

## SAUDI, INC.

How Saudi Arabia's National Oil Company Transformed the Desert Kingdom

*By Matthew Reed*

***Saudi, Inc.: The Arabian Kingdom's Pursuit of Profit and Power.*** By Ellen R. Wald. Pegasus Books, New York, 2018. 448 pp.

Two years ago, then-Deputy Crown Prince Mohammed Bin Salman shocked the world when he announced that 5 percent of Saudi Arabia's national oil company, Saudi ARAMCO, would be offered publicly. His valuation of \$2 trillion or more for all of ARAMCO would make it the most valuable company on the planet. Since then he has steadily consolidated power, pushed out rivals, and reshuffled the government. Now the 32-year-old is next in line to be king.

For the young and brash Mohammed Bin Salman, the ARAMCO IPO announcement was a declaration of independence. No longer would Saudi Arabia be hostage to the boom-bust cycles of oil prices, he swore. Instead, the kingdom would dare to end its dependency on oil, which dated back to its discovery in 1938. To do that Saudi Arabia would rationalize the welfare state and streamline a bloated government. It would also sell shares in ARAMCO and use those funds to develop non-oil industries at home.

*Saudi, Inc.: The Arabian Kingdom's Pursuit of Profit and Power*, a new book by Ellen R. Wald, neatly tells the story of how ARAMCO evolved from an American company in Arabia into the Saudi ARAMCO we know today: a world-class oil company that is 100 percent Saudi-owned and does much more than produce crude. In a matter of decades ARAMCO elevated Saudi Arabia from the humblest beginnings as a poor backwater, overshadowed by Cairo, Damascus and Baghdad, into a global energy powerhouse and the captain of Organization of the Petroleum Exporting Countries (OPEC). Wald's account is well-written, the characters are colorful, and the stakes are huge throughout. The shrewdness of Saudi leaders since King Abdul Aziz is evident in every chapter.

Wald explores how the company's success literally and figuratively paved the way for Saudi Arabia's modernization and urbanization. As she tells it, the company's efficiency, technical prowess, and merit-based corporate culture made it exceptional in a region where its peers have suffered from political meddling. ARAMCO and oil policy, by contrast, were deemed so precious from the beginning that Saudi leaders made sure to protect them from princely whims. The Saudi state was built on taxes and royalties from ARAMCO. Those petrodollars paid for hospitals, highways, and universities, Wald details, and in later years they paid to extend Saudi influence around the globe through mosques and Wahhabi teachings, with unintended consequences.

Naturally, Saudi-U.S. relations feature prominently in a story about an American company that is gradually bought by the Saudi state. Unlike other oil companies in the Middle East—many of which were nationalized outright—Saudi Arabia purchased tranches of ARAMCO stock from the Americans throughout the 1970s, until Riyadh became the sole owner in 1980.

When most Americans think of Saudi Arabia today, they think of OPEC's wrath and Al-Qaeda, but in the years after ARAMCO discovered oil, Washington saw cheap Saudi crude as essential to the success of the Marshall Plan in Europe. Americans pumped the crude and the Saudis profited from it, but it was the Europeans who really needed it after

World War II. That changed around 1970 when American oil production waned and the United States started importing more oil. Thus, the stage was set for the nastiest spat in the relationship's long history.

Wald's reading of the critical period of the 1970s, particularly the 1973–74 Arab oil embargo, may prove controversial because it completely minimizes the role of politics in Saudi oil policy. "Most importantly for Saudi Arabia," Wald writes, the 1973 Arab-Israeli War "provided an ideological cover for an economic assault on the world economy." She describes the Arab oil embargo as a "business strategy" disguised as a political decision. This overlooks the fact that King Faisal Bin Abdulaziz Al-Saud was adamant about Washington playing peacemaker in the wake of the 1967 war. He made this clear to U.S. officials and oilmen many times over; indeed, King Faisal called on President Nixon to seek a comprehensive Israeli-Palestinian agreement from the earliest days of Nixon's administration.

In the six months leading up to the October war, King Faisal warned U.S. media outlets that oil exports could be cut off. He sent his oil minister Ahmed Zaki Yamani to Washington to deliver the message personally. Previously, Faisal and Yamani had declared their reluctance to use the "oil weapon," as Wald writes. However, that changed when Nixon sided with the Israelis and launched a massive airlift operation to re-supply them. Wald suggests that the embargo

was half-hearted, and perhaps imposed for show, because it cut off U.S. refiners but not the U.S. Navy. Yet that telling trivia is not proof of duplicity. Rather, the decision speaks to Faisal's priorities: he wanted the Americans to reconsider their support for Israel but he also wanted the United States to succeed in its fight against communism in Southeast Asia. Years of diplomacy and months of warnings leading up to the embargo suggest it was more than merely an economic power play to maximize revenues.

That episode aside, Wald's account is fascinating and useful because it explains what makes the Saudi oil business so unique. It reads like a blueprint for Saudi success. Oil is the family business but one which the royal family entrusts to technocrats. Over time, as ARAMCO became a Saudi company, it also became an incubator for Saudi professionals in a country where most citizens are employed by the government. Today, ARAMCO functions like a private company but for the public good. In turn, it has become a symbol of national pride. At various points, Wald demonstrates that the Saudis have consistently taken a long-term view on oil matters. In pursuit of their goals, oil and otherwise, Saudi leaders have acted gradually and carefully over many decades. Such incrementalism has served them well when dealing with foreigners and constituents at home, especially those opposed to change.

Crown Prince Mohammed Bin Salman should read *Saudi, Inc.* precisely because

his style is so different from those who came before him. Wald's account makes this clear, albeit implicitly, since her book does not touch on recent events. The crown prince would find much to like in *Saudi, Inc.* ARAMCO's corporate ethos is that which the crown prince wants to impose on his government. The results speak for themselves but Wald's book stands out for its clarity and timeliness.

***Freedom without Permission: Bodies and Space in the Arab Revolutions.***

Edited by Frances S. Hasso and Zakia Salime. Duke University Press, Durham, NC, 2016. 304 pp.

As an American woman and political scientist who has found herself living in Cairo six years after the 2011 uprising, I have found my perceptions of the Arab Spring frequently and viscerally uprooted. Having watched the events unfold through Western network television, it is by now banal to point out that the two narratives that dominated coverage of the uprisings were those of women and social media as the driving forces behind calls for democracy.

*Freedom without Permission: Bodies and Space in the Arab Revolutions* is an example of the burgeoning literature reexamining the Arab uprisings that seeks to challenge both outsiders like myself as well as people who lived through these events. Rather than dismiss the twin narratives of women and social media, it seeks to disrupt and authenticate them by

engaging them on their own terms rather than through the Western gaze.

As the title indicates, the contributors to this edited volume focus on the nexus between women's bodies and the various spaces, both physical and digital, in which the revolutions took place. In the introduction, the book immediately does away with the conventional definition of revolution, which the editors locate in the social sciences, as "transformed states and overthrown leaders." Instead, the focus is on the "revolution" that took place in the spaces that the uprisings opened up for new forms of expression such as blogging and public squares. In short, the volume reads as an ethnography of micro-revolutions not through the disruption of the state's monopoly on force, but primarily through women breaking men's monopoly on space.

*Freedom without Permission* covers these areas, with each chapter presenting an example from a different country. Two chapters specifically focus on blogging and challenge the Western narrative of the "Facebook revolution" by exploring blogging as a more personal and flexible, but not wholly democratic or safe, medium for women's expression. The first chapter by Sonali Pahwa centers around the use of personal blogs by young Egyptian women as they publicly struggle with their identities as feminists in a socially conservative environment, even before the eruption of protests in Tahrir Square. Although focusing on blogs reifies the digital component of the uprising

that is so elevated by Western analysts, it also adds a layer of complexity by revealing the charged relationship between real and virtual public spaces. For example, a blogger named Fatema describes in vivid detail incidents of sexual harassment on the streets through her blog, and uses her online voice to respond to these incidents in a way that would have been impossible in person—or offline. Her blog opened up opportunities for frank discussions on sexual harassment, while simultaneously provoking intimidating and threatening comments in reaction.

Blogging also features heavily in the penultimate chapter by Karina Eileraas, which focuses on a particular Egyptian blogger, Aliaa Elmahdy, who posted a nude selfie in 2011 to show her despair over the direction the uprising was taking. Intense reaction to her photo caused her to flee to Sweden where she was granted asylum. Similar to the chapter by Pahwa, Eileraas weaves a complex web between Cairo as a "space of paradoxes with respect to women's bodies," not dissimilar to the paradoxes women experience online who are finding new subversive platforms to express themselves, albeit ones paired with intense sexism.

The chapters that fall in between take the reader from Tunisia to Yemen, from Bahrain and Saudi Arabia, and interestingly, even to Istanbul's Taksim Gezi Park. For a book that from the outset rejects a notion of revolution rooted in the nation-state, it cannot help but be organized along those lines. This is not so

much a shortcoming as it is a reflection of the political geography throughout the region: state borders, representing real and hard spaces around which much of people's daily lives are organized, and other structures such as Islam, pan-Arabism, gender, and digital diasporas, complement as much as they compete with one another. While it is true that political scientists such as myself aren't equipped to deal with sub-national spaces, it is also a bit wanting to ignore the territorial nation-state—a space that, for better or for worse, is the most potent power structure in the world today, and the main target of the calls to revolution.

There are two chapters, however, that do take nationalism and the state seriously. In Lamia Benyoussef's chapter on Tunisia, she discusses in detail how gendered symbolism figures prominently into Tunisia's post-revolution nation-building. Specifically, she reveals how emasculation came to stand for the failure of the state to provide basic needs and services; thus, the need for regime change. Scholars of Western revolutions have noted similar patterns of associating male humiliation with calls for revolution.

Additionally, the final chapter by Banu Gökariksel argues that the Gezi

Park protests naturally followed the Arab protests, and addresses the same motif of women asserting new voices and identities in public and online spaces. The author contrasts the Taksim protests that took place within a shifting democracy to the autocracies in the Arab region. The other chapters could have benefitted from a similar transnational comparison.

*Freedom without Permission* challenges the concept of the "nation-state" as an analytical category, but the deliberate disengagement of the digital and gender revolutions from those of the state is a missed opportunity. Despite this, the chapters can be read as stories of nation-building on the micro-level—of people asserting themselves often in defiance of state power. During calls for regime change, nation-building is at its most robust. Not only does the state have opportunities to reimagine itself, but so do non-state actors, as this book so clearly demonstrates. Those who lived through the Arab uprisings will definitely appreciate a reading of the revolutions that corrects much of the Western misperceptions surrounding the role of women and social media. But they may also feel that there is still so much more to be said.

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