Oil and security policies

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It is a commonplace to argue that Saudi Arabia has been and still is an oasis of stability among the main actors in the Middle East. That this stability comes at a price is a cliché too. “At what price?” is the question that makes Islam Qasem’s book such a highly relevant contribution to current discussions over the volatile situation and the role the Saudis have played and potentially might play in the region.

This study looks at the security strategies of Saudi Arabia and the way oil market conditions have impacted these strategies. Saudi Arabia is a so-called oil rentier state, which assumes, simply put, that in a time of an oil boom the government will be able to lower taxes or refrain from taxing its citizens it at all. On the other hand, in a situation of low prices for oil the opposite policy will be applied.

Qasem argues that the rentier theory fails, however, to explain the connection between domestic and foreign policies. Since the rentier state does not operate in a vacuum but in an international context, he invokes alternative theoretical concepts (“asymmetric interdependence”) and key theories of international relations in order to be able to give a more satisfactory answer regarding oil dependence and security strategy. Qasem’s book fills a gap between existing concepts in international relations as he suggests a new approach, coined by him as the “neo-rentier theory.” This theory draws upon existing “realist” and “liberal” theories and interdisciplinary approaches, but he both adapts and broadens the conceptual framework, including in it internal security and economic dependence.

In applying his innovative theory he distinguishes four periods in the Saudi Arabian case: the pre-boom period 1950-1970, the boom era of 1970-1985, the bust era of 1985-2000, and lastly another boom era between 2000 and 2012. During the first pre-boom period Saudi Arabia’s resources were foreign owned (ARAMCO) with no room whatsoever for the Saudi government to influence oil prices. Out of necessity Saudi’s foreign policy was aimed at flattering rather than opposing the pan-Arab policies of the Egyptian leader Nasser. This conduct changed structurally during the period 1970-1985, when due to the nationalization of the energy sector, high world demand, and subsequently high oil revenues, it became possible to exert foreign influence and, at home, to “buy” the loyalty of relevant domestic interest groups, the military included.

Qasem argues that during the next phase (1985-2000) the oil-consuming countries gained strength due to world oil surplus capacities and, consequently, relatively low oil prices. However, despite a decline in oil revenues, Saudi Arabia remained relatively powerful and thus developed into what he refers to as “asymmetrically” dependent on oil-consuming countries: Saudi Arabia’s ability to engage in “external balancing” was quite limited, while there remained at the same time the possibility to apply “internal validation” (a form of legitimacy). During the second boom period under discussion, from 2000-2012, consuming countries became dependent on oil-producing ones. Consequently, the Saudi state was able to invest heavily at home and strategically in foreign policies. Saudi Arabia supported, for
example, the new Egyptian government after the fall of President Morsi and actively intervened in Yemen and Bahrain.

The author draws upon a rich number of primary and secondary sources, both Arab and non-Arab in origin. The book offers the most accurate insights to date on the subject matter and therefore makes a highly important contribution to the existing literature in this academic field. Qasem spends relatively less space on Saudi Arabia’s future, saying that according to his theory, Saudi Arabia, sitting on a huge oil reservoir, will remain an important strategic player and will be able to preserve domestic stability. While from a scholarly point of view this argument is all quite understandable, in the light of the existing turmoil in the Middle East and the sharp analyses Qasem provides throughout the book, the reader would have liked to have some more scenarios outlined.

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