical realists view politics as a struggle for material power and security in a world full of scarce resources and inescapable uncertainty. Because of these assumptions, neoclassical realists view foreign policy to be directly related to and driven by a state’s material power. There are two combined variations within neoclassical realism. The more state-centered realism, in which nations try to expand their political interests abroad due to the perceived increase and/or shift in power by key decision-makers. The second is defensive realism, in which nations try to expand their political interests abroad due to the perceived increase of threats by key decision-makers.

      Different theorists have been able to use this theory that was created in 1991 to explain various changes and shifts in power in the international arena. Thomas Christensen used the neorealist theory to explain the inflation of external threats to mobilize campaigns. Aaron Friedman used the theory to explain adaptation leading to relative decline in power. Randall Schweller used the theory to explain alignment decisions leading to state motivations. Jack Snyder used the theory to explain reckless expansion. Willian Wohlforth used the neoclassical realist theory to explain how perception of the balance of power leads to state behaviors. Lastly Fareed Zakaria used
the theory to explain normal expansion. Zakaria explains how a balance of power is an outcome of several unintended actions taken by states, and these unintended actions means that it does not take a bad state to create bad outcomes.

2. Theory Summary

Neoclassical realism starts with the assumption that states are rational actors. Because states are viewed as rational actors, we know that "states do not willingly place themselves in situations of increased dependence." Neoclassical realism tries to explain the outcomes of state interactions. This theory can frame and explain how a bilateral relationship is affected by the distribution of material power and can lead to differences in foreign policy. "Neoclassical realists argue that relative material power establishes the basic parameters of a country’s foreign policy." The neoclassical realist theory seeks to explain why different states pursue different paths at different times to pursue particular self-centered strategies in international foreign policy. Because states react differently to similar systematic pressures and opportunities, and this leads to reactions that are more motivated by domestic factors rather than systemic-level factors. An important aspect of this theory is that it acknowledges the fact that countries give perceptions a high importance when shaping foreign policies. Neoclassical realism focuses on the behavior of individual states and individuals within the states. It also takes into account the international environment and the international constraints in the shaping of foreign policy. Neoclassical realism combines structural and domestic variables to explain state behaviors. Neoclassical realists respond to the uncertainties of international anarchy through creating policies to control and shape the international environment. “Under the neoclassical realist theory, an analyst wanting to understand any case needs to do justice to the full complexity of the causal chain linking relative material power with foreign policy outputs.” First through using intellectual systems, second by tracing the actual case, and third by making sense of the relative power and the behavior of the state actors. This can also be described as the stages of a state’s behavior beginning with the strategic assessment, which leads to the formulation of a strategy, and then the implementation of the strategy. The strategies include assessing the commitment issues of the state, informational problems, and if states can balance against threats, these all can be determined by looking at the domestic political processes of the state. The assessment and formulation of a security strategy can be determined in combination with systemic factors. Neoclassical realists believe that an increase of material power is directly related to the expansion of a country’s foreign policy and that an international environment should be analyzed at both a domestic and international level.

3. Important Variables and Suggested Causal Factors

The most influential variable in the neoclassical realist theory is the state. "Neoclassical realism identifies the states as the most important actors in international politics.” The state includes: leadership/elites’/decision makers’ perceptions, key institutions, and the state structure. “A theory of foreign policy must not ignore domestic politics, national culture, and individual decision-makers.” The way that individual decision makers are involved in shaping foreign policy is partly through their own personal preferences, heuristics, and biases. This can be through assessing the intentions
and capabilities of states rising in power, the impact of individual leaders, and the ideologies one might have about the feasibility of a strategy.

Another important variable is the international structure. "States assess and adapt to changes in their external environment due to their specific domestic structures and political situations." They adapt to changes in their external environment due to their specific domestic structures and political situations. States have complex domestic political processes, in which they direct and redirect policy outcomes in response to external forces. One type of external force could be a shift or perceived shift in relative power; this leads to the creation of policy outcomes through the domestic political process specific to the state. "Systematic pressures are filtered through intervening domestic variables to produce different foreign policy behaviors." The international system including the outcomes: war, peace, and balances of power. These are the results of interactions of several states within an international context.

The institutions within the state and international system are the rules of the game, and the parameters are set through a combination of international opportunities and the level of an external threat. Some aspects of foreign policy include: defying the system and/or domestic-level explanations. The character of and venue of a policy can be shaped through structural institutions. Structural institutions include: the executive branch which can be dominant in the national security arena, the policy entrepreneurship presented through think tanks, and specifically for the United States, the dominance of Wilsonian ideals have been an institution that has influenced foreign policy decisions.

The variables that are influential in the discussion of neoclassical realism include: the capacity of politico-military institutions, the influence of domestic, societal actors, and interest groups, the degree of state autonomy from society, the level of elite and/or societal cohesion, and the leaders’/statesmen’s’ perception/assessment of international threats and opportunities. The actual diplomatic, military, and/or foreign economic policies selected by the state and the distribution of power among states. The discussed unit-level variables can constrain and/or facilitate the state’s ability to respond to systemic imperatives, which means they are filtered through economic and social constraints that are placed on key political decision makers. The systemic incentives and constraints move and process the perceptions and options creating actual diplomatic, military, and foreign economic policies that states choose.

Especially when regarding how the neoclassical realist theory can explain U.S. foreign policy, Fareed Zakaria argues that it is not the state but instead the statesmen who are the primary actors in international affairs/foreign policy creation. It is their perceptions of power shifts rather than actual objective measures of power shifts that are influential in shaping a state’s actions in the international arena. Secondly he would argue that the state structure is important, because a statesman can only exploit the power resources through the state’s structure, and that foreign policy is a product of state power.

Fear and perceptions of fear contributes to the way in which groups form within a state. These perceptions and threats lead to individuals and groups to unite for security reasons leading to collective goals. Historically, this fear has often been directed at internal and external minority groups through what is commonly known as xenophobia. These collaborative groups can then influence the states’, statesmen’s, and the elites’ choices of action. This fear causing group formation can be explained through the realist theory’s views on social development.
4. Variables Specific to this Case Study

- Monetary support (loans, funds, and backing a war/conflict financially)
- Military support (military training, military force, and arms sales)
- Manipulation of oil prices (taxes, decreasing production, increasing production, increasing prices, and decreasing prices)
- Coercive international policies (oil as a weapon, sanctions, embargos, assassinations, closing borders, acts of war, and attacks on embassies)
- Diplomatic relations (OPEC, OAPEC, UN, Camp David Accords, OECD, Islamic Conference Organization, GCC, Egyptian-Israeli Treaty, perceptions, interests, and deals)

5. Critical Juncture Theory

The impact that institutions have on politics and policies is not limited to a short period of time; they can extend over long periods of time. Governments often make the initial policies; the institutional choices remain the same until there is a force able to overcome the “inertia created at the inception of the program.”

Path dependency is the logic and self-reinforcing properties of particular national trajectories over time. Often rational individuals, who are pursuing their goals and imposing their will on others, create these institutions and governmental policies. Critical junctures are crucial founding moments of institutions that send countries along broadly different developmental paths. These junctures may lead to new actors, groups and/or the reorganization of political relations. These outcomes may vary and the types of institutions that follow the critical juncture also may vary. “Once an institution is in place, actors adapt their strategies in ways that reflect but also reinforce the ‘logic’ of the system.”

Policy feedbacks are mechanisms that can point to the self-reinforcing logic of the institutions and can be related to distributional effects of the institutions. “Political arrangements and policy feedbacks actively facilitate the organization and empowerment of certain groups while actively disarticulating and marginalizing others.”

Institutional change includes informal distributions of power, observable attitudes, beliefs, and behaviors of political actors. Behaviors and goals of individuals and collective actors can change the distribution of power amongst them. The identity of institutions and political actors is often a result of political conflicts and struggles for power. Historical institutionalism is valid because institutional change is an ongoing process.

6. Suggested Critical Junctures

Looking into both the critical junctures influencing U.S. interests and Saudi interests may help explain the changes in the relationship being viewed from a neoclassical realist standpoint.

One may infer that there may be 6 major critical junctures influencing U.S. interests include: WWII, the oil shock of 1973-1974, 1979 Iranian Revolution, the Cold War beginning around 1980, the fall of the Soviet Union in 1991, and the 2001 9/11 terrorist attack.

One may infer that there may be 5 major critical junctures influencing Saudi interests include: the Camp David Accords in 1967, 1970 with Libya and OPEC countries demanding higher prices and tax rates and the transfer from companies having the power
over oil production to the countries which happened after the Libyan sunken oil tanker, 1979 with the Iranian Revolution, attack on the Grand Mosque, and the Shi’ite revolts, the Iraqi invasion of Kuwait in 1990, and the war on terrorism which officially began in 2001.

7. Linkages

The Iranian Revolution paralleled the Cold War with the extent that extremism can infect a society, however these two are examples of extremism infecting a society on opposite sides of the spectrum.

The instability of the Middle East and the unpredictability of Middle Eastern relations have caused distrust within many interactions. Some examples include Iraq invading Iran and then turning and invaded the Gulf through Kuwait, after much of their financial support came from these countries during their first war. Another example is Syria siding with the Soviets during the Cold War, and Iran, who had close relations with the U.S. through the Iranian Revolution, became known for their anti-American and anti-Western attitudes.

IV. Case Study:

Starting in the 1930s the relationship between the United States and Saudi Arabia began firstly because of mutual economic interests, but also because oil was a strategic commodity due to WWI. The Saudi king was poor and needed the funds to maintain the state he created. The United States needed the oil and the U.S. oil companies profited most. The United States’ interest in Saudi oil increased during WWII so much so that the U.S. government considered buying CASOC, but did not due to private business rights. Oil was an increasingly important strategic commodity during WWI and WWII. Saudi Arabia and the access to oil became the center of the West’s strategic concern with the need for cheap and reliable sources of oil during the reconstruction of Europe after WWII. Also, oil became necessary for international economic stability.42

In 1945 Saudi Arabia declared war with Germany to qualify for U.N. membership, however they had no military. The Saudi government perceived having a military as an internal threat. In 1945, the U.S. provided Saudi Arabia with an air base in Dhahran. This was beneficial to the United States because of the strategic location during WWII.

In 1951 the US Military Training Mission for SA was created.43 By 1962 the king cancelled the U.S. base in Dhahran mainly because having the U.S. military on Saudi soil, was a perceived threat to Saudi sovereignty. However, the king did want USMTM to be a continued U.S. commitment to the defense of Saudi Arabia. There was an oral commitment from every U.S. president starting with Roosevelt, agreeing to defend Saudi sovereignty, the Saudis take oral commitments very seriously. The U.S. embassy in Saudi Arabia kept a record of these continued promises,44 and the Saudi government took these very seriously. In return the Saudi king would promise that Saudi Arabia would remain a constant stable source of oil to the West. He promised that the oil would continue flowing at moderate prices in accordance with the world’s needs. This was also essential for the Saudi Arabian economy. Because maintaining oil as the energy source of choice for the world is what continues to drive Saudi progress. Their future, security, and stability are perceived as directly related to the stability, security, and future of oil as the commodity of choice.
We can then wonder if the relationship between the United States and Saudi Arabia was completely economically based on oil, why did this change or when did this change? Throughout the history of this relationship we find there are times of distrust, and that the relationship has been less influential due to less friendly interactions.

The 1960s brought about distrust in the relationship between Saudi Arabia and the United States mostly because of U.S. foreign policies and/or lack of presence during the Egypt-Saudi proxy war. In the 1960s, major factors that played into Saudi foreign policy include the impact of civil unrest, threats of revolution, and internal family issues. Saudi Arabia lacked the skilled work force they needed because they had a lack of education, and because of that they relied heavily on foreigners. They also lacked a military. They relied on the prestige that comes with having control over Mecca and Medina, and relied on Wahhabism to justify their sovereignty.

Another major factor that played into Saudi foreign policy during the 1960s was the conflict within Yemen, which turned into a proxy war between Egypt and Saudi Arabia. Saudi Arabia was afraid of the possible destabilizing threat of Nasserism, mainly because Nasser’s goal was to “crush the authority of the Saudi Arabian Government.”\(^{45}\) During these years, Kennedy was president. Kennedy pushed domestic reform in Saudi Arabia instead of military support, especially during the conflict with Yemen because he believed through the advising of his administration that “military measures in support of the Saudi Arabian Government may be largely ineffective unless that Government is capable of sustaining the loyalty of the armed forces and finding an effective base of support within Saudi Arabia.”\(^ {46}\) At this time Komer, Kennedy’s Middle East point of contact and advisor, was advising Kennedy “the Saudis themselves must press forward with modernization and development. Deliberate, controlled internal reform is the best antidote to Nasserism.”\(^ {47}\) Saudi Arabia abolished slavery, mainly to show the United States that they were working towards modernizing their country, however the Saudi Government saw reform as a destabilizing force. They relied on a reduced pace of development to maintain their Islamic conservative values in both their political and social arenas. Maintaining the Islamic and Wahhabi connection is perceived as very important in supporting the legitimacy of the Saud family’s rule within Saudi Arabia and the Middle East. Saudi Arabia was and is perceived as the leader in the Muslim World. Nasser’s attack on Saudi Arabia threatened this perception along with the legitimacy of the Saud rule and the protection of the Muslim holiest cities.

Arab radicalism was viewed as a threat to Saudi Arabia and during the 60s-70s Saudi Arabia heavily relied upon their economic institutions to provide stability. This however is tricky because inequality in social mobility and opportunity could become a destabilizing factor as their economy grew. The Saudi leadership wanted efficiency and power, major reforms were perceived as losses of power and the reform Saudi Arabia was looking for was economic efficiency rather than political policy reform.

In 1967 during the Arab-Israeli War, Saudi Arabia became weary of the trustworthiness of the United States due to the Camp David Accords and the United States’ unfair military support of Israel over Egypt within the conflict. Saudi Arabia had no military until 1967, which changed due to this conflict. Saudi Arabia became skeptical of agreeing and siding with the United States because of their strong connection and relationship with Israel. This distrust and conflict over land between the Middle East and the West led up to the Oil Shock of 1973-74.

However, what really led up to the Oil Shock of the 70s was the fact that in 1970 Libya led the institutional shift of the power over oil prices and oil production from private companies to government owned entities. After the oil tanker went down, the OPEC countries started taking
control of their oil. This gave these countries who previously had no influence, lots of power in a very short time. Saudi Arabia took their time in switching the oil company over from private U.S. companies, they took years to shift ownership over to Petromin, the Saudi Arabian governmental oil company. This change in ownership was the beginning of a major shift in power and caused major institutional change. This change led to the OPEC and AOPEC countries having power over prices and power over oil. This is what allowed these countries to facilitate the oil embargo in 73-74. This one incident in Libya led to the oil shock through giving the OPEC countries the power to use oil as a weapon.

During this time, we see Saudi Arabia continuing to be dependable in one incident during the oil shock. At this time the United States was overseas fighting the Vietnam War. Oil is essential during a war because of its importance and necessity for modern military warfare. With the Middle East’s embargo and a worldwide oil shortage, this could have set the United States back immensely during this war. Saudi Arabia, although they were embargoing the United States along with the other Middle Eastern oil producing countries, they were sending oil directly to the U.S. military in Vietnam. They were sending enough oil to maintain U.S. troops in Vietnam. This war changed the worldwide perception of the United States as being an invincible force with an invincible military. This war also proved the reliability of Saudi Arabia as a strategic ally for the United States while the entire Middle East targeted the world’s economic stability by producing and creating a worldwide shortage. Saudi Arabia, of course, was providing this oil for its own economic gain. Saudi Arabia needs a constant flow of oil and moderate prices to provide and maintain long-term economic stability; their economy and development is primarily based on the exportation of oil.

The next major shift in the relationship happened in the year 1979. There was a spread of Arab radicalism across the Middle East and the Islamic World. Arab radicalism is anti-colonial, anti-Western, populist, anti-monarchal, progressive, secularist, and pro-Soviet Union. This radicalism led to the combination of war and oil being used as a weapon as the action plan of both Sadat and Assad in Libya and Syria. Iran was known for the using of oil as a weapon against the United States. The Iranian Revolution caused a major shift in power within the Middle East. Firstly because Iran thought that they could cut off oil to the United States to coerce them into changing their policies towards the Iranian leadership. Arab radicalism was found within the uprisings, which became violent and led to an Iranian attack on the United States embassy. Historically the United States and Iran had been allies since the 1950s. Due to this shift in power and the relationship, the United States imposed sanctions on Iran, and Saudi Arabia started producing more oil to compensate for the lack of oil being sent from Iran to the United States.

Along with the economic power shift from Iran to Saudi Arabia and the shift from one Middle Eastern ally defaulting in the relationship causing the United States to rely more on the stability of their relationship with Saudi Arabia, the other major factor that changed and realigned the relationship between the United States and Saudi Arabia was the worldwide shift in power as the Soviet Union became a superpower. With the Soviet Union coming to power, they led the spread of Communism which fueled the Cold War.

Saudi Arabia became a major ally to the West because of its strategic position between the West and Russia, because of its access to the strategic commodity: oil, and because Saudi Arabia had a strong religious desire to quench Arab radicalism and Communism. They found their fervor within their strong Wahhabi background. Communism and Arab radicalism threatened the Saud monarchy and threatened the sovereignty of the Saud family and Saudi
Arabia. The Middle East split as Egypt and Syria sided with the Soviet Union and with the Iranian Revolution. Along with this split, the Soviet Union invaded Afghanistan, which was viewed as a major buffer state between the Soviets and Saudi Arabia. Saudi Arabia and the United States aligned themselves because both saw the spread of Communism and the Soviet Union as a major threat.

Saudi Arabia did not have the military power to fight the Soviets directly, but they used religion to inspire the Afghani forces to fight off the Soviet invaders. They also used their financial capital to support and fund resistance forces in Afghanistan and throughout the Middle East. The ideological threat was real to Saudi Arabia. We can see this in 1979, with the seizure of the Grand Mosque. It took Saudi Arabia weeks, with the aid of France and Jordan, to take back the Grand Mosque from Saudi rebels. Along with this internal threat, there were the Shi’ite revolts which were mainly situated in the Eastern Province and in Qatif. These revolts were inspired by the Iranian Revolution. The conflicting Shi’ite-Sunni ideology became a major internal and external threat to Saudi sovereignty as Iran overthrew the Shah.

1979-1980 became a major defining moment in U.S.-S.A. relations. Many institutions changed, including how Saudi Arabia became involved in the Cold War and the United States going into Afghanistan. These institutions and the relationship remained constant through 2001. The ideology behind Arab radicalism, Islamic revolutions, the Arab Awakening, and the Afghani guerilla Muslim forces became a perceived “weapon” similar to oil in the 1970s. These ideologies became the force behind wars, revolutions, and became a political force. With the acceptance of religion and ideology becoming a political force we can better understand how terrorism and terrorist networks have become a political and ideological war stemming from the Cold War era. However, this analysis only touches on how this relationship has shifted into the Post-Cold War era. With this analysis we can better understand how the past has influenced the present, through better understanding the major defining critical junctures within a world whose international policies can be understood through the neoclassical realist theory.

V. Conclusion:
The relationship between the United States and Saudi Arabia, throughout history has influenced U.S. foreign policy in the Middle East. What began as a relationship reliant on mutual economic gain, evolved into a relationship that was also reliant on mutual national security interests. These policies and relationship changed when oil became a weapon of choice by various Middle Eastern countries, and Arab radicalism and the threat of Communism became present within the Middle East. We can see these changes through the times of war and times of peace. Different administrations have dealt differently with the oil policy, the instability of Middle Eastern countries, and financial situations, however the overarching relationship is more dynamic than it initially appears. The relationship between the United States and Saudi Arabia has been influenced by oil prices, oil stability, but also through mutual national security interests and American exceptionalism, depending on the administration. This has also caused a push back from some Middle Eastern countries, which are not ready for the domestic reforms that were expected by the United States. Saudi Arabia is one country that at times has avoided a direct relationship with the United States outside of national security issues and oil stability because of the threat of the destabilizing factors of revolution within their borders due to the quick expansion of modernization and development that might challenge the authority of the Saud monarchy.
“For half a century, America defended our own freedom by standing watch on distant borders. After the shipwreck of Communism came years of relative quiet, years of repose, years of sabbatical – and then there came a day of fire. Our country has accepted obligations that are difficult to fulfill, and would be dishonorable to abandon. Yet because we have acted in the great liberating tradition of this nation, tens of millions have achieved their freedom. And as hope kindles hope, millions more will find it. By our efforts we have lit a fire as well – a fire in the minds of men. It warms those who feel its power, it burns those who fight its progress, and one day this untamed fire of freedom will reach the darkest corners of our world.”

Post 9/11, the United States had not established new foreign policies regarding the Middle East, rather it continued along the institutionally accepted policies, which were established in 1979-1980 with the Iranian Revolution and the Cold war. This is important to note, when discussing U.S. foreign policy in the Middle East and the relationship with Saudi Arabia. With the current issues evolving in Syria, and with Saudi Arabia putting pressure on the United States to quell the conflict due to the insecurities they have with being surrounded by unstable countries putting them at risk of spill over conflict. The Syrian conflict can be traced back to the Cold War and Iranian Revolution, and the relationship that it founded with the Soviet Union. The ideological differences between Saudi Arabia and the United States in contrast with Syria and Russia, bring back the same fears that S.A. had in the past when viewing Communism and Arab radicalism as a threat. Saudi Arabia is still at a point where it could not protect itself from an external invasion or an internal invasion. However, it has been working on building up its military and intelligence forces.

Currently we have seen the Saudi government viewing Syria, Iran, and Egypt as continued threats to their own stability, the threat of invasion and threat of ideological infiltration. The Arab Awakening has not been welcomed into Saudi Arabia. With the Obama administration, we see a change in foreign policy reverting to Kennedy Administration policies, pushing internal reform within Saudi Arabia rather than sending in U.S. troops whenever there is conflict or a threat to Saudi Arabia in the Middle East. These policies have caused distrust between Saudi Arabia and the United States. We will see how these policies change in the future, however, when looking at the Kennedy Administration’s success in their policies, it is likely to conclude that these policies will not last.

With more and more sects and cells of al-Qaeda popping up across the Middle East and Africa, it is likely that our policies and relationship with Saudi Arabia will need to change and become more proactive towards guiding these countries to find and accept the “fire of freedom” without being consumed by radical ideologies.
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