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Saudi Arabia Enters the 21st Century: The Military and Internal Security Dimension:

Chapter Eleven: Summary and Conclusions

Final Review Edition

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Introduction

This analysis is being circulated for comment as part of the CSIS "Saudi Arabia Enters the 21st Century Project." It will be extensively revised before final publication.

Those interested in commenting, or in participating in the project, should contact Anthony H. Cordesman at the address shown on the cover sheet at Acordesman@aol.com.

The CSIS "Saudi Arabia Enters the 21st Century Project"

The CSIS is undertaking a new project to examine the trends shaping the future of Saudi Arabia and its impact on the stability of the Gulf. This project is supported by the Smith Richardson Foundation and builds on the work done for the CSIS Strategic Energy Initiative, the CSIS Net Assessment of the Middle East, and the Gulf in Transition Project. It is being conducted in conjunction with a separate – but closely related – study called the Middle East Energy and Security Project.

The project is being conducted by Anthony H. Cordesman, the Arleigh A. Burke Chair in Strategy. It uses a net assessment approach that looks at all of the major factors affecting Saudi Arabia's strategic, political, economic, and military position and future implications of current trends. It is examining the internal stability and security of Saudi Arabia, social and demographic trends, and the problem of Islamic extremism. It also examines the changes taking place in the Saudi economy and petroleum industries, the problems of Saudisation, changes in export and trade patterns, and Saudi Arabia's new emphasis on foreign investment.

The assessment of Saudi Arabia's strategic position includes a full-scale analysis of Saudi military forces, defense expenditures, arms imports, military modernization, readiness, and war fighting capability. It also, however, looks beyond the military dimension and a narrowly definition of political stability, and examine the implications of the shifts in the pattern of Gulf, changes in Saudi external relations such changes in Saudi policy towards Iran and Iraq. It examines the cooperation and tensions between Saudi Arabia and the other Southern Gulf states. It examines the implications of the conventional military build-up and creeping proliferation of weapons of mass destruction in the Gulf, the resulting changes in Saudi Arabia's security position. It also examines the security and strategic implications of the steady expansion of Saudi Arabia's oil, gas, and petrochemical exports.

This project is examining the succession in the Royal Family, the immediate political probabilities, and the generational changes that are occurring in the royal family and Saudi Arabia's technocrats. At the same time, it examines the future political, economic, and social trends in Saudi Arabia, and possible strategic futures for Saudi Arabia through the year 2010.

This examination of the strategic future of Saudi Arabia includes Saudi Arabia's possible evolution in the face of different internal and external factors -- including changes in foreign and trade policies towards Saudi Arabia by the West, Japan, and the Gulf states. Key issues affecting Saudi Arabia's future, including its economic development, relations with other states in the region, energy production and policies, and security relations with other states will be examined as well.

A central focus of this project is to examine the implications of change within Saudi Arabia, their probable mid and long-term impacts, and the most likely changes in the nature or behavior of Saudi Arabia's current ruling elite, and to project the possible implications for both Gulf stability and the US position in the Gulf.

Work on the project will focus on the steady development of working documents that will be revised steadily during the coming months on the basis on outside comment. As a result, all of the material provided in this section of the CSIS web page should be regarded as working material that will change according to the comments received from policymakers and outside experts. To comment, provide suggestions, or provide corrections, please contact Anthony H. Cordesman at the CSIS at the address shown on each report, or e-mail him at Acordesman@aol.com.

Related material can be found in the "Gulf and Transition" and " Middle East Energy and Security" sections of the CSIS Web Page at CSIS.ORG.

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XI. Saudi Arabian Security at the Start of the 21st Century

Saudi Arabia faces major security problems as it enters the 21st Century. These problems include a wide range of external challenges such as Iran and Iraq, prol10iferation, Islamic extremism, counterterrorism, the threat of asymmetric warfare, improving cooperation with the Southern Gulf states, and restructuring the Kingdom's alliance with the US and the West. At the same time, Saudi Arabia must preserve its internal security and cope with the ongoing challenges of force transformation in a climate where funding constraints are becoming steadily more serious The previous chapters have shown that Saudi Arabia must redefine many aspects of its security structure to meet these challenges. . It must find ways to bring the Saudi force posture into better balance, to improve Saudi planning, and to ensure that modernization does not outpace readiness and sustainability. But, Saudi Arabia needs to do more than make its military forces more effective. Saudi Arabia needs to continue to explore the possibility that Iran may emerge as a moderate and pragmatic state, and it must look beyond the containment of Iraq. It cannot ignore the problems posed by Iranian and Iraqi conventional forces and proliferation. It needs to strengthen the Gulf Cooperation Council, and focus on stronger joint security efforts and interoperability with Bahrain and Kuwait. It needs to create a more stable partnership with the US that is less sensitive to the level of the US presence in the Kingdom and the backlash from the Arab-Israeli conflict and Second Intifada.

At the same time, the previous chapters have also shown that the Kingdom should be able to cope with all of these security challenges. While significant, the threats and security problems the Kingdom faces can all be dealt with over time. Saudi Arabia may need to change its military posture in some areas and tighten its strategic focus in others, but it is scarcely a fragile state or one without strengths and allies.

Saudi Military Development

Saudi Arabia has succeeded in using its wealth to create modern military forces, and ones that fought effectively against first-line Iraqi forces in the Gulf War. Saudi Arabia is by far the strongest and most modern military power in the Southern Gulf, and the only force large enough

to provide the support, training, C^4I/BM, and other specialized capabilities necessary to sustain modern land-air combat and provide the infrastructure for effective regional cooperation. Its military forces are now strong enough to deal with many low-intensity contingencies, and limit the amount of US reinforcements needed in low-intensity contingencies.

Yet, Saudi Arabia does remain vulnerable to threats from Iran and Iraq. It badly needs to strengthen its cooperative defense arrangements with its Southern Gulf neighbors. Even then, it must continue to rely on American support to secure itself against an all-out Iraqi attack. The Gulf War has left Iraq a revanchist state, with much of its army intact and the capability to overrun Kuwait's military forces in a matter of days regardless of Kuwait's present force improvement plans.

Iran may be moving towards moderation, but Saudi Arabia cannot ignore its conventional military capabilities or efforts to proliferate. Saudi Arabia is within five to seven minutes flying time from Iran, from the earliest point of detection by an AWACS to over-flying key Saudi targets on the Gulf coast. Missile attacks would offer even less warning and present more problems for defense. While Iran cannot bring the bulk of its land power to bear without major increases in amphibious lift, it can bring naval and air pressure to bear on tanker and air traffic through the Gulf, and threaten Saudi Arabia in other ways. “Wars of intimidation” will generally offer Iran more prospects of success than actual fighting, and Iran’s ability to intimidate will increase as it develops its missile forces, and chemical, biological, radiological, and nuclear warfare capabilities

Cooperation with Other Southern Gulf States

The lack of effective military cooperation between the Kingdom, other moderate Gulf states, and its Arab neighbors outside the Gulf presents major problems for Saudi Arabia that are not easy to solve. Saudi Arabia cannot turn to the rest of the Arab world for meaningful military support. The failure of the Damascus Declaration to give Saudi Arabia any credible guarantee of Egyptian and Syrian reinforcements was the result of far more than Arab politics and Egyptian and Syrian demands for money. Neither Egypt nor Syria is organized to project effective combat forces. They lack most of the technological advantages of US forces, and they are not equipped and trained to provide the Saudi Air Force and Saudi Army with the mix of interoperable capabilities they need. Although they are Arab and Muslim, they also are states with separate

interests, regional ambitions, and strategic objectives that often differ from those of Saudi Arabia.

The Need for Real World Progress in Cooperation with Kuwait, Bahrain, and the GCC

Saudi Arabia badly needs to strengthen its cooperation with Bahrain, Kuwait, and the Gulf Cooperation Council. So far, however, there has been more progress in political and economic areas that in military areas. Efforts to create a GCC-wide C4I system for air defenses are making progress, but they are still in the early stages of development, and the GCC has only made serious progress in a few areas of military exercise training like air combat and mine warfare. The GCC's longstanding failure to agree on effective plans for cooperation, interoperability, and integration has left the military role of the GCC a largely symbolic one.

Rhetoric is not a substitute for reality. The GCC will only play a major role in regional security once it can develop integrated air defenses, develop integrated mine warfare and maritime surveillance capabilities, an ability to deal with Iranian surface and ASW forces, rapid reaction forces that can actually fight, and the ability to defend Kuwait and Eastern Saudi Arabia against land attack.

Priorities for Action

Saudi Arabia needs to look beyond its own military modernization program and take tangible steps to expand military cooperation with the GCC. Even if this is not possible on a GCC-wide basis, Saudi Arabia must focus on finding ways to strengthen the defense of its northern border area and Kuwait. At a minimum, that Saudi Arabia must work to:

- Create an effective planning system for collective defense, and the creation of interoperable forces with common C4I/BM capabilities, and interoperable infrastructure and sustainability.
- Provide the infrastructure, transportation, sustainability, training and C4I systems to rapidly deploy Saudi forces to support the joint land defense of the Kuwaiti/Northwestern Saudi borders and to reinforce other Gulf states like Oman in the event of any Iranian amphibious or airborne action.
- Create joint air defense and air attack capabilities with an emphasis on Saud-Kuwaiti-Bahraini cooperation.
- Integrate the Saudi C4I and sensor nets for air and naval combat, including BVR and night warfare, link them to Kuwait, Bahrain, and the other Southern Gulf states.

- Create joint air and naval strike forces to deal with threats from Iran and Iraq.
- Develop a joint war fighting capability to provide minesweeping, naval-based air and anti-ship missile defenses to protect Gulf shipping, offshore facilities, ports, and coastal facilities.
- Establish effective cross-reinforcement and tactical mobility capabilities throughout the Kingdom with special emphasis on the defense of Kuwait and the Saudi-Iraqi border. Emphasize forward defense and active maneuver warfare.
- Prepare for rapid over-the-horizon reinforcement by the US and other Western powers. Seek a solution to the lack of US Army prepositioning in Saudi Arabia.
- Set up joint training, support, and infrastructure facilities with the other Southern Gulf states.
- Create common advanced training systems that develop a brigade and wing-level capability for combined arms and joint warfare, and which can support realistic field training exercises for Saudi and allied Southern Gulf forces of the kind practiced by US and Israeli forces.
- Develop a common capability to provide urban and urban area security and to fight unconventional warfare and low-intensity combat.
- Begin development of a broadly based counter-proliferation program.

Saudi Arabia is the only GCC state that can serve as the central focus for such activities. At least for the next decade, there is no other Southern Gulf state that will be able to use heavy armored forces, modern air control and warning systems, maritime forces and surveillance systems, mine sweeping forces, integrated air defense and anti-tactical ballistic missile defenses, heliborne assault and other rapid reaction forces, and C^4I/BM systems in ways that can provide an effective deterrent and defense against large scale Iranian and Iraqi attacks.

The Changing Role of the US and Western Power Projection

Saudi Arabia has long played a critical role as a regional ally of the US and in supporting US and other Western power projections. The US and Saudi Arabia cooperated closely in setting up combined air and naval defenses against Iran, beginning in 1983, when Iraq came under serious military pressure from Iran. The two countries conducted joint exercises, and cooperated in establishing the "Fahd Line," which created an Air Defense Identification Zone and forward air defense system off the Saudi coast. Saudi Arabia and the US have jointly operated E-3A AWACS units in Saudi Arabia ever since. Saudi Arabia and the US also cooperated closely during the tanker war of 1987-1988.

Saudi Arabia took the lead in organizing the Arab world's effort to force Iraq to leave Kuwait in 1990, and worked closely with the US in first developing effective defenses against further Iraqi aggression and then liberating Kuwait. Saudi Arabia supported the US in deploying massive land and air forces to Saudi Arabia during the Gulf War, and jointly commanded UN Coalition forces with the US during Desert Storm. Saudi Arabia also provided the US with $12.809 billion in direct aid during the Gulf War, and $4.045 billion in goods and services, for a total of $16.854 billion.[i]

Since the Gulf War, Saudi Arabia has recognized that the US is the only power that can provide Saudi Arabia with the kind of land and air reinforcements that can fight "24-hour-a-day" intensive combat, launch highly maneuverable armored counter-offensives, strike deep and repeatedly with long-range precision air attacks, check and deter missile and air attacks with weapons of mass destruction, and provide "force multipliers" like satellite intelligence and targeting, advanced electronic warfare capabilities, and sophisticated battle management and C^4I systems.

Saudi cooperation with the West, however, has not been easy nor without risks. The US is also Israel's closest ally. The outbreak of new fighting between Israel and Palestinian in September 2000 has shown that US ties to Israel can present real risks in terms of the Saudi domestic reaction, hostility from other Arab states, and Israeli and pro-Israeli pressure on the US. The events of September 11, 2001 has shown that Islamic extremism and terrorism are no longer regional problems and can lead to serious additional tensions between the Kingdom and the US.

They also interact with the fact that any kind of US or other Western military presence on Saudi soil is opposed by a significant number of Saudis, not all of which are Islamists. Finally, the debates between the Kingdom's leaders and the Bush Administration over the possible US use of force to overthrow Saddam Hussein, and policy towards Iran, have shown that differences can also arise over whether the US can use Saudi bases and facilities to pursue its own security policies

The Changing US Posture in Saudi Arabia

Saudi Arabia initially reacted to the Gulf War by expanding its security arrangements with the US. The US and Saudi Arabia expanded the USMTM agreement to increase US access to Saudi air and seaports, including Jubail, and improved the joint warfare capabilities of the their AWACS force.[ii] Saudi Arabia allowed the USAF to regularly rotate combat units in and out of Saudi air bases, and the US Military Training Mission (USMTM) increased its peacetime manning to roughly 70 military, five civilian, and ten local personnel. Saudi Arabia increased its stocks of selected spares and electronics to support US forces in deploying—including enough parts and supplies to support 15 USAF tactical fighter equivalents. It increased the number of joint exercises with US forces.[iii] It standardized key aspects of its C4I system to make them interoperable with US C4I systems, including theater missile defense arrangements for Saudi Arabia's Patriot missiles. Saudi Arabia also ordered $1.6 billion worth of US military construction services between 1991 and 1995.[iv]

Yet, significant problems emerged in US and Saudi cooperation that affected the size and nature of the US presence on Saudi soil after the Gulf War. Saudi Arabia rejected US proposals to preposition two division sets of ground combat equipment in Saudi Arabia -- although the US could have left such equipment there when its forces completed their withdrawal from the Gulf at the end of 1991.[v]

This rejection was partly a result of Saudi concern with the opposition from Islamic fundamentalists and partly a result of an unrealistic Saudi sensitivity to the nuances of sovereignty. At the same time, the US was slow to understand a Saudi emphasis on informal cooperation and low-profile activities rather than the kind of formal and highly visible arrangements that the US preferred. Saudi internal and external stability had long depended on

keeping strategic cooperation as quiet as possible, while the US had long been insistent on formal and public arrangements.

According to some reports, Saudi Arabia did offer to allow US Army prepositioning of major armor, artillery, and other equipment in Saudi warehouses at Saudi cost, and under joint US-Saudi Guard. The US insisted on a formal status of forces agreement, flying the US flag, total US control of the facility, and large numbers of US personnel. It presented a US plan complete with lengthy computer lists of additional equipment. Saudi officials have privately indicated that Saudi Arabia then rejected the US plan because of the way in which it was presented, and because the US insistence on an overt basing facility openly violated the royal family's pledge to the Islamic clergy not to grant bases or formally base non-Muslim forces in the Kingdom. The US plan would almost certainly have resulted in a crisis with hard-line Islamic fundamentalists.

These problems did not block improvements in other forms of cooperation. Saudi Arabia reached an agreement for joint US and Saudi land force training in September 1991, and exercises have been held regularly since that time. This cooperation has proved vital to maintaining the interoperability of the Saudi and US air forces, as has continued cooperation in training, exercises, acquiring stockpiles of munitions and supplies, designing repair and maintenance facilities, improving C4I/BM systems, and a host of other factors.[vi]

During the 1990s, the US strengthened Saudi-US cooperation by reshaping its strategy and force plans to rely more on informal cooperation, concentrate the US military presence in areas with less political visibility, and rely more on prepositioning outside the Kingdom. While such efforts have accelerated since the beginning of the Second Intifada and “9/11,” they are not new. They were first reflected in the recommendations made during the “Bottom Up Review” of US defense plans for FY1995-FY1999 that Secretary of Defense Les Aspin made public on September 1, 1993.

The US dealt with its problems in land-force prepositioning by maintaining a seven ship maritime prepositioning squadron at Diego Garcia, and by expanding its presence in Kuwait, Bahrain, Qatar, the UAE, and Oman – rather than Saudi Arabia. The US is now prepositioning equipment on land for one brigade in Kuwait, one in Qatar, and one in the UAE. The US prepositioned one "swing" brigade set at sea that would normally be deployed afloat near the

Gulf, but which could go to Asia or elsewhere in the world. Once complete, this prepositioning will allow at least one US heavy division to deploy against Iraq within 14 to 21 days.

The US concluded, however, that Saudi sensitivities to a large-scale US land presence, even in the form of centers with prepositioned equipment, would force the US to rely on more limited prepositioning in other countries, and on the periodic deployment of US forces in exercises and other training activity.[vii] As a result, the US emphasized cooperation with Saudi Arabia in maintaining a limited presence of US air units, in improving Saudi-US C4I/battle management capabilities, in making Saudi air and land forces interoperable with US forces, and in improving Saudi basing and infrastructure to support both Saudi and US forces in defending Kuwait and meeting other defensive needs in the Gulf.

This approach paid off for both Saudi Arabia and the US in August, 1992 -- when the US, UK, and France established a "no fly zone" over Iraq. Saudi Arabia not only allowed US aircraft to operate, but also provided refueling tankers, combat air defense patrols, and support from Saudi AWACS. This support was critical to the US, Britain, and France since it allowed them to establish the "no fly zone" over Iraq with less than 150 aircraft. They would have had to provide roughly 100 more aircraft without Saudi support. At the same time, it contained Saddam Hussein at minimum risk to Saudi Arabia.

Since that time, Saudi Arabia has permitted the US to station combat aircraft in the Kingdom in support of Operation Southern Watch. In November 2001, it also made its sophisticated command facilities in Riyadh available to the US for the US fight against Al Qaeda and the Taliban in Afghanistan. Saudi Arabia also continued to provide the US with extensive host nation support and defense cost sharing equal to 86% of the cost of stationing US forces in the Kingdom. It provided over $2 million in direct support in 2000, and nearly $80 million in indirect support.[viii]

During the late 1990s, the US also began to make major adjustments in the “visibility” of its military presence in Saudi Arabia in response to terrorist attacks, and did so long before the attacks on the World Trade Center and the Pentagon in September 2001. The US not only reduced its overall manpower presence in the Kingdom, it relocated much of its presence in Saudi Arabia to an isolated base in the desert south of Riyadh after the Islamic extremist attacks on the Saudi National Guard headquarters and on the US Air Force barracks in Al Khobar.

The Need for New Forms of US and Saudi Cooperation

The events of "9/11" and the tensions of the Second Intifada have made it clear that the US must continue to readjust its forward presence with time. At the same time, there are limits to what the US can do. Saudi Arabia needs to assume far more of the burden of explaining to its people that:

- The US does not have any forces near Mecca and Medina,
- A limited US presence is a powerful deterrent to Iran, Iraq, or any other enemy,
- Such US presence greatly improves the speed at which the US can project power into to the region and the quality of joint training and interoperability with Saudi forces, and
- Such US presence is essential to provide the training and maintenance aid Saudi forces need to properly absorb and maintain well over $60 billion worth of advanced US military equipment, and which involved nearly $28 billion worth of new FMS sales agreements between 1990 and 2000. The US delivered $ 32.2 billion worth of FMS arms sales plus roughly $300 million in commercial sales.[ix]

At the same time it is far too easy to push reductions in the US presence to the level where they begin to create serious security problems for both Saudi Arabia and the US, and at some point the alliance needs to be justified and explained rather than simply made less visible and weakened.

Saudi Arabia and the US need to work together to consider how to deal with Iraq, and to consult much more closely on military options. "No fly zones," and US threats of cruise missile and air attacks will not contain Iraq indefinitely. Iraq has already begun to resume massive oil exports and revenues, and gradually reassert its political and military power. Sound strategic cooperation cannot be based on a divided policy towards Iraq where the US advocates overthrow and the Kingdom advocates containment. There is no decisive way to defend one position over the other, but it is all too clear that divisions between the US and Saudi Arabia make it difficult, if not impossible, to pursue either overthrow or containment effectively.

Similarly, Saudi Arabia and the US need to develop a better-coordinated policy towards Iran. In practice, the US needs to be more tolerant of Saudi political successes in dealing with

Iran, while both states need to work together to firmly deter any Iranian efforts to use its military capabilities.

Iran and Iraqi proliferation presents a growing challenge that further reinforces some degree of Saudi strategic dependence on the US. Long-range missiles—and chemical, biological, and nuclear weapons—present a major new challenge for US and Saudi military cooperation. Saudi Arabia must redefine its security arrangements with the US to deal with the problem of creeping proliferation in Iran and Iraq. Saudi Arabia must consider missile defenses and civil defense, but it will still need some form of extended deterrence from the US, as will the other Southern Gulf states. The main option open to the Kingdom seems to be de facto or formal reliance on US deterrent and counterproliferation capabilities. This, however, requires a rethinking of US strategy as well as that of Saudi Arabia. As the US Nuclear Posture Review of 2002 has concluded, extended deterrence is not a casual affair, and it cannot be separated from efforts to develop some form of regional arms control and develop integrated missile defense, civil defense, and counter-terrorism defenses for the Southern Gulf.

The Lack of Practical Options for Saudi Arabia

Saudis need to understand that the Kingdom has no other serious security partners. Britain and France are now the only European states with significant power projection capabilities into the Gulf. They both have effective air combat forces and ships, but they cannot deploy the C4I and battle management assets for a major regional conflict, and both states are steadily cutting their total pool of power projection forces. Britain and France now lack strategic lift, and the ability to project large sustainable forces in the Gulf. It would take Britain at least two months to project a single, two-brigade heavy division that could be sustained in intense combat. It is unclear that France could deploy more than a brigade within the same time frame.

Islamic Extremism and Terrorism

Saudi Arabia and the US—as well as the Arab world and Europe—must continue to work together to reduce Islamist resentment of the US military role and presence in Saudi Arabia, to help prevent further attacks by Sunni and Shi'ite extremists. The US can minimize the vulnerability of its personnel by isolating them, restricting their numbers, and taking additional security measures, as it has already done.[x] Neither Saudi Arabia nor the US can afford, however to let their military agendas be dictated by terrorists or the nations that support them. There also is no strategic alternative that offers anything approaching the same advantages as a significant, forward-deployed US strategic presence in Saudi Arabia.

This requires more effective security cooperation between Saudi Arabia and the US in counterterrorism. Saudi Arabia needs to modernize and improve its security services, and make even stronger efforts to bring Islamic extremism under control. On the other hand, the US needs highly professional teams of area specialists from the US that can work quietly and discretely with the Saudi security services, which understand Saudi culture and politics and which are fluent in Arabic. It may be that this is a function that belongs in the CIA and with the relevant intelligence and security services of the Department of Defense.

Dealing with the Causes of Terrorism and Resentment

The Saudi and US governments also need to deal with the causes of terrorism in the Kingdom. They need to communicate more openly and frankly with the Saudi people about the reasons why US forces are in Saudi Arabia. The Saudi government can no longer deal with the Saudi people by ignoring them, and the US cannot rely on silence. If the Saudi and US governments do so, they simply leave the ground free for exaggerated charges criticism.

Public diplomacy has a military dimension. The US needs to do more to make it clear to the Saudi people that it is not a mercenary, that its military presence is comparatively limited, that it works in close cooperation with the Saudi military, and that it limits the role of US forces to missions vital to the defense of Saudi Arabia. The US military in Saudi Arabia have helped make these points to the Saudis they work with, but this is hardly a public information campaign. At this point in time, it is far too easy for Islamic and other extremists to criticize the US

presence in the most exaggerated terms with little fear of rebuttal. Even generally friendly Saudis know so little about the facts that they often accept some of these charges.

The Arab-Israeli Problem

Saudi Arabia and the US cannot ignore the impact of the Arab-Israeli conflict and the Second Intifada. Far more Saudis resent US ties to Israel than a US military presence in Saudi Arabia. At the same time, Americans find it difficult to understand how the Kingdom can support Palestinian and Islamic causes that they associate with terrorism.

Saudi Arabia and the US approach the issues involved from a different perspective and with different biases, but Crown Prince Abdullah and President's Clinton and Bush have made it clear that the leaders of both countries are united in a search for peace. Saudi and US cooperation in a highly visible and enduring effort to create a just peace for both the Palestinians and Israel -- as well as between Israel, Lebanon and Syria – is another key step in both counterterrorism and strengthening the US and Saudi alliance.

Force Transformation and Mission-Oriented Procurement Priorities

External issues, are only part of the challenges the Kingdom must meet. The time is over when the Kingdom could spend its way out of its military development problems, or could excuse the lack of overall balance and effectiveness in its forces on the grounds it was still in the early phases of force modernization and development. Saudi Arabia needs to give its force development efforts far more focus in order to develop a program of force transformation that can better meet its future needs. In doing so, it must focus on procuring interoperable and/or standardized equipment to provide the capability to perform the following missions:

- Heavy armor, artillery, attack helicopters, and mobile air defense equipment for defense of the upper Gulf.
- Interoperable offensive air capability with standoff, all-weather precision weapons and anti-armor/anti-ship capability.
- Interoperable air defense equipment, including heavy surface-to-air missiles, BVR/AWX fighters, AEW & surveillance capability, ARM & ECM capability. (Growth to ATBM and cruise missile defense capability)
- Maritime surveillance systems and equipment for defense against maritime surveillance, and unconventional warfare.

- Mine detection and clearing systems.
- Improved urban, area, and border security equipment for unconventional warfare and low-intensity conflict.
- Advanced training aids.
- Support and sustainment equipment.

Eliminating the Glitter Factor

Money is already a critical issue and will become steadily more important in the future. Saudi Arabia signed nearly $25 billion worth of new arms agreements between 1993 and 2000, and took delivery on $66 billion worth of military imports.[xi] This is more than the Kingdom can afford, and Saudi Arabia needs to consolidate its modernization programs to reduce its number of different suppliers and major weapons types and Saudi Arabia needs to establish much more strict limits to its defense spending and make its spending more effective. One key is the emphasis on mission capabilities just discussed; another is to give proper priority to readiness, training, and sustainability.

Realistic Limits on Military Spending and Arms Purchases

Saudi Arabia needs to set firm and realistic limits on its military procurement spending. The goal for Saudi Arabian military procurement should not be simply to buy the best or most possible equipment, but rather to improve the overall holdings of combat forces in a balanced and evolutionary manner. It should be to reach the maximum possible interoperability with the power projection capabilities of US land and air forces, and to procure the training, munitions, and support facilities to deal with the threat from Iraq and Iraq.

This Kingdom needs to recognize that it can no longer afford military procurement efforts that emphasize political considerations and/or high technology "glitter" over military effectiveness. Saudi Arabia needs long-term force plans and planning, programming, and budget systems that create stable and affordable force development and defense spending efforts. It needs to bring its manpower quality and sustainment capabilities into balance with its equipment. It needs to recognize that its effectiveness is heavily dependent on interoperability with US and Kuwaiti forces.

Reducing Future Waste

There should never be another set of massive arms package deals with the US or Europe of the kind that took place during the Gulf War or a purchase like Al Yamama. Barring a future major war, purchases should be made and justified on a case-by-case basis, off budget and oil barter deals should be illegal, and all offset deals subject to annual public reporting with an independent accountant and auditor.

Saudi Arabia must also take every possible step to eliminate the waste of funds on:

- Unique equipment types and one-of-a-kind modifications.
- "Glitter factor" weapons; "developmental" equipment and technology.
- Arms buys made from Europe for political purposes where there is no credible prospect that the seller country can project major land and air forces.
- Non-interoperable weapons and systems.
- Submarines and ASW systems.
- Major surface warfare ships.
- Major equipment for divided or "dual" forces.
- New types of equipment that increase the maintenance, sustainability, and training problem, or layer new types over old.
- New types of equipment which strain the financial and manpower resources of Saudi Arabia, and overload military units that are already experiencing absorption and conversion problems in using the equipment they possess or have on order.

Reshaping Defense Planning, Programming, Budgeting, and Transparency

More broadly, Saudi Arabia needs to make fundamental reforms in the way it shapes its defense plans, budgets, and purchases. Secrecy does not aid effective planning or preserve the Kingdom's security. It instead encourages poor planning and budgeting, as well as corruption and cronyism. It encourages the failure to insist on plans that force the various military services to develop joint plans, demonstrate their effectiveness, and convince the Saudi people that they get the security their money should buy. It also makes it impossible to explain the need for the Kingdom's alliances, and the nature of the threats the Kingdom faces.

The creation of public defense plans, programs, and program budgets is one way to help reform the Kingdom's defense planning, programming, and budgeting system; to set a sustainable level of defense spending, and to build public confidence and trust. The Kingdom

should also began to issue white papers explaining major defense purchases, real-world progress in offset efforts, and other major security actions is another way to build that trust and reduce political pressure from outside countries over issues like major arms purchases.

Arms Sales and Security Assistance

Both Saudi government and its arms suppliers need to recognize that the majority of educated Saudis already ask serious questions about the value of Saudi Arabia's arms imports and the honesty of the procurement and delivery process. This questioning comes from senior Saudi officials and some junior members of the royal family as well as the public, and is one of the few areas where Saudi Arabia's most progressive businessmen and technocrats and Islamic extremists agree in criticizing the Saudi government. The time has passed when the Saudi government could deal with these problems with secrecy and silence. It needs to make its programs more public, bring them openly on budget, and demonstrate that it has accounting procedures that limit favoritism and commissions to levels that are broadly acceptable in Saudi society.

Effective arms buys also require hard choices and well planned trade-offs, and Saudi Arabia is long past the point where it simply can throw money at the problem. It needs a stable long-term procurement plan that spends no more than 60-70% of what the Kingdom has averaged since the Gulf War, that limits total outstanding orders to $7-8 billion, and focuses on its highest priorities for standardization and inter-operability with the US, and which ensures that Saudi Arabia does not buy a series of partly incompatible systems when it buys from other countries.

The West must be careful in pressing for military sales, or aid, in ways which do not meet vital Saudi security needs and which do not take Saudi Arabia's domestic economic problems and social needs into account. Saudi Arabia has long been one of the largest single customers for US and European military exports. Saudi purchases had the benefit of increasing interoperability and sustainability with British, French, and US forces, and reduced the unit cost of equipment purchased by Western forces. It is clear, however, that Saudi Arabia faces serious long-term constraints on what it can buy in the future, and that it will often have to make hard choices between the military desirability of standardization with Western power projection forces and the political need to buy arms from a range of friendly states.

Defense contractors will be defense contractors, they exist to sell regardless of need or merit. Governments, however, must act as governments and think first of their strategic interests. It is time that governments of Europe and the US make it clear to the Saudi people that they emphasize Saudi security, military readiness, and effectiveness rather than exports and sales. They need to make it clear that that they are not pressuring Saudi Arabia to buy unnecessary arms, recognize Saudi Arabia's need to limit its purchases to the level Saudi Arabia can afford, and act to prevent corruption and ensure that arms buys are part of packages that include the proper support, training, munitions stocks, and sustainability.

Sources and Methods

This book is a product of the "Saudi Arabia Enters the 21st Century Project" of the Center for Strategic and International Studies (CSIS). This project has been supported by the Smith Richardson Foundation and builds on the work done for the CSIS Strategic Energy Initiative, the CSIS Net Assessment of the Middle East, and the Gulf in Transition Project. It is being conducted in conjunction with a separate – but closely related -- study called the Middle East Energy and Security Project.

The project is being conducted by Anthony H. Cordesman, the Arleigh A. Burke Chair in Strategy, It uses a net assessment approach that looks at all of the major factors affecting Saudi Arabia's strategic, political, economic, and military position and future implications of current trends. It is examining the internal stability and security of Saudi Arabia, social and demographic trends, and the problem of Islamic extremism. It is also examining the changes taking place in the Saudi economy and petroleum industries, the problems of Saudisation, changes in export and trade patterns, and Saudi Arabia's new emphasis on foreign investment.

The assessment of Saudi Arabia's strategic position in this volume includes a full-scale analysis of Saudi military forces, defense expenditures, arms imports, military modernization, readiness, and war fighting capability. It also examines the implications of the conventional military build-up and creeping proliferation of weapons of mass destruction in the Gulf, the resulting changes in Saudi Arabia's security position.

Another central focus of this project is to examine the implications of change within Saudi Arabia, their probable mid and long-term impacts, and the most likely changes in the nature or behavior of Saudi Arabia's current ruling elite, and to project the possible implications for both Gulf stability and the US position in the Gulf. A future volume will look beyond the military dimension and a narrowly definition of political stability, and examine the implications of the shifts in the pattern of Gulf, changes in Saudi external relations such changes in Saudi policy towards Iran and Iraq. It will examines the cooperation and tensions between Saudi Arabia and the other Southern Gulf states, and the security and strategic implications of the steady expansion of Saudi Arabia's oil, gas, and petrochemical exports.

This later volume will also examine the succession issues in the Royal Family, the immediate political probabilities, and the generational changes that are occurring in the royal family and Saudi Arabia's technocrats. At the same time, it examines the future political, economic, and social trends in Saudi Arabia, and possible strategic futures for Saudi Arabia through the year 2010.

The overall examination of the strategic future of Saudi Arabia includes Saudi Arabia's possible evolution in the face of different internal and external factors -- including changes in foreign and trade policies towards Saudi Arabia by the West, Japan, and the Gulf states. Key issues affecting Saudi Arabia's future, including its economic development, relations with other states in the region, energy production and policies, and security relations with other states will be examined as well.

Future work on the project will focus on the development of working documents that will be revised on the basis on outside comment. As a result, new material will be provided under the "Saudi Arabia Enters the 21st Century" heading of the CSIS web page at www.csis.org that will change according to the comments received from policymakers and outside experts. To comment, provide suggestions, or provide corrections, please contact Anthony H. Cordesman at the CSIS at the address shown on each report, or e-mail him at Acordesman@aol.com. Related material can be found in the "Gulf and Transition" and " Middle East Energy and Security" sections of the CSIS Web Page at CSIS.ORG.

Sources

The previous text has stressed the fact that many of the statements and statistics in this book are highly uncertain. It is important that the reader understand, however, the basic approach to gathering data and the special role played by use of the Internet and informal comments by Saudi officials and private individuals, and other experts on Saudi Arabia. As the endnotes make clear, this book relies heavily on both Saudi and US government publications, and on material from the World Bank and UN. It also relies on material from leading research institutes like the International Institute for Strategic Studies and research by Jane's. While extensive review has been made of academic and private estimates of key data and trends, few such data are incorporated in the text. This was done both to ensure some degree of consistency and

comparability in the data, and to ensure that the data involved were as up to date and reliable as possible.

The author has been visiting Saudi Arabia for several decades, and it was possible to visit the Kingdom several times over a three year period during the drafting of this book. Each of these visits involved the circulation of various drafts of the manuscript to various Saudi officials, military, academics, and other experts. In addition, the book was placed on the CSIS web site for comment and constantly revised as a working document, and copies were sent to various US, British, and French officials, military officers, intelligence officers, and other experts. Some provided detailed comments on the text. These are not acknowledged because most of those involved did not want their contributions acknowledged in any from. The few exceptions are made at the request of those contributing.

Extensive use has also been made of media sources, including Internet material, translations of broadcasts, newspapers, magazine articles, and similar materials. These are referenced in most cases, but some transcribed broadcasts and much of the Internet material did not permit detailed attribution. The Internet and several on-line services were used to retrieve data on US and Saudi government reporting and policy. Since most of the databases involved are dynamic, and either change or are deleted over time, there is no clear way to footnote much of this material. Recent press sources are generally cited, but are often only part of the material consulted.

In spite of this review process, the sources drawn upon in writing this analysis provide any consensus over demographic data, budget data, military expenditures and arms transfers, force numbers, unit designations, or weapons types. While the use of computer data bases allowed some cross-correlation and checking of such source, the reporting on factors like force strengths, unit types and identities, tactics often could not be reconciled and citing multiple sources for each case is not possible.

Personal and location names also presented a major problem. No standardization emerged as to the spelling of various names. Differences emerged in even in the transliteration of terms and names into English by the Saudi government. A limited effort has been made to standardize some of the spellings used in this text, but many names are tied to relational data bases where

the preservation of the original spelling is necessary to identify the source and tie it to the transcript of related interviews that cannot be referenced in the end notes.

Methods

This book deliberately focuses on military capabilities, security issues, and military economics, rather than the internal politics of Saudi defense and the Saudi military. It also deliberately focuses on providing the details of such issues. It is intended primarily to help deal provide technical background for those who must assess the military balance, and its implications for peace negotiations and arms control, rather than provide policy recommendations.

In many cases, the author adjusted figures and data on a "best guess" basis, drawing on some thirty years of experience in the field. In some other cases, the original data provided by a given source were used without adjustment to ensure comparability, even though this leads to some conflicts in dates, place names, force strengths, etc. within the material presented -- particularly between summary tables surveying a number of countries and the best estimates for a specific country in the text. In such cases, it seemed best to provide contradictory estimates to give the reader some idea of the range of uncertainty involved.

Most of the value judgments regarding military effectiveness are made on the basis of American military experience and standards. Although the author has lived in the Middle East, and worked as a US advisor to several Middle Eastern governments, he feels that any attempt to create some Middle Eastern standard of reference is likely to be far more arbitrary than basing such judgments on his own military background.

[i] Stephen Dagget and Gary J. Pagliano, "Persian Gulf War: US Costs and Allied Financial Contributions," Congressional Research Service IB91019, September, 21, 1992, pp. 11-13.

[ii] Jane's Intelligence Review, November 1, 1994, p. 500.

[iii] Dale Bruner, "US Military and Security Relations with the Southern Gulf States," Washington, NSSP, Georgetown University, May 8, 1995.

[iv] Defense Security Assistance Agency (DSAA), Foreign Military Sales, Foreign Military Construction Sales, and Military Assistance Facts, Washington, DC, various editions; US Department of State, Congressional Presentation: Foreign Operations Fiscal Year 1996, p. 499.

[v] At one point, the US seems to have considered a plan to preposition enough equipment for an entire Corps of three divisions and 150,000 men. New York Times, October 15, 1992, p. A-1.

[vi] It should be noted that the US already had 300 combat aircraft in Saudi Arabia and 150 on two carriers, and that Saudi Arabia objected to additional deployments, not to cooperation with the US New York Times, September 25, 1991, p. A-14, September 27, 1991, p. A-1, September 30 ,1991, p. A-5.

[vii] Ibid.

[viii] Secretary of Defense, Report on Forces for the Common Defense, Report to the US Congress, Washington, Department of Defense, March 2001, p. III-27, B-26

[ix] The US also sold over $1 billion in foreign military contersuxtion services, US Department of Defense, DSCA (Facts Book) – Foreign Military Sales, Foreign Military Contruction Sales, and Military Assistance Facts, Washington, OSD(PA), September 30, 2000, unpaged computer printout.

[x] See Jane's Defense Weekly, July 10, 1996, p. 10; USA Today, July 15, 1996, p. 7A; Baltimore Sun, July 15, 1996, p. 1A;

[xi] Richard F. Grimmett, Conventional Arms Transfers to Developing Nations, 1993-2000, Washington, Congressional Research Service, RL31083, August 16, 2001, pp. CRS-47, 48, 58, 59.