What Lies Ahead for Saudi Arabia? (2/21/19)

00:00:25 Jessica Chen: All right, good evening, everyone. My name is Jessica Chen, and I work in public and professional programs here at the 9/11 Memorial & Museum. It's my pleasure to welcome all of you. As always, I'd like to extend a special welcome to our museum members and those tuning in to our live web broadcast at 911memorial.org/live.

Tonight, we are here to discuss what the future holds for the Kingdom of Saudi Arabia, a power player in the Middle East and a frequent U.S. ally. Saudi Arabia has been increasingly embroiled in controversy following the killing of journalist Jamal Khashoggi, and increased scrutiny of Saudi involvement in the Yemeni civil war. And, yet, Crown Prince Mohammed bin Salman claims to be dedicated to moving the country forward with his Vision 2030 plan.

00:01:07 We are very fortunate to have with us tonight two experts who will help us dissect these dissonances and explore what they mean for the future of Saudi Arabia's sociopolitical and economic climate. Dr. Karen E. Young is a resident scholar at the American Enterprise Institute, where she focuses on the political economy of the Middle East, the Cooperation Council for the Arab States of the Gulf, and the Arabian Peninsula.

Hassan Hassan is a columnist for "The Atlantic" and a senior nonresident fellow at the Tahrir Institute for Middle East Policy, focusing on militant Islam, Syria, Iraq, and the Arab Gulf States. Mr. Hassan has over a decade of experience working in journalism, and his work has been published in "The Guardian," "Foreign Policy," "Foreign Affairs," and "The New York Times," among others. He is also the author, with Michael Weiss, of the internationally acclaimed "New York Times" bestseller, "ISIS: Inside the Army of Terror."

We'd like to thank both of our speakers sincerely for sharing their time and insights with us tonight. So without further ado, please join me in welcoming Dr. Karen E. Young and Hassan Hassan in conversation with senior vice president for education and public programs Noah Rauch.

(applause)

Noah Rauch: Welcome, everyone. Thank you, Jess, and, really, thank you to the entire public programs team-- Jess, Ruth, Harmony, and Henry--who have put together a really wonderful Winter/Spring Public Program series, of which this is, this is the kickoff.

Karen, Hassan, welcome to you. There's lots of places to start the conversation, and I want to start with Jamal Khashoggi, who you both knew. I mean, the... the scale of his killing has become much bigger than the man, it seems. And so I want to get back to the man to understand who he was. So if you wouldn't mind just sort of starting out, if you could just sort of share your sense of him, your relationship with him, and just, like, who was he in his life?

Dr. Karen E. Young: Sure. I knew Jamal professionally. He was a well-known figure in Washington in the think tank community and in the journalist community. He was well-liked. He was considered... You know, a jovial and friendly guy. I met with him in the summer, just last summer, I remember in my offices, with my colleagues. And we had a very frank
discussion of the reforms going on in Saudi Arabia. And he was like that. He would meet with anyone who wanted to talk, and... He was a very open and, I think, generous person.

Hassan Hassan: I also knew him back when I was working for an, an English newspaper, for "The National." He used to write for us weekly, kind of frequently. So he wrote for us. I was kind of a big fan of his work. He, he has that kind of old experience, veteran journalist who brings in some insights about, you know, Islamism, for example, about the region geopolitically, and stuff. Very interesting insight.

He's kind of the guy who—who used to-- who knew inside information about-- or kind of insight about Islamists. But he also always kept this distance. And that's why a lot of people accused him of being Islamist. I don't think that's very accurate. He advocates a certain-- and you have that common in the Middle East, where people understand they have their hand sort of on the pulse of the people.

Noah Rauch: Mm-hmm.

Hassan Hassan: They know what's popular. But, also, they know how policies could affect certain, you know, the people, the impact of certain policies. And I think he was always pushing against this kind of aggressive way of doing things in the Middle East. And I think that's his-- the way he thought, he belongs to the old Saudi Arabia, the Saudi Arabia that he once worked as an adviser to and worked very closely to, like, Prince Turki, and so on and so forth. So he knew that, he operated there.

But at the same time, he wanted a new Saudi Arabia, a more modern Saudi Arabia. When the modern Saudi Arabia came with Mohammed bin Salman in 2015 and later in 2017, especially, he-- there was friction, because he was pushing for something that the new leadership didn't want. And I think that's why they got angry with him, so as a person, he was that. I think he was, like, the insider who was always, who always kept kind of a distance from the extremists, and he was pushing for something.
And he was always kind of an honest, very kind of brave person. And I remember the last time I talked to him was in June, just before his killing. And we were talking about him kind of wanting to open something new. And I-- you know, I don't want to go into detail, but had a specific issue that he thought we could work on together, kind of build a new, kind of an Arab newspaper or something at the time.

Turned out later that he wanted something to do with pro-democracy, something, an institution that would push a democratic agenda in the Middle East. Obviously, that was just a conversation, but that was the last conversation I had with him.

Noah Rauch: So, I mean, you talked about differences he had with the Saudi government. I mean, can you sort of make explicit for us why you think he was killed, if all independent observers are to be believed, including our own, you know, United States intelligence, by the highest orders of the Saudi government?

Hassan Hassan: I-- I can understand why. So I didn't think it... Initially, I didn't think they would do that, they would go so... like, you know, and kill him. I thought they would try to kind of bring him back at some point. He was, he was their worst nightmare. You know, working for-- if you, if you kind of met any Saudi close to the power circles at the time, seen the reaction to his op-eds in "The Washington Post," you could feel the anger.

Noah Rauch: Hmm.

Hassan Hassan: You know, how every time they do something, he essentially pours water into it and say, you know, "That's not really what it looks like." If it excites people in Washington and New York and--- sorry, in London--- it doesn't really resonate in the region. He was always pushing kind of against that, the narrative. And I think that angered, that kind of really got, you know, like, got some people really angry.
Noah Rauch: Were you surprised at the response, the international response to his killing?

Dr. Karen E. Young: I think... Yes, I mean, it has surprised everyone, right? But I think this is part of a momentum of, of kind of a reckoning with--between the bilateral relationship between the United States and Saudi Arabia, where there are lots of issues, which had been building. And this became, I think, also for the American public, a way of thinking about our foreign policy. Do we have a values-based foreign policy? What does it mean to have a relationship with Saudi Arabia? And any government that, that treats its citizens in that way.

So it's... it's been building, I would say. But, also, Jamal had a special place within, you know, a very important media organization, within "The Washington Post." And so, you know, the editors and Karen Attiah, in particular, have kept this in, in the spotlight. And I think that's a credit to the kind of person he was, but also to the fact that, you know, you probably shouldn't pick fights with "The Washington Post."

Noah Rauch: So, let's go to that relationship, because about a month and a half after the killing, President Trump put out a statement that really lays bare the transactional relationship with Saudi Arabia. And so I'm just going to read some excerpts from this statement that came out on November 20.

He starts, "The world is a very dangerous place," and he goes on to talk about how... These are the dangers of Iran. And then continues, "The kingdom agreed to spend and invest $450 billion in the United States. This is a record amount of money. It will create hundreds of thousands of jobs, tremendous economic development, and much additional wealth for the United States."

He goes on, "The crime against Jamal Khashoggi was a terrible one and one that our country does not condone." He goes on, "Representatives of
Saudi Arabia say that Jamal Khashoggi was an enemy of the state and a member of the Muslim Brotherhood, but my decision is in no way based on that. This is unacceptable and a horrible crime."

00:10:07 He goes on, "That being said, we may never know all the facts around the murder of Mr. Jamal Khashoggi. In any case, our relationship is with the Kingdom of Saudi Arabia. They have been a great ally in our very important fight against Iran. The United States intends to remain a steadfast partner of Saudi Arabia to ensure the interests of our country, Israel, and all other partners in the region."

00:10:24 So I want to, I want to define this transactional relationship. Because he lists specific deliverables: $450 billion, hundreds of thousands of jobs, an ally against Iran, the fight against terrorism, he talks about oil prices. But at the same time, just in the last week, there's been a report of American-made weapons finding their way into the hands of Al Qaeda fighters, and even Iranian fighters, fighting against the Saudis in Yemen.

00:10:46 A report from the F.A.T.F., the Financial Action Task Force, that found serious deficiencies in Saudi Arabia's efforts to combat terrorism financing, which of course goes back, has been an issue since 9/11. And the American weapons being found, reportedly being used to bomb civilians in Yemen. And so are these the strategic U.S. priorities in this relationship that he lays out? And if so, is this actually what's being delivered? And if you sort of want to provide some color for those recent reports, that would be helpful, too.

00:11:15 Dr. Karen E. Young: First of all, I think the president's statement was pretty crass in that kind of delineation of, of the U.S.-Saudi bilateral relationship. It's not just about these numbers, which are probably inflated, anyway. But at the same time, the foreign policy decision that the Trump administration has arrived at, which is that the bilateral relationship is important, is probably the same decision that any other past administration would have also come to, had this happened, you know, under the Obama or Bush administrations.
So I think the decision itself is not unusual or outside of the norm of American foreign policy in the way that these kinds of things are decided. But the language, I think, is a little bit problematic, right? But that's often what we get in the Trump administration. Is this-- and that's why his supporters, the president's supporters really like him, is that he, you know, comes out as, you know, "I'm going to be blunt. And this is what I think is correct."

So as I said, I think this has contributed to this build-up of an examination of, who are we as a country, and how do we conduct our foreign policy, particularly this very fraught relationship in the Middle East, this legacy of war and this legacy of terrorism, that we are still very much unresolved about? The interesting thing is that in parallel, in Saudi Arabia, I think there's also a national process of, you know, inward-looking and trying to figure out, "Who are we? Where do we want to go?" And so we're both kind of going through that at different times, but in some ways pulling away from each other.

Hassan Hassan: So, I do think Saudi Arabia has been Trump's biggest gamble, overseas, especially. They-- it makes sense. So if you go back to just a few years ago, because we shouldn't, can't just focus on the Trump administration. I think there is more problems created during this administration, but also with roots in the previous one.

So if you go back to the whole new Saudi Arabia that we see today, it started, I think the story started in 2015. So under the previous administration, when a few things happened. So one is this kind of American withdrawal from the region that pushed some regional powers to take matters into their hands. So they start to feel, well, the United States is not staying there, so we have to kind of start doing things on our own.

And I think that pushed, that kind of created some volatility in the region, where people started doing, you know, supporting this group and that group, and so on and so forth, while the U.S. wasn't doing, kind of controlling, micromanaging in the same way. But it was, at the same time, providing all the different support.
Now, that could have gone really into a positive thing, because one flaw in the American foreign policy, especially in the region, is, there's no long-term, durable, enduring policies that kind of ensures that, for example, extremism stays dead when it's killed. What happened was, with the, with these forces becoming involved in their neighborhood, that could have been, with some American guidance, directed into doing real, really good things in the Middle East.

So that policy was not necessarily bad, what the Obama administration was doing. But it wasn't doing it right. And I think this administration doubled down on that. So it was more continuity with the previous administration, but done in a worse, in a worse way, because they gambled. They kind of bet on Saudi Arabia to do, to change the Middle East, to counter Iran, to kill all these extremists, and so on and so forth.

But Saudi Arabia is incapable, is incompetent for a different reason, because Saudi Arabia is not used to doing these things. I think it will take them some time, for example, to adapt to these things. So I think these changes started then. We can talk about there was one direction where Saudi Arabia was headed, and I think it was taken to a completely different direction. So...

Noah Rauch: Define those directions.

Hassan Hassan: Kind of take... a bit of, a kind of a bit of a story there. Because if you go back to early 2015, what happened? King Salman took over, you know, took over power in Saudi Arabia after King Abdullah. And Saudi Arabia, if you go back to the statements coming out of the court at the time, or from power circles, was indicating that Saudi Arabia was trying to align with certain forces in the Middle East. Turkey, for example, was a big kind of indication for... kind of one big point where Saudi Arabia was saying,"We need to align with Turkey. We need to align with Qatar. We need to align with certain forces, like civil societies and so forth, in the Middle East and Egypt and elsewhere."
That was a Saudi Arabia that could have actually become a regional power with links and roots everywhere in the Middle East. That direction concerned one key ally to Saudi Arabia, which is UAE. Now, during the, King Abdullah's rule, the UAE was very close to the court, the royal court, away from King Abdullah. It was a court-to-court relationship, what we call in the Middle East diwan-to-diwan relationship. And it was a superpower, super-powerful. Then suddenly, 2015, it starts to slip away.

But the Yemen war changed everything back to the old, kind of the old relationship between the UAE and Saudi Arabia, and that pushed Saudi Arabia to more belligerent, more aggressive route, where everything started to become problem, they became more paranoid, and so on and so forth. And I think that was exacerbated with the Trump administration, when it came in, and fed and fueled that, kind of that paranoia, that sense of, we can do everything with impunity in the Middle East.

Noah Rauch: You know, let's, let's talk about Yemen. You know, we're four years in. We had a program on Yemen a couple of years ago. Four years in, we're looking at the worst humanitarian situation on the planet, just sort of reading some of these numbers. The population is 28 million or so. 22 of them, 22 million of them are in need of humanitarian assistance. 16 million lack access to drinking water and sanitation. Five million are approaching famine, and there's over one million cases of cholera.

And so, if you would, just sort of give a primer as to how we got here, and then describe the current state of affairs behind this disaster: Who's doing the fighting, where is it happening? And we have a map if we want to reference that. I know those are big things to talk about, but just to sort of set the stage for our current situation. Karen.

Dr. Karen E. Young: Okay, I'll try to do a quick primer.

Noah Rauch: And maybe we can pull up slide for you.
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Dr. Karen E. Young: So, you have to go back to the Arab Spring. So 2011, Yemen was one of the countries affected by the Arab Spring. There was a change of power. There was a very interesting national dialogue process, in which people from all over all parts of society in Yemen participated and made an agreement to have a transitional government headed by the former vice president.

And there is a group of, of people north of the capital, north of Sana'a, called the Houthis, and the Houthis are a small sect. They have been really led by, kind of, one kind of tribal family leadership. These are people who are not necessarily very sophisticated. They have been smugglers, armed -- you know, arms kind of dealers types. Not really interested in governing.

But they did take an interest in creating an attack on government in 2014. And so they attacked the capital, Sana'a, and have led a very successful insurgency since then, with pretty few resources, not very good organization, but managed to take a good bit of territory. And it was at the invitation of the internationally recognized government of Yemen that Saudi Arabia intervened, and then the United Arab Emirates, as well, in 2015.

And so the intervention of the neighborhood, and this becoming more of a regional war, was started as a civil war, and really of grievances that were not met from the post-2011 Arab Spring and the national dialogue process, in which the Houthis thought they should control more of the country than they were really given as representatives or, or their area.

And since then, they have received arms from outside, including arms from Iran, and they have proceeded to use those weapons to attack Saudi territory. And so, from the Saudi perspective, this is a war on their border, where they have had missiles landing in their capital, in Riyadh. From the Emirati perspective, they're kind of different interests in some ways. There's been cooperation, of course, with the U.S. government in countering Al Qaeda in Yemen, in which the Emiratis have been partners.
And so there are all kinds of groups: There's the Houthis, there's Al Qaeda, there's... There's militias. There's a lot of-- a lot of fighting in Yemen because Yemen is a very poor country with a whole lot of weapons. And this has been the case for a long, long time, but it's only exacerbated now.

Noah Rauch: What's the relationship between the Houthis and Al Qaeda? And ISIS?

Dr. Karen E. Young (laughing): Hassan.

Noah Rauch: Because they're fighting each other, as well, right?

Hassan Hassan: Yes, so, in terms of... So, they come from different sects. So Houthis belong to this, what we know, like, they call the Zaidis in Saudi Arabia-- sorry, in Yemen-- which is basically a strand of Shiism. But it's really the closest to Sunni. I think about it as, like, the sect between the Sunnis and the Shia in terms of specific, very, kind of very fundamental differences between Shia and Sunni, so they stand in the middle in some cases. And Al Qaeda and ISIS obviously come from the extreme fringes of Sunnism. They are Sunni groups, while the Houthis are Shia.

Noah Rauch: And so-- but so, in fighting-- it just, again, it just sort of speaks to the mess that is there, that sort of you have groups fighting groups who are fighting groups, that's sort of in a... in a way that is hard to make sense of, sometimes, as you have Al Qaeda affiliates joining with Saudi militias, you know, in ways that we would find problematic. I'm curious if... When did Iran enter the picture? And was it inevitable that they would sort of enter the picture?

Hassan Hassan: Well, that's a subject of dispute, contention between people... between scholars. Some people say Iran has never been in Yemen. A lot of people say Iran is everything, that's, what the Houthis are
doing is, is directly supported by Iran. So I think, obviously, there's a middle way where a lot of the supplies are smuggled, and the weapons and stuff come from Iran.

00:22:47 There's a lot of deep training between... kind of training schemes or whatever, kind of cooperation between, say, Hezbollah in Lebanon and the Houthis in terms of-- especially when it comes to media-- in terms of how to cover events on the ground, and war, what they call war media. There's also a lot of trainer, advisers, and so on and so forth, within the Houthis who are trained and kind of strengthened their abilities to strike, to build explosives and so on and so forth.

00:23:15 So skills that only groups like Hezbollah and the Iranians have. Houthis also have experience that goes back into, like, the, you know, during the Saleh. So before the Arab Spring, way before then, where they had been fighting the Saleh government. And so they have some combat experience that pre-dated the whole Saudi war.

Noah Rauch: So what's a realistic way that this ends? In terms of... impossible questions to ask you, but...

00:23:52 Dr. Karen E. Young: Well, there... There is a process. There is a U.N.-appointed negotiator, Martin Griffiths, and I think he's been doing a very good job recently. I think the Saudis want out. I think the Emiratis want out. The... the issue, I suppose, and I can't say that I'm an expert on Yemen to really argue this, is, it comes down to power-sharing. You know, what would be sufficient for the Houthis to put down their weapons?

00:24:22 And, honestly, I think the way that they have behaved in the negotiations in Sweden a few months ago, they benefit more from war than they will from peace. So from the Houthi perspective, they would rather keep fighting. And that's not to excuse the way that the war has been conducted on the other side, but it's... You know, this is... There has become a war economy in Yemen. And so the benefits of the continuing
of profiteering from, you know, the supply of food and all kinds of goods - gasoline-- is more useful than peace.

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Noah Rauch: Do you agree?

Hassan Hassan: Yes, I agree. I think, as many wars in the Middle East, the problem with Yemen is that everyone seems to be interested in kind of continuing some of the fight. Even though they, obviously, suffer from losses and so on and so forth. So, for example, if you start with Al Qaeda in the Hadhramaut area and so on and so forth, they are growing and have a real interest in experiment, I wrote about it recently, in Yemen.

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So AQAP-- Al Qaeda in the Arabian Peninsula-- for a long, was kind of linked to international terror, you know, attempts. And it was, at some point, it was seen as the most dangerous Al Qaeda affiliate in the world at some point. What happens, especially since the Arab Spring, is that this Al Qaeda starts to become more local. And that was because of a series of events.

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One is the Arab Spring, meaning popular uprisings that drove these extremists to get involved and be submerged into local fights. So they started to identify local enemies and local dynamics of tribes and so on and so forth. That pushed them to kind of take a more local approach. And we’ve started to see-- sorry, before I kind of go to your... directly to your question-- we start to see Al Qaeda becoming more and more entrenched in local communities.

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And at some point, they actually ruled, you know, an area for... for a year. And they, you know, they called themselves the Sons of Hadhramaut, and so on and so forth. And that pushed them even further away from the international, you know, terrorism in that sense. Even, there’s a statement by one Al Qaeda leader to a European, I think it was a Norwegian, newspaper, that’s saying part of the agreement between the tribes and Al Qaeda is to stop attacking the West, or kind of any, kind of thinking about beyond Yemen. So you see...
Noah Rauch: Which is totally counter to the way Al Qaeda used to be, right?

Hassan Hassan: Exactly.

Noah Rauch: In terms of shifting from the near enemy to the far enemy. Now they're coming back to the near.

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Hassan Hassan: I think there are... So, there are really kind of deep, drastic changes happening across the region in terms of jihadism, turning local and turning inwards. I don't think... ISIS is an outlier. But the Sunni jihadis have started to become more and more like Shia Jihadis, focused on local dynamics, started to slowly abandon the key tenets of Sunni jihadism, like transnationalism, suicide bombing, Takfir, for example, which is excommunication, calling fellow Muslims as apostates, so we've seen some of that happen actually in Syria, in Yemen, and in West Africa, in West Africa, and elsewhere.

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So you see that Al Qaeda, this is their opportunity. They don't want the war to end, obviously. ISIS has also started to grow in Yemen, but it's really not doing very well in Yemen. The Houthis, obviously, are under so much pressure. But they also have nowhere else to go. I mean, they can't just succumb to the kind of Saudi demands and say, "We're going back to our, you know, area." That's going to be a hard sell for them.

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So what they tried to do is to try to buy time, where the Saudis and Emiratis feel exhausted. Iran is very interested in this continuing, because the Saudis and Emiratis are very, you know, spending all their wealth, essentially, in Yemen. So, really, everyone is interested in that. And that's kind of a recipe for, for perpetual war. I don't think the war has run its course. It will take probably another five, six years.

Noah Rauch: Yeah, yeah.
Hassan Hassan: At least.

00:28:29 Noah Rauch: Well, let's shift from here, and we can come back to this later if there are additional questions from the audience, to map, slide four, to Qatar. There were some signs of the blockade maybe breaking this week, with the UAE now allowing trade. This is sort of coming up on a couple of years of this blockade.

00:28:51 So, in June of 2017, a coalition of countries headed by Saudi Arabia imposed this air, sand, and lee... (chuckling) air, sea, and land blockade. And the measures were designed to get them to comply with a series of demands that were largely around their alleged support of terrorism in the region. The day after, President Trump tweets in support. Ten months later, he takes a very different stance. And so, what were those demands? And what happened in those ten months to cause President Trump to change his opinion on this?

00:29:23 Dr. Karen E. Young (chuckling): I wish I could divine the thoughts of the president, but I can't. So, the 13 initial demands were about... Qatari media. Al Jazeera is a big concern of the Saudis and the Emiratis. It's really about Qatar's support for the Muslim Brotherhood. It was an initial premise of, you know, Qatari ties to Iran, but they share a massive gas field, so it's very hard to cut that tie. That's not going away, and that's important wealth for both.

00:30:02 And so, you know, these demands were very difficult. The problem is, since June 2017, this dispute has become very personal and, you know, interrupted family ties within the Gulf. And there's been lots of animosity on both sides. And so it's really hard to save face and to back down.

Noah Rauch: It seems to be a reoccurring theme.
Dr. Karen E. Young: Yes. And on the Qatars' part, they have seemed to manage relatively economically fine. They've put measures in place for food security. They've rerouted their kind of air routes, and they've moved on, I suppose. At the same time, the Saudis and the Emiratis say, "We can live with this, too," right? "This is kind of the way things will be." So it's become entrenched. And the problem is, it hasn't really stayed inside the Gulf.

So the competition between the Emiratis and Saudis, on one side with Bahrain and Egypt, and Qatar on the other, has become a region-wide, and even extra-regional, competition. And we see this in the Horn of Africa. We see it in the Levant. We see it in North Africa, in Libya. And so it's playing out in a lot of difficult ways.

Noah Rauch: You wrote recently, Hassan, that Qatar, you know, Qatar won the blockade.

Hassan Hassan: Yes.

Noah Rauch: So is it for those reasons? I mean, could you sort of talk that out?

Hassan Hassan: Yes, absolutely. So, that's another example of how conflict in the Middle East is sustained by each side seeing it as working for them. I think on the Qatari side, they don't have a choice, so they kind of, they tried to kind of fix the situation in the beginning. But it came from the four countries, what they call them the quartet. So... But the Qataris do feel there are some benefits to it, obviously, because they survived it as a country, with the new leadership-- you know, the new emir, I think, took power in 2013.

So there are some, you know... The feeling in Qatar is, obviously, that this is, you know, they did very well against this storm that at some point, people thought they're going to take... you know, sweep them away at
some point, a lot of people felt. So the reason why they won the blockade a year into that is that, if you examine the situation internationally, as well as regionally, a lot of people sympathize now with Qatar, because they-- for different reasons.

And I think it was really a series of events that happened after the blockade that enabled, that kind of got people to sympathize, or kind of really to see Saudi Arabia as more belligerent, and the UAE as-- as kind of unreasonable, in kind of an attack of Qatar. If you go back to the series of events, for example, the sequence of events, after the blockade happened, Mohammed bin Salman became the crown prince, the Yemen war started to get worse, and so on and so forth.

A lot of events that started to show that Saudi Arabia's policy is reckless. And that kind of projected an image of, their policy in Qatar is also pointless. There's no reason for that. And, also, some of the demands started to become clear that they are, they're unreasonable, and they are designed from day one-- and actually, I wrote an article in June straight after the crisis started in June 2017, saying the demands were designed to be rejected by Qatar.

So it wasn't kind of done for Qatar to say, "Okay, let's negotiate." No, they were done in a way, Shut down Al Jazeera. You need to compensate us for all the losses that we made of, you know, "blockading you," sort of, you know, like, "whatever fees we spent on blockading Qatar, you have to pay us back." This kind of stuff.

Noah Rauch: Completely unreasonable.

Hassan Hassan: Exactly. Why does Saudi Arabia-- why do Saudi Arabia and the UAE, for example, see benefit in blockading Qatar, despite all the losses? It's because they think they have cornered Doha where it's unable to do anything against their policies where, in Libya and Yemen and Syria and Iraq and elsewhere, where only them trying to kind of draw the map of the Middle East, while Qatar is busy trying to kind of recover from the crisis.
And that's really what sustain, sustains it. But on a publicity kind of, an image, reputationally, obviously, Qatar has won the crisis. And a lot of people, even the people who supported Saudi Arabia at some point in the beginning, felt that this was too unreasonable, too reckless, too belligerent, and it's contributed to the volatility in the Middle East. I was one of them. And it's really destabilizing the region-- we can talk about this, but, it's, that's...

Noah Rauch: Yeah, I mean, talk about that.

Hassan Hassan: So if you look... so, you know, the Middle East, it changes every year. And events in the region sometimes take a while for people to get to absorb their impact. But if you watch the region very closely, you feel the changes. So if you look at the region, the last, past year, this year, who is doing the most damage in the Middle East in terms of pumping money into extremist organizations, directly or indirectly?

It's the Saudi-led coalition, in Yemen, in Libya, and elsewhere. Because Syria, the Syrian crisis, where everyone was involved-- Turkey, Qatar, elsewhere-- is now quiet. No one supports it anymore. It's really, the Assad regime almost won. ISIS is almost done, and so on and so forth. So, who is more active in the Middle East and doing all this different damage? It's the Saudis and the Emirats in Libya and Yemen.

One, just, example, for those who appreciate ideology and kind of the problem of how extremism in the Middle East is becoming more and more of a problem at some point, even though you defeat these organizations every now and then. So, if you, if you look at Yemen and Libya, there's a group within, a strand of Salafism known as Madkhalis, which is really kind of the nastiest, one of the nastiest strands of Salafism, within Salafism, which is kind of traditionalist now, but more fundamentalist.
But it's apolitical, meaning you obey the ruler. That's their slogan. You have to obey the ruler, no matter what the ruler does. So this is a group, Madkhali, originates, the founder-- sorry, I'm kind of dragging on-- but the founder is from Yemen, but he lived in Saudi Arabia, and influenced a lot of people in Libya when Libyan jihadists started coming back from Afghanistan in the '70s and '80s... in the '80s, sorry, went to Saudi Arabia, started to be indoctrinated by these Madkhalis. And Saif al-Islam Gaddafi, the leader of Libya... or kind of the crown... the son of the leader of Libya, tried to attract them.

And after they became apolitical, they were attracted back to Libya. So what we have is a stronghold for Madkhalis in Yemen and a stronghold for the Madkhalis in Libya. And what's common between them is, they're apolitical, meaning they obey, obey the ruler. And the Saudis and Emiratis found them perfect for their support. So they start pumping money into them, into these kind of groups in Yemen and in Libya, because they think that once the war ends, they start to obey the ruler after that.

But what happens with these extremists, always when you give them guns, they don't, they don't just drop the guns. They change. They become something else. I think that's one of the problems. There's so much details about that, but kind of that's the bottom line.

Dr. Karen E. Young: Could I go back to the... I mean, I think Hassan is right to describe some of these groups that have, that have been beneficiaries of conflict and lawlessness in, across the region since 2011. But the other thing that's been going on that allows a lot of these shifts to take place, and allows the conflict with Qatar to continue, is this perception of the absence of U.S. interests in the region.

And so the mixed signals that were sent from the U.S. government after June 2017, I think also contributed to creating an impasse where, you know, sides are not in dialogue. And so there were messages that were from the Department of Defense. You know, "We have a very important base, Al Udeid, in Qatar. Qatar is an important partner in regional security."
But then there were also messages, you know, from the White House, which were different. And so, because there had been established this very high-level working relationship, particularly between the Trump administration and Crown Prince Mohammed bin Salman in Saudi Arabia, having other signals from within the U.S. government, which were not the same, created confusion and continue to create confusion.

And building on this is this anxiety, which Hassan rightly identified happened, began within the Obama administration, of, "The U.S. is not really committed to the region. We have to be ready for what's going to happen next. We have to take our security into our own hands," has, has really driven a lot of this, this interventionism, you could call it, from the Gulf states into the wider region. So it didn't happen in a vacuum, is what I mean.

Noah Rauch: Has there been an economic void, as well on the part of the United States, in terms of-- you talk about economic statecraft and the role that that plays in Saudi foreign policy-- not just Saudi, but lots of Gulf foreign policy. Does that extend in that way to the United States, as well? And then if you could just sort of talk about what that statecraft looks like.

Dr. Karen E. Young: So, yes, I do write a lot about the way that, that the Arab Gulf states use their resources either through their sovereign wealth funds, through central bank direct deposits into other countries to help shore up their, their finances, to commitments of foreign investment. This is a way to build soft power. It's also a way to, you know, create patronage systems, really. The U.S. never supplied money in that way. You know, U.S.A.I.D. doesn't, doesn't do that, doesn't have the dollar amounts which are now flowing around the region from the Gulf.

But at the same time, there is a sense that this is a tool that is at the disposal of countries like Saudi Arabia, Qatar, and the UAE, that they can use in a region that seems less secure, in lines that are less clear on, "What side are you on?", right, kind of line. And so we're seeing this a lot.
And we're seeing it not just in the Middle East. We're seeing it in the Horn of Africa. We're seeing it in Pakistan. We're seeing it in ties with China, as well, in different ways. It is a way to leverage relationships, essentially.

Noah Rauch: I'm curious how that statecraft is paired with the Saudification of the workforce in line with Vision 2030. So you have... You know, part of Vision 2030 is an effort to boost employment amongst Saudis, and so, which means that foreign-born workers are leaving. It looks like, you know, 700,000 in a little over a year, which is a sort of double whammy for these countries.

One, they lose their remittances, but, also, then all these workers are coming home and that's... potentially are out of work in these countries. So, what does that balance look like? And does it actually affect the countries that they do-- that they sort of are actively engaged economically with?

Dr. Karen E. Young: Yeah, remittances are really, really important. And the numbers are even bigger, actually. It's, 1.3 million workers have left Saudi Arabia in the last 18 months. And most of them are going back to... Bangladesh, Pakistan, India... Egypt, Lebanon-- I mean, you name it, in places where remittances to families are really, really important. So, yeah, we're going to be seeing the fallout of that, I imagine, for some time.

In Saudi Arabia, though, the priority, of course, is to, to try to create more jobs for nationals, for citizens, and to encourage citizens to take jobs that foreigners used to do. And so this is a huge cultural shift. It's a huge shift in... in, you know, patterns of employment, of family dynamics. More and more women are working. So it's, it's-- yeah, ripple effects inside and outside of the kingdom.

Noah Rauch: So, you know, talk about that shift. Because there is a big difference between public sector work and private sector work in Saudi Arabia. And so, do they attract different types of people? How are they
different? And also, are Saudis taking the jobs that are being left behind, are now open?

Dr. Karen E. Young: So-- no. Most of the workers who have left left for different reasons, actually. Part of it is Saudi-ization, and the government's imposition of fees on foreign workers, which makes it very expensive for a foreign worker, especially who has a family. Because each person in your family has to pay a fee, to... a visa fee, basically. But the workers who left, also, most of them were in construction. And there had been a slowdown in a lot of these large projects in the last couple of years.

So there wasn't work. Two of the biggest construction firms basically went into bankruptcy. And so, it also kind of aligned with the government's efforts to start diminishing the number of foreign workers. So, no, Saudis are not taking construction jobs. They're not taking, really, manufacturing jobs. They are taking more retail jobs, and there are certain sectors which are now just reserved for citizens in employment.

We're seeing the largest interest from women, actually, as job seekers. But those numbers are now somewhat going back down. So unemployment is, been pretty persistent among both women and men in Saudi Arabia, despite these efforts.

Noah Rauch: Why are those numbers going down for women?

Dr. Karen E. Young: So, what anecdotally people are saying is that, as women are entering the workforce, they're taking jobs and leaving them. So there's a lot of turnover. And so they're basically going into jobs for which they are probably overqualified, because most job seekers in Saudi Arabia are actually well-educated, have college degrees. And so there's a sense of, "Okay, I got a job, but this job is not so great," or, "I don't really like it, and so I want to try something else." So, that's-- you know, it's part of the process.
Noah Rauch: How have these reforms been received by Saudis? I mean, has there been political pushback to any of this? And if so, what efforts have been made on the part of the government to allay some of those fears?

Dr. Karen E. Young: Well, I think it depends on what kind of reforms you're talking about, right? So, there's been a massive shift in terms of society. So in people's ability to, you know, just kind of do normal things: go for a walk, walk in the mall, be in mixed-gender kind of situations.

So the crackdown on the religious police has been a very welcome change for most Saudis, I think. That's quite separate from the economic reforms. So the reduction of subsidies on electricity and gasoline and water, no, we have not seen protests. The imposition of a value-added tax. Now Saudis pay five percent on everything they buy. I mean, this is in, you know, the rentier system in which you're supposed to have no taxation for no political participation. There's taxation now, but still no political participation.

But, so, no, we have not seen real dissent against these kinds of reforms. And I think that's simply because of the demographics of the country, and, also, because it's a repressive country, that young people are, in some ways, at least in the short term, willing to say, "If you give me a little bit of space, I'm going to be with you for this ride." The question then becomes, you know, how long is the patience? And I don't think anyone has an answer to that.

Noah Rauch: I want to talk, 'cause we're, we're running out of time, about some of those social reforms. Because it does seem, you know, there's a disconnect in a couple of ways. One, a disconnect between these socially liberalizing forces and sort of an appeal to the West to get them--because a big part of Vision 2030 is outside investment in Saudi Arabia-- and the crackdown, the killing of Khashoggi, the jailing of dissidents, and women's rights activists. And so what is the balance there? Especially the jailing of many people who, you would think, are sort of in line with some of the reforms that are happening?
Hassan Hassan: So, I mean, the disconnect is an important thing, because you have to, you know, even just to go back very quickly on the protest thing. In Saudi Arabia, you know, when you talk to a lot of people who are, you know... You know, Saudis and the kind of people who study this very closely, they say there's not a culture of protest in Saudi Arabia. So there had been some instances where people protest against certain things, but these were organized by specific parties in Saudi Arabia, like the Muslim Brotherhood, for example, or Islamists or extremists, in some cases.

But as a society, to see people rising up against specific policies, that's not going to happen. That's not the measure of anger and rage and outrage in Saudi Arabia. In fact, this is actually one of the conversations I had with Jamal Khashoggi. We were talking about something related to how the policies and reforms impact society. And one thing I heard from someone close to the power circles in Saudi Arabia, to Mohammed bin Salman, who's actually in contact with him, he said at a moment of kind of honesty, he said, "Our people are like animals. You have to kind of shepherd them into any policy that you think is right."

But he said... I, he said, "90% of people are angry at what's going on in Saudi Arabia in terms of opening up the country, but also in terms of the repressive, the heavy-handed or, maybe, high-handed approach at some point against, against certain activists-- not just extremists, actually liberals, as well, and online." So that anger is boiling, and I don't think it's a measure of... It's not... the measure is not just to see how many people are going, taking to the streets. It will boil to a specific... It will heat up to a boiling measure. And that's the fear, that you don't anticipate it until it comes.

What Mohammed bin Salman has done is, basically demolished all the pillars of the kingdom and how it functioned for a long time in terms of going after his own family, going after all these business people, going after his, the clerics, going after the liberals, the activists online. For a long time, I thought Saudi Arabia was actually one of the best countries in
the Middle East in terms of-- in relative terms, in terms of speaking up your mind. You can actually see Saudis on TV criticizing specific things.

That's not, that's not... that's not anymore. There's a culture of fear that's growing in these things. So that's kind of the picture you see there. The disconnect here is that you see Mohammed bin Salman who's doing something that a lot of people imagine and wished Saudi Arabia would do for a long time: open up the country. Prison, jail these extremists, and so on and so forth. He knows because he has PR Specialists who tell him what to do to attract and kind of to get attention from the West to support you, support your reform.

So they do all these kind of different things. Interfaith dialogue, for example, is one of those tricks they use. Every now-- every now and then, they use this tool, unfortunately, to appeal to the West, because they know this tickles the imagination of people, that Saudi Arabia is finally changing, is finally being transformed.

Noah Rauch: I mean, it's amazing you bring up sort of the publicity, and sort of the PR side of it. And some of your reporting with the blockade, too, just the amount of money that is spent on PR, just in the billions, I guess I had no sense of that, and what role that plays in terms of their foreign policy.

Hassan Hassan: Yeah. I mean, DC is becoming another province or emirate for these countries. So, you go to DC, you have to either be with them or receive, you know, problems from them.

Noah Rauch: (chuckles) Let's take, let's take a few questions, if there are any. Well, let's wait for the lights to come on, and... We can do it in the dark, as well.

Dr. Karen E. Young: In the dark.
Noah Rauch: Yeah, in the shirt, right.

Man: In the last few months, there was the woman that fled...

Hassan Hassan: Uh-huh.

Man: There have been some meetings the last year or two, women have more rights. Do you guys see that as a positive change? What's sort of the... What's sort of the environment now? And when can we see some more women's rights in Saudi Arabia?

Dr. Karen E. Young: Um, well... Of the women activists who are currently in jail, and I know several of them, their concern was always the guardianship system. Driving is secondary, right? It's nice to have the right to drive. Of course, to take your kids to school, to go to work, to live a normal life. But the real issue is the guardianship system, in which a woman doesn't have control over her health care, over the ability to travel, over the ability to handle her own finances, the ability to even have permission to take a job.

So... Some of these issues are gradually, they are being worked on, and there are signs, just like many other social issues, that the crown prince is interested in making it better. But as Hassan said, this is very much a top-down reform process, right? And so everyone who has been involved from the bottom up, and even people who were very much, you know, working in tandem with the state, right?
And, you know, these are not people who were dissidents or, you know, mass... not rabble-rouser types, right? These are, you know, very sophisticated-- for the most part-- women. And so the fact that they were in line with the changes and would have been very supportive of them, but then find themselves in prison, and now reports of torture, is... is really, it's a horror, but it's also... it's a shame, because these women would have worked with the government to help push the process along.

So we're seeing some changes in women's ability now to access public services without a male guardian. But the travel issue now is a really tough one, and you see this, I think, more within families, causing a lot of tension, because what it does now for those families who are more conservative or more restrictive of their female members, there's going to be more suspicion, right, of women.

And this is something that many women's activists in Saudi Arabia had been worried about for the last three years, that as these changes might take place, we would expect a backlash and a backlash within the home, that we should expect the amount of domestic violence to increase. And this is, you know, something that I think many people have anticipated, but we're just kind of getting, getting into it now.

Noah Rauch: Um...

Man: This question will be for Mr. Hassan. Regarding Mr. Khashoggi, is it true that he was an actual member of the Muslim Brotherhood?

Hassan Hassan: He never admitted, I don't think, that he was. Now, what happened with the... You know, so, Jamal Khashoggi when he went to Afghanistan, he went there as a journalist.

Man: Right.
Hassan Hassan: And he had to also see... So, I'm not defending him. I'm kind of really objectively kind of analyzing. At the time, the fight in Afghanistan wasn't seen as today, in the '90s and the 2000s-- Al Qaeda and so on and so forth. It was a different era, and it was a popularly supported jihad in Afghanistan against the Soviets. Also, obviously, in the U.S., was supported at some point.

So, he, so my best guess is that he was in the circles of the Muslim Brotherhood. Remember that Osama bin Laden himself was actually, for a long time we didn't know, but he was actually a member of the Muslim Brotherhood...

Man: That was going to be my next question.

Hassan Hassan: In the, during his high school. But he, he went kind of extreme after he left them, sort of, after Afghanistan. He went there as a sort of a, a regular Muslim Brotherhood person who was, who was banned from being active, and they told him. And he-- I mean, Zawahiri himself told this story. The Muslim Brotherhood told him not to get active in any fighting, just as the peaceful NGO sort of work that you do there.

Man: So he wasn't active, according to...

Hassan Hassan: So he went to Afghanistan. That's where he left the Muslim Brotherhood. In Afghanistan, where he started getting radicalized there, becoming more active inside Afghanistan. That's Osama bin Laden. While Khashoggi, he maintained the same sort of charisma at the time-- sorry, the same character as in... in the circles, he understands them, but he had that detachment. I don't think he never... I don't think he ever admitted he was, or said he was in the Muslim Brotherhood at some point.
I think he was always close to them. And it's normal in the Middle East to have, like, you know, cousins and uncles or someone like that who are Muslim Brotherhood...

Man: Muslim Brotherhood?

Hassan Hassan: And who could be, and you could be something-- yeah, Muslim Brotherhood-- but you could be something else.

Man: It's not a great organization.

Hassan Hassan: Yeah. So my best guess is that he, he wasn't part of the Muslim Brotherhood, but he was close to the circles, which is...

Man: One more question, did... As far as you know, did Khashoggi have contact at any point in time with Osama Bin Laden?

Hassan Hassan: I think he interviewed him at some point.

Dr. Karen E. Young: Yeah, he interviewed him.

Hassan Hassan: In Afghanistan, so he was, yeah.

Man: Yeah, he did...

Hassan Hassan: So, I mean, I have to think about it. So, in Afghanistan, Osama bin Laden knew all the Saudis.

Man: Right.
Hassan Hassan: Because he... At some point, even some of his decisions about what kind of books, for example, to teach in the camps, were made based on attracting the Saudis and these things. A lot of these jihadis actually went into Afghanistan to build battalions from their own countries. So, Abu Musab al-Zarqawi, for example, went there intending to build a Levantine, sort of, from the Levant, from Syria, Jordan, and, you know, Palestinians, and so on and so forth, from there.

So Osama bin Laden was more trying to attract those people. So he knew all the Saudis in Afghanistan; at least they met a few times. He interviewed him. But I don't think he was part of that circle.

Man: No, no, I'm not, you know, saying that...

Noah Rauch: I'm sorry, this is... Because we have lots of hands raised here. Yeah, in the corner.

Man: Staff sergeant, retired from the Air Force, and I served 32 years. I took four trips to the Gulf. I spent-- I went to Saudi Arabia, Qatar, Afghanistan, and Iraq, in that order. And, you know, in the circles, we talked militarily, as well as civil. And one of the biggest things we got to understand in going to those four countries is that there's a whole lot of, you know, people that never served can't even imagine. There's so much politics in the Persian Gulf to not get attacked from an extremist group, okay?

We got an understanding that if this country, let's say, Qatar, don't bad-mouth Al Qaeda, you won't get attacked. Well, it wasn't necessarily true. Because they would attack you anyway. You know, there's, there's a whole lot of misconceptions in this country about Islam, about the Koran and stuff like that. Because the way the extremist groups poison, you know, indoctrinate and poison these young kids, you know, teenagers to be, you know, suicide bombers or plant suicide bombs.
You know, the region, for a long time now, I'll tell you, 50, 60 years, has taken a beating, you know, with all these different little factions, you know. From one country to the next, as well as in Yemen, like, you had stated with the Houthis and stuff like that. It's an incredible quagmire of power to see the countries progress. But when it comes to those groups that they feel it's better to just keep on fighting instead of putting your guns down and talk, I mean, that's what makes the whole region much more unstabilized. It's horrible.

Noah Rauch: I have one, I have a-- just sort of a... Sort of a question I think to end on in terms of, are there signs... Are there things we could be looking to, in terms of internal politics, to help us get a read sort of moving forward in the next, in the near future, in terms of, in the royal court, in terms of other changes that might happen that would sort of indicate one direction or another direction?

Dr. Karen E. Young: Within Saudi Arabia?

Noah Rauch: Yeah, I mean, just in terms of, as we sort of are reading the news and are reading reports, are there things that are, will be tip-offs for us to understand, sort of make sense of what we're, of what we're looking at?

Dr. Karen E. Young: You know what? There's a whole industry of, of royal gossip in the Gulf, right? Of trying to discern what comes next. I think we don't know. But we can see that this is definitely a moment of profound change, of instability, of questions about America's position in the region, of America's interest in the region, of, you know, and I think, sir, to your question, you know, there's a lot of debate, and Hassan's work is also on this.

You know, what is the root cause of, you know, what drives people to join extremist organizations? And there's truly a crisis of governance, and there's a crisis of the social contract in the Gulf right now, right? So, with
the imposition of all these economic reforms and asking more of citizens, then people will ask, "Well, what do I get in return?" And that's a very natural, normal thing, right? All societies go through this.

01:02:34 So I think we're, you know, we're entering into new territory, but human history does tell us a thing or two about what happens when you introduce taxation, what happens when you introduce conscription-- we didn't talk about that. But now, many young, you know, Gulf citizens are being required to serve in their own militaries. So this changes, changes that discussion.

01:02:59 Hassan Hassan: So, a couple of things. When you know, after the death, the killing, the murder of Khashoggi, I think there was a kind of a wake-up call, almost literally. When... you know, for a long time before that, King Salman took the back seat, sort of-- just stayed at home, wasn't in the public eye. Mohammed bin Salman was doing everything. He was the public face, or the kind of face of the kingdom, domestically and outside.

01:03:25 After the murder, King Salman starts to become more active, more outside, more in the open. And what happened was, at least there was a hope that his coming out, kind of the just, you know, way... sort of becoming more active, will encourage some of the people around in the family to sit down with him and say, "What Mohammed bin Salman was doing was wrong. We support him, but the way he was running the kingdom wasn't, wasn't right."

01:03:58 And I think that was happening at some point. Whether King Salman would do, you know, that or not, that's a different question. But what happened was, before that moment in history, a lot of Mohammed bin Salman's cousins and the family members were afraid to speak to him, because there was a perception in the kingdom and outside that Mohammed bin Salman was handed over power. At some point, people thought the king would abdicate at some point.

01:04:28 So a lot of people were scared to say and criticize him because they would get, you know, be in his bad books. When King Salman came, you
know, started to become active, a lot of people had that courage to say, "Yes, we support him, but this is, this is wrong, the way he did it."

Noah Rauch: So they had those conversations.

Hassan Hassan: And I think they did have a conversation. And what happened after that was, we started to become, kind of gravitate towards the old order, meaning power-sharing. Because what he did was really exclude everyone within the family, something that his... say, Mohammed bin Zayed, for example, in Abu Dhabi, didn't do.

It took him 20 years to really consolidate power in the UAE. Mohammed bin Salman tried to do it in a day. And I think there was a quote from someone saying, here in the U.S., where Mohammed bin Salman doesn't want to wait to kind of, for the car to pick up. He wants to move to 60 without moving to one, three, four-- one, two, three. So it was-- I think that was kind of, hopefully, that he start to understand that he needs to share power. He needs to become less heavy-handed.

And I think the conversations that I heard, my conversation with people close to the Saudi officials and Saudi people in the know, that there was an order to become less repressive and less heavy-handed than before. I don't know if that's real and that's going to happen. But, hopefully, that's the direction that he will be moving forward.

Noah Rauch: Well, I feel like we are just scratching the surface here. But I want to thank Karen and Hassan for a wonderful evening. Thank you very much.