

PolicyWatch #1425

# Interfaith, Oil, and Afghanistan: Where Saudi and U.S. Interests Diverge

By <u>Simon Henderson</u> November 10, 2008

Saudi king Abdullah is in the United States this week to discuss issues of considerable interest to both countries. Tomorrow and Thursday, he is in New York City for an interfaith meeting he is sponsoring and which President Bush will be attending. On Friday and Saturday, the Saudi monarch will be at the White House, where he will be the sole Islamic or Arab representative at a summit of major economic powers discussing the world financial crisis. In a separate meeting with President Bush, he is expected to report on Saudi mediation efforts with the Taliban in Afghanistan. Despite some common interest in all these areas, perspectives differ significantly on issues such as radical Islam and the price of oil. The United States, particularly during a time of presidential transition, should be careful not to concede ground on continuing points of disagreement.

## **Interfaith Dialogue**

The New York meeting builds on gatherings King Abdullah hosted earlier this year, the first for Muslims exclusively in the holy city of Mecca and a second for religious leaders worldwide in Madrid. Officially, this week's conference is being held under the auspices of the United Nations General Assembly, although last week the UN was referring inquiries about it to the Saudi UN diplomatic mission. As in Madrid, the irony will be that Saudi Arabia is leading an interfaith discussion while, within the kingdom, any public observance of religion other than Islam is illegal.

An additional frisson is the expected presence of Israeli president Shimon Peres and foreign minister Tzipi Livni, along with a delegation of leaders of different faiths in Israel - Jewish, Muslim, and Christian. The high-profile participation by Israel has caused consternation in the Arab world; the Saudi ambassador to Lebanon rebuked local politicians who accused the kingdom of issuing the invitations (rather than the UN), telling them to "check their facts." Other world leaders attending include President Michel Suleiman of Lebanon, President Asif Ali Zardari of Pakistan, King Abdullah of Jordan, the emir of Kuwait, and King Juan Carlos of Spain.

#### **Financial Summit**

Saudi Arabia's attendance at the White House summit comes by virtue of the kingdom's status as the world's largest oil exporter and effective leader of the OPEC cartel. The G-20 group of nations comprises the G-8 major economies - the United States, Japan, Germany, Britain, France, Italy, Canada, and Russia - along with major emerging economies like Brazil, India, and China. Having ignored President Bush's appeals for action to stop soaring oil prices, Saudi Arabia has accrued vast earnings -- an estimated \$300 billion-plus in the last year alone -- and now finds that it is being asked to bail out the world economy. Earlier this month, during a visit to Riyadh, British prime minister Gordon Brown claimed to have won a Saudi commitment to boost the International Monetary Fund (IMF), which helps economies in crisis.

## **Afghanistan**

Saudi Arabia is also playing a central role in the current diplomacy to break the deadlock in Afghanistan, where U.S. and NATO casualties have increased and the possibility of a clear resolution of the conflict appears to be receding. The kingdom was one of the few countries to grant diplomatic recognition to the Taliban regime in the 1990s and shares with that group a strict interpretation of what is proper Islamic behavior. In September, several Taliban leaders were invited to the kingdom for discussions with Saudi leaders and other Muslim parties to the conflict.

Accounts vary as to what was discussed, but the talks coincided with reports of U.S. and British officials casting doubt on whether the conflict could be won militarily without political compromise. With the Taliban's reputation for terrorism, destroying ancient cultural monuments, and denying women equal rights, it is hard to imagine that any U.S. administration would find a Taliban role in the Kabul government acceptable. But reports have surfaced of the tantalizing prospect that the Taliban may no longer offer sanctuary to al-Qaeda fighters -- and the group's leaders Osama bin Laden and Ayman al-Zawahiri -- who are either in remote parts of Afghanistan or in Taliban-controlled parts of adjoining areas of Pakistan.

The kingdom's possible role in Afghanistan is strengthened by its longstanding relationship with Pakistan; President Zardari visited this week, seeking financial aid to avoid having to go to the IMF for funds, which would likely come with tough conditions attached. But the link also highlights differences with the United States, which is concerned by Saudi funding of religious schools in Pakistan and the prospect of Saudi access to Pakistani nuclear weapons: Crown Prince Sultan was shown one of Pakistan's bombs during a 1999 visit.

#### **President-Elect Obama**

It is not clear whether King Abdullah will meet with president-elect Barack Obama but the two spoke by phone soon after the king arrived in the United States over the weekend. Obama will be anxious not to interfere in President Bush's role in chairing the economic summit, but he is also unlikely to want his own room for maneuver restricted. A key aspect of Obama's campaign, which he repeated after his victory, was his call for energy independence, defined ambiguously as replacing the oil imported from the Middle East and Venezuela with alternative sources within ten years. (The United States currently spends around \$55 billion each year buying oil from Saudi Arabia.) This hostile stance does not appear to have disturbed the Saudis; both King Abdullah and Crown Prince Sultan sent effusive congratulatory messages to the president-elect, and a Saudi official was quoted as saying he expected "Saudi-U.S. relations to reach new heights during the Obama presidency."

## **Concerns for Washington**

The sudden onset of the world economic crisis and the likelihood of a potentially long and deep recession are forcing many perspectives to change. The oil-generated wealth of Saudi Arabia and other major Arab producers is now seen as a source of salvation for the world economy rather than a pot that also funds militant Islam. Saudi efforts to deradicalize extremist youth, sometimes disparaged as merely downgrading to hate their desire to kill non-Muslims, are increasingly applauded by visitors such as British prime minister Brown. King Abdullah's interfaith efforts still make a careful distinction between acknowledging Jews and accepting Israelis.

Despite the current vigor and success of Saudi diplomacy, its foundations are uncertain. Abdullah is 85 years old and clearly finds travel tiring -- he stopped in Morocco en route and arrived early in New York. The relative openness of his worldview is not shared by all Saudis, perhaps not even his designated successor, Crown Prince Sultan. Speaking last month to Saudi editors, Abdullah warned cryptically that the kingdom was in a covert and an economic war, and was being targeted for destabilization. He argued that reaching out to other religions was the best way to protect the interests of Islam and the Saudi homeland.

In recent years, as the oil price has strengthened, Abdullah has overseen growing prosperity in the kingdom. The current weakness in the oil price, which is likely to continue for the immediate future, could force a major downward adjustment in expectations, with potential strains on the kingdom's social and political cohesion, and a major challenge for Abdullah and his successors. Last week, a group of Saudis went on a hunger strike to protest the lack of political freedoms.

The profusion of world leaders in New York and Washington this week means that multiple international issues will be under discussion. President Bush should not leave handling the Saudi file for president-elect Obama -- who should also be concerned about agreements and understandings made over the next few days.

Simon Henderson is Baker fellow and director of the <u>Gulf and Energy Policy Program</u> at the Washington Institute for Near East Policy.

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