

Chapter 5

Kingdom of Saudi Arabia

Chapter Preview

People

Prophet Muhammad, King Abdul-Aziz, King Abdullah, King Salman

Places

Riyadh, Kuwait, Red Sea, Persian Gulf, Mecca, Medina, Jeddah

Terms

Persian Gulf War, Empty Quarter, wadi, oasis, desalination, desertification, Suez Canal, Arab Spring, terrorism, absolute monarchy, Basic Law of Government, Sharia Law, Council of Ministers, Consultative Council, High Court, diverse economy, petrochemicals, riyal

Top: Caravans of camels have been used for centuries to move people and goods across the Arabian Desert.

Background: Muslim women in the city of Mecca, one of the most important sites in Islam.



Bottom: Riyadh, the capital city, is home to dramatic skyscrapers such as the Al Faisaliyah Tower. Its golden glass sphere houses a three-level restaurant.

Just four months after taking office in 2017, US President Donald Trump made his first foreign trip. Stops included Israel, Italy, Vatican City, and Belgium. His first stop, however, was Riyadh, the capital of the Kingdom of Saudi Arabia. There were many reasons for this country to be first on the list. Saudi Arabia is a major source of oil that supplies energy for the United States. The Saudis have access to waterways that are important for trade between Southwest Asia and the United States. As a leader in the region, Saudi Arabia is an important ally in dealing with any problems that occur between countries. In the late 20th century, Saudi Arabia assisted the United States in the **Persian Gulf War** (a conflict that began when Iraq invaded Kuwait in 1990). Since then, the Saudi government and the United States have worked together to stop the spread of terrorism around the world.

For many, the country of Saudi Arabia is associated with oil, deserts, caravans of camels, and people dressed in long flowing robes of black or white. It is also known as a center of Islam, one of the world's largest religions, and it contains two of Islam's holy cities, Mecca and Medina. Its history as a country dates to the early 20th century, but the area has for centuries been the center of Arab culture and empires that have at times stretched from Spain in the west to India in the east.

Modern Saudi Arabia is mostly urban and highly educated. Profits from the sale of oil to other countries have helped to build a thriving economy with many wealthy citizens. Free education, free health care services, and inexpensive food, water, and energy are benefits of living in Saudi Arabia. There are many people in poverty in the country, but there is also immense wealth. In 2015, for example, the estimated total assets of the Saudi royal family were over \$1 trillion.

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No matter how powerful, countries cannot rule the whole world. The world is ruled by brains, by justice, by morals and by fairness.

-Abdullah of Saudi Arabia



PASSPORT



Official Name: The Kingdom of Saudi Arabia
(الملكعالمعلا قىبرعلا ءلكملا) or Al Mamlakah al Arabiyah as Suudiyah)

Capital: Riyadh

Form of Government: absolute monarchy

Head of Government: King and Prime Minister (same person)

Head of State: King and Prime Minister (same person)

Suffrage: 21 years of age; male; male and female for municipal elections

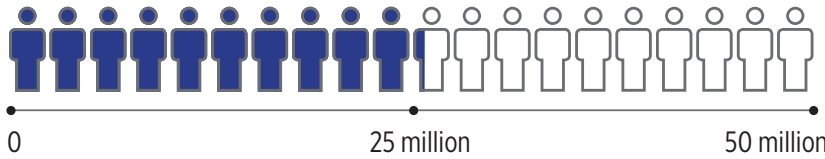
Currency: Saudi riyal (SAR)



Top Left: Flag of Saudi Arabia. **Top Right:** Downtown Riyadh. **Middle Left:** King Salman bin Abdulaziz Al Saud inherited power in 2015. **Middle Right:** Mecca. **Right:** Saudi riyal (SAR).

CULTURE CONNECTION

POPULATION

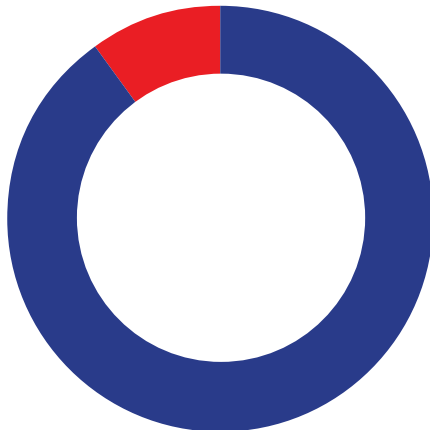


Saudi Arabia
28,160,273 (est. July 2016)
Population Rank 47

United States
324,386,000 (est. 2017)
Population Rank 3

ETHNIC GROUPS

- Arab 90%
- Afro-Asian 10%



FUN FACTS

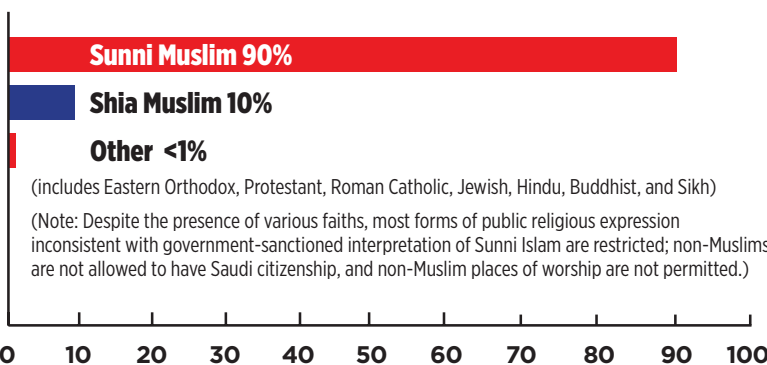
Saudi Arabia is the largest country in the world without a river.

Official Language:
Arabic

Phrases in Arabic

- Hello** - ابحرم (Marhabaan)
- Goodbye** - اعدو (Wadaeean)
- Good morning** - ريخلا حابص (Sabah alkhyr)
- Good afternoon** - كئاسم باط (Tab masayik)
- Thank you** - ارکش (Shukraan)
- You're welcome** - عسلا و بحرلا و لع (Ealaa alrrahub w alssae)
- Yes** - لعف معن (Nem fielaan)
- No** - ال (La)

RELIGION



LIFE EXPECTANCY

Average 75.3 years
Male 73.2 years
Female 77.4 years

EDUCATION

Literacy total population 94.7%;
male 97% / female 91.1%
Education Expenditures 5.1% of GDP
Rank 68

Top Right: Abdul Aziz Al Saud, the first king of Saudi Arabia. **Middle Left:** US Army soldiers from the 11th Air Defense Artillery Brigade during the Gulf War. **Bottom:** President Donald Trump and King Salman bin Abdulaziz Al Saud talk together. **Background:** Al Hada Mountain, near Ta'if, a city in Mecca Province.

TIMELINE

OF SAUDI ARABIA HISTORY



Figure 5.1



1900

- 1932** Saudi Arabia created
- 1937** Major oil production began in Saudi Arabia
- 1940** United States and Saudi Arabia began diplomatic relations

- 1973** OPEC oil embargo began
- 1974** King's Camel Race began

- 1990** Persian Gulf War began
- 1991** UN sent troops to help Kuwait
- 1992** Basic Law of Government announced

2000

- 2003** US soldiers left Saudi Arabia
- 2005** Saudi Arabia joined the World Trade Organization
Abdullah became king
- 2011** Arab Spring uprising
- 2015** Massive stampede during hajj
Women allowed to vote and run for office in municipal elections
King Abdullah died; Salman became king
- 2016** Saudi Arabia cut off ties with Iran
- 2017** US President Donald Trump visited Saudi Arabia





Area: 830,000 square miles

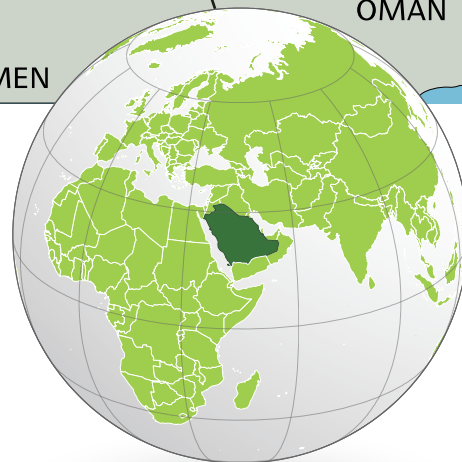
Area Rank: 13

Natural Resources:

petroleum, natural gas, iron ore, gold, copper

Environmental Issues:

desertification; depletion of underground water resources; the lack of perennial rivers or permanent water bodies has prompted the development of extensive seawater desalination facilities; coastal pollution from oil spills



Map 5.1

Saudi Arabia

Map Skill: Name the countries that border Saudi Arabia.

Section 1

The Geography of Saudi Arabia


 Setting a Purpose

As you read, look for

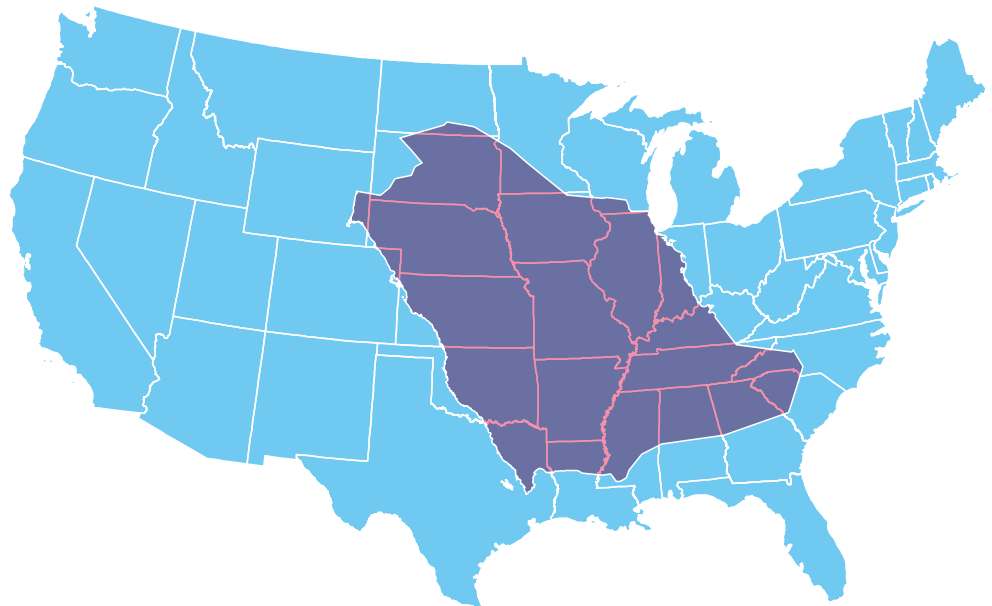
- ▶ how the bodies of water that border Saudi Arabia affect trade;
- ▶ the most common physical feature of Saudi Arabia;
- ▶ the climate of Saudi Arabia;
- ▶ Saudi Arabia's most valuable natural resource;
- ▶ issues about water and desalination;
- ▶ terms: **Empty Quarter, wadi, oasis, desalination, desertification, Suez Canal.**

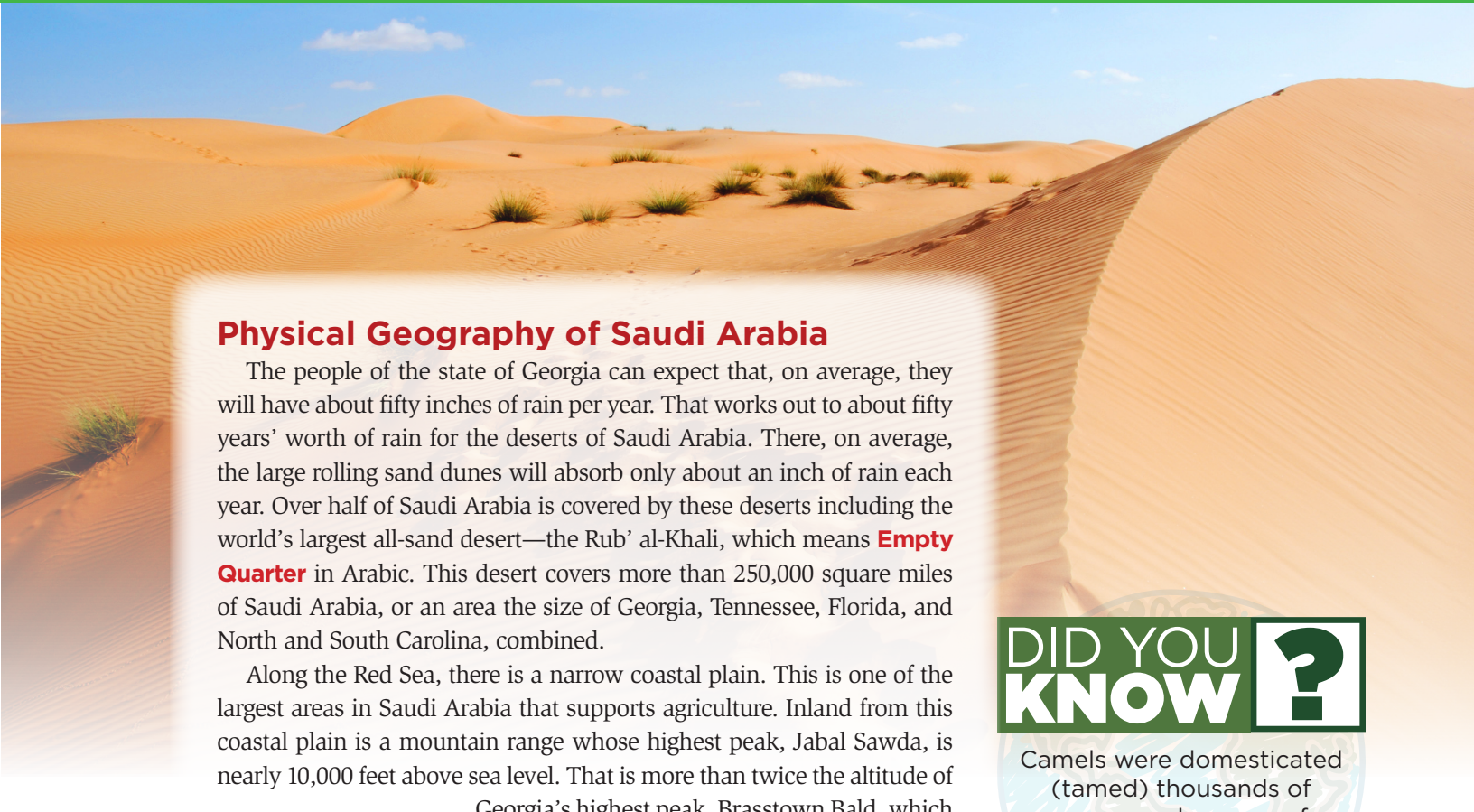
DID YOU KNOW?

Ninety-five percent of Saudi Arabia has a desert or semidesert climate.

Location and Size of Saudi Arabia

A quick look at a map of Southwest Asia shows that Saudi Arabia is the largest country in the region. It covers about four-fifths of the Arabian Peninsula. To put its size into perspective, Saudi Arabia is about the same size as the eastern United States. Much of its land is a vast, sparsely inhabited desert. Saudi Arabia is bordered by two large bodies of water, the Red Sea and the Persian Gulf. The Red Sea borders Saudi Arabia in the west. This coastline is about 1,100 miles long. The Persian Gulf lies to the east of Saudi Arabia, along with the countries of Qatar and the United Arab Emirates. It is also bordered by five other countries. Iraq, Jordan, and Kuwait border Saudi Arabia to the north. In the south, Yemen and Oman form the border.





Physical Geography of Saudi Arabia

The people of the state of Georgia can expect that, on average, they will have about fifty inches of rain per year. That works out to about fifty years' worth of rain for the deserts of Saudi Arabia. There, on average, the large rolling sand dunes will absorb only about an inch of rain each year. Over half of Saudi Arabia is covered by these deserts including the world's largest all-sand desert—the Rub' al-Khali, which means **Empty Quarter** in Arabic. This desert covers more than 250,000 square miles of Saudi Arabia, or an area the size of Georgia, Tennessee, Florida, and North and South Carolina, combined.

Along the Red Sea, there is a narrow coastal plain. This is one of the largest areas in Saudi Arabia that supports agriculture. Inland from this coastal plain is a mountain range whose highest peak, Jabal Sawda, is nearly 10,000 feet above sea level. That is more than twice the altitude of Georgia's highest peak, Brasstown Bald, which rises to 4,783 feet.

There are no permanent rivers in Saudi Arabia. In fact, it is the largest country in the world that does not have any permanent rivers. Wadis can be found throughout Saudi Arabia. A **wadi** is a riverbed that is dry when it has not rained but will become a river when it rains a lot. Oases are another source of fresh water in Saudi Arabia. An **oasis** is a natural spring that can create a pond or small lake in the middle of a desert. Vegetation can also be found in oases.



rains can cause extreme flooding there.

The daytime temperatures inland can reach 130°F in summer and only drop into the 70s F during a few months in winter. Freezing temperatures can occur at night in winter. Coastal locations are known for high humidity in summer, but most of the country is considered to have low humidity, or air with low moisture content.

Climate of Saudi Arabia

The geography of Saudi Arabia is mainly desert so it is no surprise that most of the climate in Saudi Arabia is arid, or hot and dry. Along the southern part of the Red Sea coastline is a small area with a milder climate that is humid and better for agriculture. Occasional heavy

DID YOU KNOW ?

Camels were domesticated (tamed) thousands of years ago because of their ability to travel for days in the desert without food or water.



Top: These dunes are in the Rub' al-Khali or Empty Quarter, which straddles Oman, Saudi Arabia, the UAE, and Yemen. It is the largest sand desert in the world. **Above:** The coast of the Persian Gulf at the city of Ras Tanura. **Left:** An oasis in Aldissah.



Natural Resources of Saudi Arabia

Oil, or petroleum, is the most important natural resource for Saudi Arabia. That is because Saudi Arabia has the world's largest oil reserves and is one of the largest oil producers in the world. Aside from petroleum and natural gas, the other natural resources found in Saudi Arabia are iron ore, gold, limestone, gypsum, copper, and, of course, sand.

Environmental Issues of Saudi Arabia

The people of Saudi Arabia face several important environmental issues. One of these is the scarcity of fresh water. In an effort to create more fresh water, Saudi Arabia has built many desalination plants along the coasts. **Desalination** is the process of removing salt and other minerals from salt water so it can be used as water for farming and drinking. Farmers across Saudi Arabia must rely on irrigation to grow their crops. While desalination seems like a perfect solution to the scarcity of water, it can also lead to environmental problems such as killing fish and other sea life and increasing the salt level of nearby water. It is also expensive because the systems require great amounts of energy. **Desertification**, or the expanding of deserts, also threatens the land that can be used for agriculture. Finally, oil spills occur along the eastern coast where the oil reserves are located. Such spills can cause massive environmental damage to plants and animals in the seas and on land.

DID YOU KNOW?

Saudi Arabia has about 25 percent of the world's oil reserves.

Impact of Location

The harsh geography of Saudi Arabia has a major impact on where people live and how they trade in the country. In fact, more than four-fifths of all Saudis live in cities, or urban areas. The major cities in Saudi Arabia include Riyadh, Mecca, Medina, and Jeddah. Areas along the Persian Gulf and Red Sea also have higher population densities where there is arable land and agriculture is possible.

Saudi Arabia's long coastlines on the Red Sea and Persian Gulf encourage trade by sea. There are four major ports on the coasts. Saudi Arabia is close to the **Suez Canal**, which links the Red Sea with the Mediterranean Sea. This makes shipping goods to Europe much faster. The large stretches of desert, however, are a physical barrier making trade more difficult.

Above: An oil refinery in Jubail.



DID YOU KNOW ?

Non-Muslims are not allowed to become citizens of Saudi Arabia.

People of Saudi Arabia

About 90 percent of the citizens of Saudi Arabia are Arab, and Arabic is the official language. Islam, the official religion of Saudi Arabia, began in Saudi Arabia and has a large impact on the daily life and the government of the country. Most citizens follow Sunni Islam, while about 10 percent follow Shia Islam. There are very small communities of people who practice Christianity, Judaism, Hinduism, Buddhism, and Sikhism. However, it is illegal to openly practice religions that are not Sunni Islam. This includes people following Shia Islam. Places of worship that are not mosques are illegal in Saudi Arabia.



Schools, businesses, and government offices organize around Islam's holidays and daily prayer schedules. The role of women in the country is more restrictive than in other parts of the world. If a woman works outside the home, the job must generally be one where the woman would have little contact with men. A woman must have permission from her husband, father, or other male relative to get a passport, travel outside the country, or open a bank account. Gradual change has begun, however. Women were allowed to vote in some elections in 2015.

DID YOU KNOW ?

Public transportation and most parks and beaches are segregated in Saudi Arabia: one part for men, another for women.

Reviewing the Section

1. Which two bodies of water border Saudi Arabia? How do they affect trade?
2. What is the most common physical feature in Saudi Arabia?
3. What type of climate does Saudi Arabia have?
4. What is Saudi Arabia's most valuable resource? Why?
5. What is desalination? Why is it not a perfect solution to Saudi Arabia's shortage of fresh water?
6. Putting It All Together: How does geography affect the people of Saudi Arabia? Where do they live? Why? Where do they not live? Why?

Top Left: Housing in Jeddah City.
Above: School in Saudi Arabia.

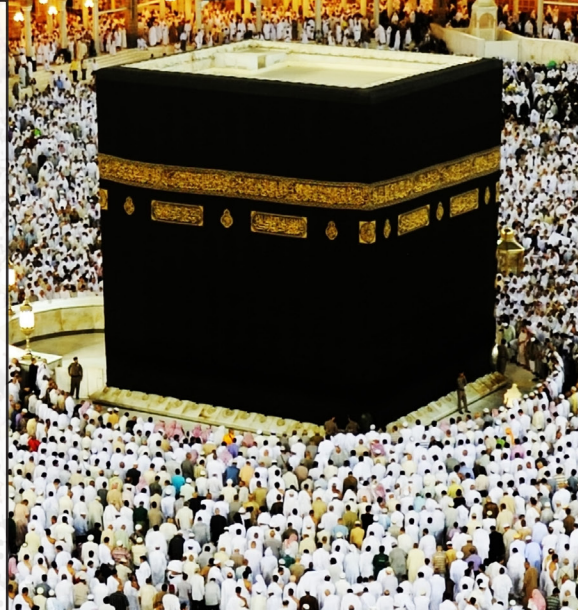
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The Hajj

The hajj is one of the Five Pillars of Islam. The hajj is a pilgrimage to Mecca, the holiest city in Islam. Muslims should make this pilgrimage once in their lifetime if they are able. While one can visit Mecca at any time throughout the year, the hajj must be completed during the Islamic month Dhu al-Hijja. The tradition of the hajj dates back to Muhammad and is completed to honor Abraham and other important people in Islam's history.

There are several parts to the hajj. When pilgrims are about six miles from Mecca, they enter a time of purity and wear white to show this. Once they enter Mecca, pilgrims walk to the Grand Mosque where a stone cube structure called the Ka'bah sits. The Ka'bah is the most sacred place in Islam. According to the Quran (the Muslim holy book), Abraham built the Ka'bah, but after he died local people put idols in the Ka'bah. When Muhammad conquered the city of Mecca, he went to the Ka'bah and removed all of the idols. Pilgrims circle the Ka'bah seven times. During this time, they either kiss or touch the Black Stone in the Ka'bah, as well as pray. Another major part of the hajj is traveling to nearby holy places: Jubal al-Ramah, Muzdalifah, and Mina. While in Mina, pilgrims throw seven small stones at each of three large pillars that represent the devil. Finally, pilgrims return to Mecca to complete one last circle around the Ka'bah.

The government of Saudi Arabia is responsible for maintaining Mecca and the other holy places. Over two million people come to Mecca each year to complete the hajj. While the hajj is supposed to be a unifying event for Muslims, sometimes it has led to problems. Over the last few decades, there have been several stampedes at different points of the hajj that have led to thousands of deaths. After a stampede that killed hundreds in Mina, Saudi Arabia spent \$1.2 billion on creating bridges for people to use while stoning the pillars as a way to alleviate the crowds. However, in 2015, there was another massive stampede at Mina. More than 2,400 pilgrims were killed based on the number of deceased persons reported from 36 countries. Many of the dead and injured were from Iran. This led to increased tensions between the governments of Iran and Saudi Arabia. What do you think could be done to help ease the tensions between these two countries?



Above: Muslim pilgrims to Mecca throw stones as part of a ritual during the hajj. **Background:** The cube-shaped Ka'bah in Mecca is the most sacred site in Islam.

Section 2

A Brief History of Saudi Arabia

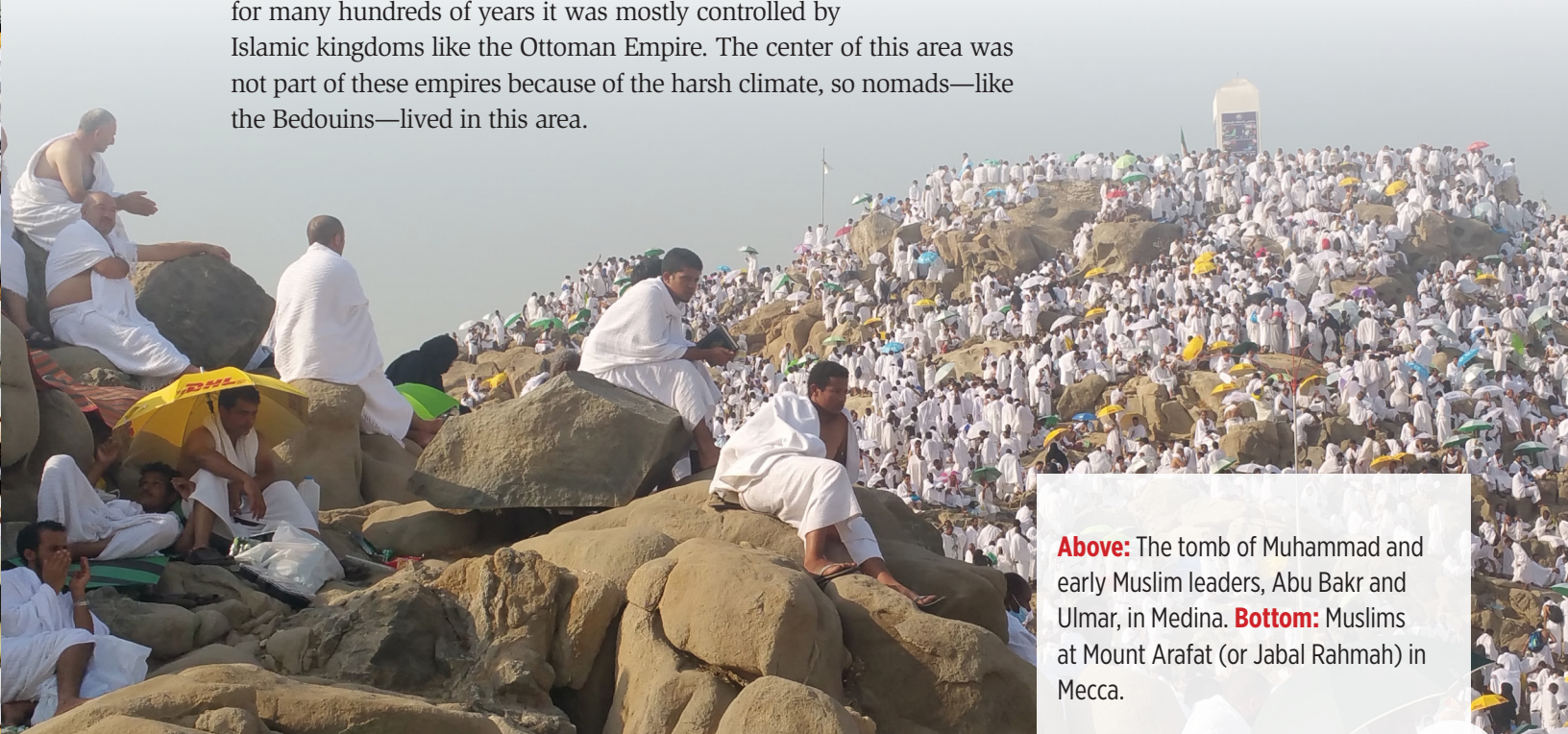
As you read, look for

- ▶ the importance of Islam to Saudi history;
- ▶ how the Saudi kings use their oil wealth to help their people;
- ▶ how King Abdullah modernized Saudi Arabia;
- ▶ why the Arab Spring had little effect on Saudi Arabia;
- ▶ terms: **Arab Spring, terrorism.**



Early History

The history of the land that would become Saudi Arabia goes back for thousands of years. One of the most important events that occurred there was the creation of Islam, and today two of Islam's holiest cities are located there: Mecca and Medina. Around the year 570, the Prophet Muhammad was born in Mecca. Today, Mecca is considered the most sacred Muslim city, and millions of Muslims travel there each year as part of the hajj. Because this land was where Islam began, it makes sense that for many hundreds of years it was mostly controlled by Islamic kingdoms like the Ottoman Empire. The center of this area was not part of these empires because of the harsh climate, so nomads—like the Bedouins—lived in this area.



Above: The tomb of Muhammad and early Muslim leaders, Abu Bakr and Umar, in Medina. **Bottom:** Muslims at Mount Arafat (or Jabal Rahmah) in Mecca.



Unification and Creation of Saudi Arabia

The modern-day country we know as Saudi Arabia did not exist until the twentieth century. In 1932, a man named Abdul Aziz Al Saud created Saudi Arabia, marking the end of a thirty-year fight to unite the Arabian Peninsula. Do you see where the name Saudi Arabia comes from? Since 1932, the Al Saud family has ruled Saudi Arabia. The current ruler, King Salman, is actually one of the many sons of King Abdul Aziz Al Saud. The kings of Saudi Arabia have worked to create a stable and thriving economy for the country, as well as maintain its position as a regional power. Saudi Arabia has been able to enjoy the wealth generated from oil since 1937, when major oil production began in the east. The Saudi kings have used some of the oil money to invest in schools and hospitals for the citizens to use.

When Iraq invaded Kuwait in 1990, Saudi Arabia supported Kuwait in this Persian Gulf War. The royal Kuwaiti family and 400,000 refugees from Kuwait found safety in Saudi Arabia. When the United Nations sent troops to help Kuwait in 1991, Saudi Arabia allowed them to use their country as a base to invade Kuwait and push out the Iraqi forces.



DID YOU KNOW?

Saudis celebrate National Day on September 23 each year to mark the unification of Saudi Arabia.

Top: King Abdul Aziz Al Saud, founder of Saudi Arabia. **Middle:** One brigade of the US 3rd Armored Division gathered in northern Saudi Arabia in preparation for the invasion of Iraq during the Gulf War, February 1991. **Right:** King Abdullah reigned from 2005 to 2015.

However, many Saudi citizens were unhappy that foreign armies, like the United States, remained there even after the Persian Gulf War was over. This unhappiness led to tensions between the king and many of the citizens of Saudi Arabia until 2003 when the United States soldiers left.

Saudi Arabia in the 21st Century

One of the Saudi kings who had the greatest impact on the modernization of Saudi Arabia was King Abdullah. During his reign from 2005 to 2015, he worked to modernize the country through social and economic programs and reforms. Some of these programs included increasing employment opportunities for women, increasing the amount of private ownership within the economy, increasing economic investment from other countries, and decreasing the number of immigrants who were hired by Saudi companies.



Unlike many countries in Southwest Asia, Saudi Arabia survived the 2011 **Arab Spring** (the series of antigovernment protests, uprisings, and armed rebellions that spread across the Middle East in early 2011) with little bloodshed. While there were some Shia protests in eastern Saudi Arabia, the Saudi government was able to handle them relatively easily. King Abdullah tried to settle some of the unrest by creating new benefits for Saudi citizens. Some of these new programs included increasing funds to build housing that citizens could easily afford, increasing the salaries of government employees, and providing help to citizens who are unemployed. Another reform King Abdullah made was to allow elections. In September 2011, male Saudi citizens were allowed to vote for half the members of 285 municipal councils.

King Salman became king in 2015 after the death of his half-brother King Abdullah. Most of his reign, so far, has focused on fighting unrest and **terrorism** (the unlawful use of violence and intimidation, especially against civilians, in pursuit of political aims) throughout Southwest Asia. For example, Saudi Arabian troops led a coalition of forces to help stop the civil war in Yemen. Also, Saudi Arabia created an Islamic coalition made up of 24 countries whose main goal is to fight and eliminate terrorism. As a result of antiterrorism efforts, 47 people were executed in Saudi Arabia in January 2016. All 47 people had been sentenced to death as a result of terrorism charges. One

of these people was a Shia cleric. Upon his execution, there were protests in Iran, which is a mainly Shia Muslim country. As a result, Saudi Arabia cut ties with Iran. Saudi Arabia and Iran are two of the largest and most powerful countries in Southwest Asia.



Reviewing the Section

1. Why is Islam important in Saudi Arabian history?
2. How was the country of Saudi Arabia formed? When?
3. How have the Saudi kings used their oil wealth to help their people?
4. How was Saudi Arabia involved in the Persian Gulf War?
5. How did King Abdullah modernize Saudi Arabia?
6. Why did the Arab Spring have little effect on Saudi Arabia?

Above: US Defense Secretary James Mattis met with Saudi Arabia's King Salman in Riyadh, April 19, 2017.

special Feature

Camel Racing

Sports like soccer are certainly popular in Saudi Arabia, but there are some less common sports that are also popular. One of the Saudis' favorite sports is camel racing! While the tradition of camel racing dates back all the way to the 7th century, a new love of the sport began in the 1970s. During that time, rules and regulations were created for the sport, and it began to gain popularity. Until this point, it had been a traditional sport enjoyed by locals. Now, however, it is spreading. Currently, camel races can be found in countries in Southwest Asia as well as Kenya, Sudan, Egypt, India, and Australia.

Camel racing is similar to horse racing. Just like in horse races, a jockey rides each camel. The dromedary camel is used for racing since its name actually means "to run." About 25 camels participate in each race. A camel can reach 25 miles per hour during the race! The races last between 2.5 and 6 miles depending on the camels' ages. Younger camels cannot run as far as older camels. Additionally, male and female camels do not race against each other because their weights are very different.

In Saudi Arabia, the popularity of camel racing continues today. Races are held every week during the cooler winter months. The races are held in the Riyadh Stadium. The most important of these contests is the King's Camel Race. It began in 1974 and continues to be the most important race in Southwest Asia. Would you like to watch a camel race?

Top: Camels were first domesticated by humans as pack animals about 5,000 years ago. **Middle:** A camel racing festival in Tunisia. **Background:** King Fahd International Stadium in Riyadh is the site of weekly camel races throughout the winter months.



Section 3

The Government of Saudi Arabia



As you read, look for

- ▶ the type of government Saudi Arabia has;
- ▶ the power citizens have in the government;
- ▶ how Sharia Law impacts Saudi Arabia's government;
- ▶ the biggest economic challenge facing Saudi Arabia's government;
- ▶ terms: **absolute monarchy**, **Basic Law of Government**, **Sharia Law**, **Council of Ministers**, **Consultative Council**, **High Court**.

Structure of Government

The Kingdom of Saudi Arabia is an **absolute monarchy**, which means it is an autocracy. The king, who is always a member of the al Saud family, controls the government. In an absolute monarchy, citizens have no power or influence on the selection of the country's leader. The king rules until he dies, at which point the Saud family will pick a new king. The monarch must always be male. There is also no constitution to protect citizens' rights and freedoms. In 1992, however, the **Basic Law of Government** was announced by royal decree. The point of the Basic Law is to outline the process through which the next king is chosen, as well as have in writing that Saudi Arabia follows Sharia Law. **Sharia Law** is following the laws that are based on Islam and the Quran. Saudi Arabia does not have equal rights for men and women. In fact, by law, women are specifically denied rights that are available to men.



Above: A Saudi woman wearing a traditional niqab. **Left:** The Quran is the holy book of Islam.

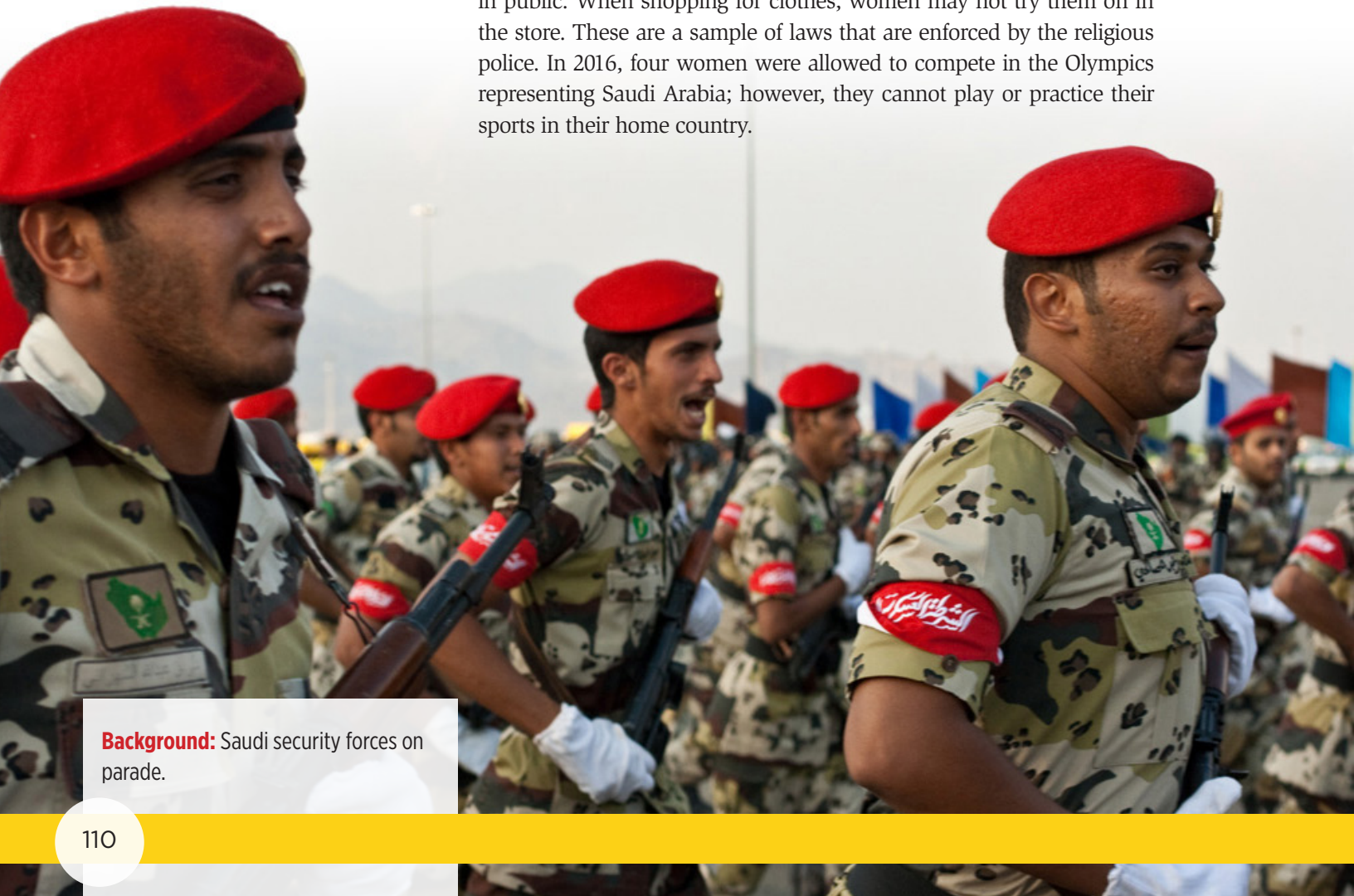
The head of state and head of government in Saudi Arabia is the king. As you already learned, the king is not chosen by the people and remains in power until his death. The king has a cabinet called the **Council of Ministers**. These advisors serve for four years and mainly include members of the royal family.

The **Consultative Council** is the legislative branch in Saudi Arabia. There are 150 people who serve on the council for a period of four years. Once again, the citizens of Saudi Arabia do not get to elect people. The members of the council are appointed by the king. Up until 2013, all the members were men. Now, however, there are thirty women in the council.

The judicial branch of the Saudi government contains the **High Court**. High Court judges are also appointed by the king. The laws that the court follows are based on Islam.

Laws for Women

Restrictions on the activities of women occur in all parts of Saudi life and are enforced by religious police. For instance, women are not allowed to leave Saudi Arabia without the permission of a male relative. Driving is not specifically illegal for women, but it is discouraged by religious leaders. Some women have been working to gain the right to drive to take their children to school or visit a hospital. Women are not allowed to swim in a pool with men. There are separate pools for each gender. Women must wear an abaya, which is a long coat, and a head scarf whenever they are in public. When shopping for clothes, women may not try them on in the store. These are a sample of laws that are enforced by the religious police. In 2016, four women were allowed to compete in the Olympics representing Saudi Arabia; however, they cannot play or practice their sports in their home country.



Background: Saudi security forces on parade.

Citizen Participation

Citizens who are twenty-one years and older are allowed to vote in municipal elections every four years. There are 284 municipal councils in Saudi Arabia. Citizens elect two-thirds of the members of the council. The king appoints the other one-third. For the first time in 2015, women were allowed to run for office and vote. Twenty-one women were elected to office during that election. These municipal councils focus on local issues, like trash collection.



Challenges Facing the Government

Like all countries, the government of Saudi Arabia faces challenges in the 21st century. One of the biggest challenges is the economy. Currently, Saudi Arabia is one of the largest producers of oil and natural gas in the world. However, as alternative energy sources become more widespread and reliable, the world's reliance on oil will decrease. The Saudi government must begin to diversify the economy. Other major challenges for the government include the decreasing amount of fresh water, the price of oil, and a growing population. The government promotes foreign investment in the kingdom and continues to pursue economic reform and diversification, particularly since Saudi Arabia joined the World Trade Organization in 2005.



Reviewing the Section

1. What type of government does Saudi Arabia have?
2. What power do citizens have in the government?
3. What is Sharia Law? How does it influence Saudi Arabia's government?
4. Who is the head of government in Saudi Arabia? How does he gain power?
5. Why is the economy the biggest challenge facing Saudi Arabia's government?
6. Make a Prediction: Saudi Arabia was able to survive the Arab Spring with its absolute monarchy still in control, and citizens gained the right to vote in municipal elections. Do you think Saudi citizens might demand more power in the future? Why or why not?

Top: The Nabawi Mosque in Medina is also known as the Prophet's Mosque.

Above: A water tower in Riyadh.

Section 4

The Economy of Saudi Arabia


 Setting a Purpose

As you read, look for

- ▶ the type of economy Saudi Arabia has;
- ▶ who has control of the oil industry and the profits from oil;
- ▶ how Saudi Arabia is trying to diversify its economy;
- ▶ why Saudi Arabia is a leading member of OPEC;
- ▶ how investing in human capital will help lower unemployment in Saudi Arabia;
- ▶ terms: **diverse economy, petrochemicals, riyal.**

DID YOU KNOW?

Saudi Arabia was one of the five Founding Members of OPEC in 1960, along with Iran, Iraq, Kuwait, and Venezuela.

Type of Economy

Saudi Arabia leans toward a market economy and relies on oil for most of its income. The king and his advisors make most of the decisions about how to use oil profits, but they have invested much of the nation's wealth in technologies that will allow them to produce goods such as manufactured aluminum, milk and baby formula, and candy that they normally would not be able to produce in a desert climate. The government is trying to allow for more private ownership of companies in Saudi Arabia, which will move it along the economic continuum closer to a pure

market economy. Saudi Arabia's large oil supply also means that it is one of the most powerful countries in the Organization of Petroleum Exporting Countries (OPEC). Currently, oil brings in 80 percent of the revenue for Saudi Arabia. It also makes up about 45 percent of its Gross Domestic Product (GDP).



Above: Producing aluminum is one way Saudi Arabia generates income.

Right: Some Saudi oil comes from offshore locations.



Saudi Arabia is trying to diversify its economy. A **diverse economy** focuses on the production of different goods rather than just one good, like oil. Saudi Arabia is trying to expand its industries that focus on telecommunications and power generation. It is also looking for more deposits of natural gas, as well as expanding production of **petrochemicals**, which are chemicals that are made from petroleum or natural gas.

Another challenge facing the Saudi economy is foreign workers and rising unemployment. Right now, there are over 6 million workers from other countries employed in Saudi Arabia, especially in services and the oil industry. The problem, however, is that there is a high level of unemployment for Saudi citizens. The government is attempting to employ more Saudi citizens. One of the biggest challenges to solving this problem, however, is that many young Saudis do not have the education and skills that are needed for the jobs in Saudi Arabia.



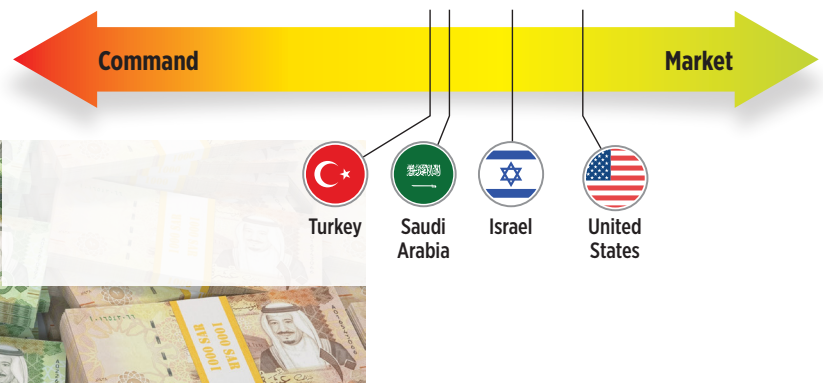
Trade

Trade is very important to the Saudi economy because it is based on oil and its leading exports are petroleum and petroleum products. The main countries that Saudi Arabia exports to are China, Japan, the United States, India, and South Korea. The main goods that Saudi Arabia imports include machinery, equipment, food, chemicals, motor vehicles, and textiles. These imports mainly come from the countries of China, the United States, Germany, South Korea, India, Japan, and the United Kingdom.

Currency and Trade Barriers

The currency of Saudi Arabia is the Saudi **riyal**, or SAR. In order for countries to trade with Saudi Arabia, they must use an exchange system to determine the price of goods in their own currency. Riyals must be traded for other currencies in order to trade with other countries. In 2017, one Saudi riyal was worth about \$0.27.

Figure 5.2
Economic Systems in the Middle East



Top: Oil refineries process crude oil into more useful products such as butane and gasoline. **Left:** The riyal is the currency of Saudi Arabia.

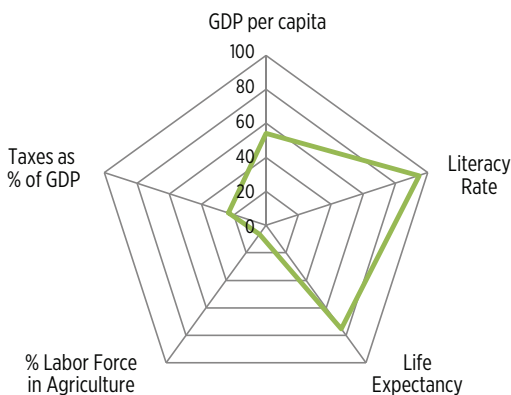
DID YOU KNOW ?

Ninety percent of Saudi Arabia's exports are petroleum and petroleum products.



Figure 5.3

Saudi Arabia Spider Graph



Above: The old method for extraction and pumping of water in Saudi Arabia for irrigation. **Right:** The Royal Clock Tower in Mecca is decorated with over 98 million glass mosaic tiles with 24-carat gold leaf.

While free trade is important to the economy of Saudi Arabia, it has also used trade barriers. In 1973, all countries that were part of OPEC placed an embargo on oil sales to countries that supported Israel during the Arab-Israeli War. This embargo caused a significant gasoline shortage in the United States. This resulted in higher prices and long lines of cars waiting to purchase gasoline. Later, President Jimmy Carter urged Americans to conserve energy and was shown wearing a sweater in the White House to avoid using the heating system. He warned that, if Americans did not learn to conserve energy, the country could be under OPEC's control.

The Saudis have other government controls on trade. Pork cannot be imported into the country as a result of Sharia Law. Additionally, Saudi Arabia uses standards that do not allow used clothing or used cars that are five years old or older to be imported.

Natural Resources

Saudi Arabia has very few natural resources, but the one they do have in abundance is oil. The production of oil and natural gas makes up the majority of Saudi Arabia's economic wealth. Because Saudi Arabia has such large oil deposits, this country has become very influential in the world economy and in OPEC. The great wealth from oil production has allowed Saudi Arabia to modernize agriculture by spending billions of dollars on irrigation and desalination technology. The Saudis have built modern cities in areas that were once remote desert regions. They have modernized roads, schools, airports, and communications systems. Even though the country's oil wealth technically belongs to the royal family, enormous sums of money have been spent to improve the lives of ordinary citizens. Saudi Arabia has gone from being a "desert kingdom" to a modern nation in less than 100 years.

Human Capital

As you have learned, Saudi Arabia's biggest industry is exporting oil and petroleum products. The technology involved in the oil industry is complicated and requires a well-trained and educated workforce. Saudi Arabia also has modern communication and transportation systems, as well as enormous building projects, all of which require investments in human capital.



The Saud family has used a lot of the money from the oil industries to invest in human capital. Right now, there are eight universities in Saudi Arabia, as well as over 24,000 schools and training schools. Education is free to all citizens. The literacy rate in Saudi Arabia is about 95 percent. Like many countries you have learned about, there is a gap between male and female literacy rates. The male literacy rate in Saudi Arabia is 97 percent, while the female literacy rate is 91 percent. The average citizen attends school for sixteen years, with male students attending for seventeen years and females for fifteen years.

Capital Goods

Saudi Arabia has invested heavily in capital goods. Most of these goods are used in the petroleum industry. They include technology related to oil production, transportation, and communication.

Entrepreneurship

Entrepreneurship is an area in which Saudi Arabia has room for significant improvement. Currently, it is not very easy to begin your own business in Saudi Arabia. Entrepreneurship, however, is one way the Saudi government can work to diversify the economy. The more successful entrepreneurs there are in a country, the higher the economic growth. The government is working to promote entrepreneurship. So far, it seems to be paying off. The number of entrepreneurs in Saudi Arabia is increasing.



Reviewing the Section

1. What type of economy does Saudi Arabia have?
2. Who controls the oil industry? How are oil profits used?
3. What does *diversify* mean? Why is Saudi Arabia trying to diversify its economy?
4. What are Saudi Arabia’s main exports and imports? What does this tell you about its economy?
5. Why is Saudi Arabia a leading member of OPEC?
6. Make a Prediction: How will investing in human capital help unemployment in Saudi Arabia? Why?
7. Copy the chart below and fill it in with information from the reading.

Factor of Production	How Does Saudi Arabia Invest in It?	Examples in Saudi Arabia
Natural Resources		
Human Capital		
Capital Goods		
Entrepreneurship		

DID YOU KNOW ?

The Jeddah Tower under construction on the Red Sea will reach one kilometer in height—the equivalent of over 250 stories!

Above: Education is free to all citizens.

Section 5

US-Saudi Relations


 Setting a Purpose

As you read, look for

- ▶ the main focus of US-Saudi relations;
- ▶ examples of assistance the United States gives to Saudi Arabia;
- ▶ how the economies of the United States and Saudi Arabia are connected;
- ▶ why the United States is not part of some of the international organizations to which Saudi Arabia belongs.

Reasons for Close Ties

The relationship between the United States and Saudi Arabia began in 1940. This relationship is very important to the United States for a number of reasons. One of the most important reasons is Saudi Arabia's role as a leading country in Southwest Asia for Arabs and Islam. Saudi Arabia's location is also important to the United States, especially as the two countries work together to combat extremism and terrorism. Saudi Arabia's vast supply of oil was originally one of the main reasons the United States had a close relationship with Saudi Arabia. But today the United States produces so much oil that Saudi oil is less important to the US economy.

The main focus of the US-Saudi relationship is maintaining peace and combating terrorism in the region of Southwest Asia. As a leading country in Southwest Asia, Saudi Arabia has a lot of influence over other countries with the exceptions of Iran and Israel. As the region continues to deal with issues stemming from the Arab Spring, like the Syrian Civil War and the rise of ISIS, the US-Saudi friendship is more important than ever. The two countries are working together to establish and sustain peace in regions that have been in conflict for a long time. Saudi Arabia is committed to preventing terrorism and helps the United States' efforts with military and financial assistance as needed.

US Assistance to Saudi Arabia

As a result of their long friendship, Saudi Arabia and the United States have worked together closely and assisted each other when needed. The assistance that the United States provides to Saudi Arabia includes military training, equipment, and construction. The United States has helped train Saudi forces to use new weapons, which has helped modernize the Saudi Arabian National Guard. In fact, the United States has even sold

Background: The United States provides weapons to Saudi Arabia.

military aircraft, weapons, and other military equipment to Saudi Arabia. Additionally, the United States has helped train Saudi forces. Having a strong, well-equipped, and well-trained military in Saudi Arabia is viewed by the United States as a benefit.

Bilateral Economic Relations

In addition to their military relationship, the United States and Saudi Arabia are trade partners. The United States exports many goods and services to Saudi Arabia. In fact, it is one of the leading countries that the United States exports to in Southwest Asia. Additionally, the United States is one of Saudi Arabia's largest trade partners. The United States and Saudi Arabia have signed a trade agreement that outlines their trade partnership to make sure it is beneficial and successful for both countries for years to come. In 2016, the United States imported about \$17 billion in goods from Saudi Arabia, and the Saudis imported about \$18 billion in goods from the United States. In previous years, the United States often imported more than it exported to Saudi Arabia. In 2008, for example, the United States imported about \$42 billion more goods from Saudi Arabia than it exported. This created a large trade deficit.

Many Georgia companies trade with Saudi Arabia. In 2013, Georgia's exports to Saudi Arabia totaled \$537 million, making it the state's 18th-largest trading partner. Goods sold to the Saudis included paper, paper products, wood pulp, poultry, carpets, and flooring. Imports from Saudi Arabia to Georgia totaled about \$58 million.

Saudi Arabia's Membership in International Organizations

Saudi Arabia's important place in Southwest Asia is not limited to just that region. Saudi Arabia is a member of many of the same international organizations as the United States. These include the United Nations, International Monetary Fund, World Bank, and World Trade Organization. Additionally, Saudi Arabia is a member of other international organizations that the United States is not a member of. Some of these organizations include OPEC, the Arab League, the Gulf Cooperation Council, and the Muslim World League.

Reviewing the Section

1. What is the main focus of US-Saudi relations? Why?
2. Give three examples of assistance the United States gives to Saudi Arabia.
3. How are the economies of the United States and Saudi Arabia tied to each other?
4. Why is the United States not part of some international organizations that Saudi Arabia belongs to?
5. Putting It All Together: How has the US-Saudi relationship changed over the past few years?



Above: Paper is exported from Georgia to Saudi Arabia.

Chapter Review

Chapter Summary

Section 1: The Geography of Saudi Arabia

- Saudi Arabia is the largest country on the Arabian Peninsula with almost 1,100 miles of coastline along the Red Sea.
- Saudi Arabia is mostly desert so desalination and desertification are the main environmental focuses of the country.
- Only Muslims are allowed to become citizens, and only Sunni Muslims, the majority, are allowed to openly practice their religion.

Section 2: A Brief History of Saudi Arabia

- Islam began in this area, and the country has Islam's two holiest cities.
- The modern country of Saudi Arabia was created in 1932 and has always been ruled by the Al Saud monarchy.
- Saudi Arabia's kings have focused on modernizing the country, maintaining their power, and fighting terrorism.

Section 3: The Government of Saudi Arabia

- The country has an absolute monarchy where the king is always a man from the Al Saud family.
- The Consultative Council is the legislative branch whose members are appointed by the king. The country is governed by Sharia Law.
- The High Court is the judicial branch whose judges are appointed by the king.
- In 2015, women were able to run for office and vote in municipal elections for the first time. Men began voting in municipal elections in 2011.

Section 4: The Economy of Saudi Arabia

- Exporting oil is the country's main source of income although it is attempting to diversify the economy.
- Saudi Arabia is the most powerful member of OPEC.
- The money earned by exporting oil has been used to modernize the country and has partially been invested in human capital and capital goods to ensure the country has the technology and skilled workers to continue extracting oil.

Section 5: US-Saudi Relations

- The relationship between the United States and Saudi Arabia is important because the two countries exert influence in their regions. This helps fight terrorism and maintain peace.
- The two countries cooperate in joint military activities and are also close trade partners.

Activities for Learning

Reviewing People, Places, and Things



Imagine you are on vacation in Saudi Arabia. Write a letter to your best friend about the things you have seen and the interesting facts your tour guide has shared with you. Use all the words and names below in your letter and underline each one as you use it.

riyal
wadi
desalination
King Salman
Mecca
Sharia Law
Consultative Council
OPEC
oil

Understanding the Facts



1. What is desertification?
2. Why is the Suez Canal important?
3. What are the two holy cities in Islam located in Saudi Arabia?
4. Why is King Abdullah important to modern Saudi Arabia?
5. What kind of government does Saudi Arabia have?
6. Do citizens ever have the opportunity to vote?
7. What is the country's main source of income?
8. Why are there many foreign workers in the country?
9. What is the main focus of the US-Saudi relationship?
10. What assistance does the United States provide to Saudi Arabia?

Developing Critical Thinking



1. Locate Saudi Arabia's trade partners on a world map, and consider why bodies of water are essential for trade. What physical obstacles would hinder ground transportation? What do you think are some other advantages to using water for trade?
2. Although Saudi Arabia is an absolute monarchy, citizens vote in municipal elections to select two-thirds of the representatives. How effective do you think citizen-elected representatives are if the higher levels of government are all controlled by the king?
3. Saudi Arabia's economy is dependent on the export of petroleum products, and the country has become rich because of this valuable natural resource. What do you think are the two best ways to use and invest this money? Why?

Writing across the Curriculum



1. Most of Saudi Arabia is covered in desert. Write a short report explaining how this physical feature has shaped trade, farming, and population distribution in the country.
2. Write a short report on the relationship between the United States and Saudi Arabia. Be sure to include specific examples and draw conclusions about how the relationship is mutually beneficial.

Applying Your Skills



1. Select an important theme in Saudi Arabia's history, and create a timeline with at least six dates to show the history of your chosen theme.
2. Although Saudi Arabia has a large supply of oil, the United States has been importing less and less. Review this political cartoon featuring President Jimmy Carter (<http://tiny.cc/erkrlly>) to understand why. Write a paragraph on this cartoon and why it explains America's desire to import less oil.

Exploring Technology



1. King Abdullah of Saudi Arabia was well known for his efforts to modernize his country and increase the standard of living for his people. Using the Internet, research what he changed and how he implemented these changes. Use at least two credible sources and list them.
2. Saudi Arabia contains the cities of Mecca and Medina, which are incredibly important in Islam. Every year millions of Muslims go on hajj in Saudi Arabia. Read the article from the BBC (<http://tiny.cc/bbchajj>) and write a short report on the organizational and political concerns the country faces during the hajj.