

MERIA

SAUDI ARABIA: A BRIEF GUIDE TO ITS POLITICS AND PROBLEMS

By Nimrod Raphaeli*

This article examines the familial structure of the Saudi ruling oligarchy and considers this regime's performance given the economic and demographic challenges it faces.

Oligarchy is a form of government where a few rule the many. In Saudi Arabia, the few are predominantly royal male princes who are all descended from the founder of the modern Saudi kingdom, King Abd al-Aziz who, upon his death in 1953, left behind 44 sons (and an uncounted number of daughters) by 17 wives. Today, Saudi Arabia's ruling structure is capped by a unique, almost unprecedented, form of oligarchy, whose members are connected through a bloodline to Saudi Arabia's polygamous founder. The princes have treated the country's wealth of oil and minerals as their personal domain and made themselves famous for their extravagant life style. Some princes have accumulated enormous personal wealth; with King Fahd bin Abd al-Aziz, the reigning monarch, topping the list with a personal fortune estimated at \$20 billion.(1)

This particular system has important implications for Saudi society, politics, and policies. It is also a central consideration for pondering any future reform or development in the country.

ECONOMIC CHALLENGES AND PERFORMANCE

As the princes have grown richer, the people of Saudi Arabia have grown poorer. While gross domestic product (GDP) grew at an average of 1.25 percent per year between 1981 and 2001, from \$155.1

billion in 1981 to \$186.5 billion in 2001, the average GDP per capita shrunk roughly 2.5 percent per year.(2) In fact, the per capita GDP was worse in 1999 than it was in 1965 before the massive rise in the price of oil.(3) Even the Saudi press has noted how, in nominal terms, GDP per capita went from \$10,330 in 1989 to \$7,743 in 2001.(4)

Additionally, a review of the Saudi economy by the International Monetary Fund indicates that, with the exception of the year 2000, in which the overall central government budget registered a sharp turnaround due largely to a rise in oil prices, "in every other year, the budget has run a deficit and the debt stock has run up to \$170 billion, which is equal to the size of GDP."(5) (By comparison, in the European Union, the ratio of public debt to GDP is restricted to 60 percent.) Given the lack of discipline by many princes and a bloated bureaucracy, these issues are not likely to be solved quickly.

Beyond the poor financial management by the ruling elite, this section examines the major systemic problems of the Saudi economy, including its dependence on oil, its population explosion, and its massive unemployment.

The Dependence on Oil

Saudi Arabia is an oil-based economy with strong government control over major economic activities. The petroleum sector

accounts for roughly 75 percent of budget revenues, 45 percent of GDP, and 90 percent of export earnings. Indeed, only about 25 percent of GDP comes from the private sector. Saudi Arabia's economy remains, despite attempts at diversification, heavily dependent on the production and export of oil.

A strong rebound in oil prices beginning in the latter part of 2002 and the beginning of 2003 provided a little relief for the Saudi economy. According to a Saudi Arabia Monetary Authority (SAMA) report, the Kingdom's revenues from oil in 2002 reached \$54.4 billion or 30 percent over the budgeted revenues. However, actual spending has also exceeded budgeted expenditures by 11 percent, reaching \$60 billion, up from a projected \$53.9 billion.(6) The rise in oil prices preceding the war in Iraq was a temporary rise, however, and so will not dramatically alter the revenue figures, nor provide long-lasting relief for burgeoning public debt. In other words, the long-term health of the economy still requires a measure of fiscal discipline, which the Saudis have so far failed to exercise.

In fact, in the long-term, oil prices will likely suffer as Iraq reenters the export market at eventually higher levels than during the period of UN sanctions, since it possesses the world's second largest oil reserves. It could increase its exports from the two million barrels a day (mbd) produced at the end of Saddam Hussein's regime to 3.5 mbd within 18 months, and has a reasonable potential to produce 6 mbd in 3 to 5 years.(7) While Saudi Arabia produced 8.7 mbd in 2002 (11.8 percent of the world market), total global production is only about 74 mbd.(8) And from the Saudi perspective, even a reduction of \$10 in the price of a barrel of oil would mean a loss of revenues of about \$70 million a day, or a loss of approximately \$25 billion on an annual basis. Since the beginning of the war in Iraq until the end of May, oil

prices have already fallen roughly \$5 per barrel.(9)

The Economy's Non-Oil Tax Base

The non-oil government revenues are constrained by a largely non-competitive market place where monopolies and "exclusive dealerships" are dominated by members of the royal family and their cohorts, and usually they do not generate revenues for the government in the form of sales or income tax. While some monopolies and single dealerships control large segments of the market, they are protected by the *Shari'a* (Islamic law) from paying taxes on their earnings. Rather, they are required to make a voluntary contribution of 2.5 percent in the form of *zakat* (religious charity) to organizations or groups or individuals of their choice.

This religious protection of the rich and the powerful deprives the government of vital sources of income to address the social and economic needs of the majority of the people. The result is a skewed income distribution and the growth of extensive poverty and deprivation. Despite growing social needs, Khalid al-Qusaibi, the Saudi minister of planning has recently confirmed that the Saudi Government will not introduce the income tax to reduce the burden of the national debt or redistribute national wealth.(10)

Population Growth

While GDP went from \$155.1 billion in 1981 to \$186.5 billion in 2001, the population grew from 9.9 million in 1981 to 21.4 million in 2001, an increase of 54 percent. Thus, while economic growth has averaged 1.25 percent annually, the population has increased by about 3.67 percent per annum.(11) The UN has estimated that the rate of population growth in Saudi Arabia in the years 1975-1999 was at an even higher rate of 4.2 percent, making it one of the highest in the world.(12)

According to Dr. Wadi' Ahmad Fadhil, a professor of economics at King Abd al-Aziz University, the kingdom has been facing a population explosion since the early 1990s which will remain at about the same rate through the 2030s. At this rate, the population will double every 20 years from 20 million in 2000 to 40 million in 2020.(13)

There are several causes for this tremendous population growth. The first is that infant death rates in the Kingdom have plummeted over the past 20 years. From 65 deaths per 1000 live births in 1980, Saudi Arabia had dropped to 19 per 1000 by 1999--one of the lowest in the Arab world and under half the regional average.(14) Likewise, life expectancy in Saudi Arabia, which was 61 in 1980, had risen to 72 by 1999 (from two years under the world average to six years above it).(15)

Clearly, these improvements are largely the fruit of Saudi investment in the health care system. The Kingdom currently spends approximately \$890 per person on health care expenses, the third highest in the region after Israel (\$1,730) and the UAE (\$1,495), and is twice as high as the region's fourth biggest spender (Lebanon at \$430).(16) However, as a portion of total GDP (which tells what percent of the oil revenue goes to health), Saudi Arabia was in the middle for the region with 8 percent of GDP, following Lebanon (9.8 percent), Israel (9.5), Jordan (9.1), the PA (8.6), and the UAE (8.2).(17)

Despite all these improvements in health care, the country has been unwilling to seriously tackle the issue of family planning and birth control in order to rein in population growth. The average woman still has 5.4 children, though this has dropped from 5.7 in 1997.(18) One Saudi analyst, Muhammad Abd al-Latif al-Sheikh, foresees a very serious problem in terms of water supply for this burgeoning population. This conclusion led him to

suggest, though this is not a popular idea in Saudi Arabia, that some form of "population rationalization" may become inevitable. (19)

Unemployment

Unemployment figures in most developing countries are unreliable. There are no official employment agencies which register work seekers on a regular basis and governments may be reluctant to make known the extent of the problem. Saudi Arabia is no exception. A Saudi newspaper speculates that while the unemployment rate is estimated at 20 percent it could be as high as 30 percent. The irony of the situation is that the Saudis employ 6 to 7 million foreign workers, including 3 million maids and drivers.

The foreign workers transfer, primarily to their home countries, 50 billion Saudi riyals (\$13.3 billion) annually.(20) To reduce the number of expatriate workers, the government has recently decreed that 24 categories of employment will be restricted to Saudi applicants.(21) Minister of Interior Prince Naif, who is in charge of foreign labor, has decreed that foreign workers and their family members should not exceed 20 percent of the Saudi population in 2013.(22)

To deal with the problem of unemployment the Saudi government has allowed the civil service and the public sector to hire Saudis for nonexistent jobs, turning government agencies into a vast social welfare system. As a result, Dr. Abd al-Rahman al-Shaqqawi, director of the Saudi Institute of Public Administration, has estimated that \$28.5 billion, 65 percent of the Saudi annual budget, is earmarked for salaries and that proportion is bound to increase.(23)

Poverty is one of the immediate manifestations of unemployment. In Saudi Arabia, poverty is reflected in high population growth, in poor housing and

inadequate social services. To dramatize the problem of poverty in Saudi Arabia, Crown Prince Abdallah toured homes of poor people in Riyadh for an hour and a half. He called on the wealthy people of Saudi Arabia to do more for the poor, which, as will be discussed later, is the Saudi way of addressing urgent social issues. A striking manifestation of poverty is the large and growing number of street beggars. According to published data, the number of arrested Saudi street beggars, both male and female has been on the increase. Most alarming is the number of beggars who are children. A Saudi journalist complains about “convoys of human beings who arrive every day... who could be a source of danger to the citizen and the security of the land.” The author, Salwa abu Mideen, complains that beggars search the garbage cans, which cause “the spread of bad odors, flies and mosquitoes.”(24)

At the same time, the elite has a very high standard of living. In 2002, the Saudis charged \$19 billion against their Visa credit cards, an increase of 23 percent over the previous year. The average annual charges were \$8700 per card.(25) The kingdom imports more than 275,000 cars a year at a cost of 41 billion riyals (\$10.9 billion), in addition to spare parts at a cost of 9 billion riyals (\$2.4 billion).(26) It is revealing that Saudi Arabia is perhaps the only country in which Mercedes cars are advertised as gift items.

THE STRUCTURE AND ROLE OF THE SAUDI OLIGARCHY

Modern Saudi Arabia was founded by King Abd al-Aziz in 1932. Since his death in 1953, the throne has been held successively by four of his sons. The crown first passed to the eldest son, Sa'ud, who was succeeded by Faisal in 1964. Khalid succeeded Faisal when the latter was assassinated by a nephew in 1975; Khalid was succeeded in 1982 by Fahd who

continues to rule formally as king and prime minister to the present day, although real power is vested in his half-brother, Crown Prince Abdallah.

The heir to the Saudi throne is selected by the royal family through a secretive process. The chosen heir is given the title of "crown prince" and holds the position of first vice minister in the king's cabinet until such time as he becomes king. Presently, Prince Abdallah bin Abd al-Aziz is the crown prince. Should he become king, he would be the fifth son of the family patriarch, bin Sa'ud, to succeed to the throne.

The central figures of the oligarchy are the "Sudairi seven" which comprise King Fahd and six of his brothers whose mother was Hassa bint Ahmad al-Sudairi. Crown Prince Abdallah is a half-brother to the seven whose mother was al-Fadha bint Asi al-Shuraim. The Sudairi seven comprise:

Fahd bin Abd al-Aziz	King and Prime Minister
Sultan bin Abdul-Aziz	Second Vice Minister and Minister of Defense and Aviation
Abd al-Rahman bin Abd al-Aziz	Vice Minister of Defense
Na'if bin Abd al-Aziz	Minister of Interior
Ahmad bin Abd al-Aziz	Vice Minister of Interior
Salman bin Abd al-Aziz	Governor of Riyadh
Turki bin Abd al-Aziz	Businessman, lives in Cairo

Based on extensive examination of two Saudi dailies--*Okaz* and *al-Riyadh*-- a number of charts with the names of the various princes in senior government and other positions have been pieced together. The charts cover most of the highest echelons of government. They include 103 princes (and one princess), in addition to the king, who are often mentioned in the dailies in connection with their duties or activities, such as attending receptions or receiving or bidding goodbye to a senior member of the royal family or foreign dignitaries. Others may be mentioned in connection with medical treatment abroad. Some names appeared in special notes of gratitude and appreciation when one or more of the leading princes offered condolences to a bereaved family, normally a wealthy and/or important family which can afford to pay for "thank you notes" which cover an entire page in one of the Saudi dailies.

The charts provide visual evidence of the pervasiveness of the Saudi royal oligarchy over all ruling positions of the Saudi kingdom. The charts provide a picture of the extent to which an oligarchy of a little over 100 princes, related by blood and accountable only to themselves, control the lives and well being of 22 million Saudis.

Chart I: The King and his Deputies

Chart I (see Appendix, Chart I) represents the apex of the political-military establishment with King Fahd at the top followed by his two brothers, Abdallah, as crown prince, vice minister and commander of the National Guard, and Sultan, as the second vice minister, and minister of defense and aviation. Fahd's own son, Abd al-Aziz is a state minister for cabinet affairs and a gatekeeper to the king. Two half-brothers, Turki and Badr, serve as the deputies to the commander of the National Guard. Three of Abdallah's sons,

Mut'ib, Turki and Abd al-Aziz serve in various senior capacities in the National Guard and hence under their father. The separation of the National Guard from the ministry of defense is intended to avoid the concentration of too much military power in the hands of any of the leading princes.

Chart II: Royal Members of the Cabinet

Chart II (see Appendix, Chart II) provides information on the ministerial positions in the cabinet held by the princes. The cabinet comprises 24 ministers (with portfolios) and 8 state ministers. The three key ministries, foreign affairs, defense and interior are held by senior figures of the royal family. The minister of foreign affairs, Prince Faisal, is the son of the late King Sa'ud, and thus a nephew of the reigning king. The defense and interior ministries are held by members of the Sudairi seven, Sultan in defense and Na'if in interior, both brothers of the king.

Below the ministers' level are a number of princes who are the children or close relatives of the ministers themselves. In the ministry of foreign affairs, the most important diplomatic post--ambassador to the United States--is held by Prince Bandar, the son of the previously mentioned defense minister, Prince Sultan. In the recent cabinet reshuffle, Prince Bandar was given the rank of minister, though keeping his position as ambassador to the United States.

Prince Bandar bin Sultan is not just any other ambassador. He is responsible for maintaining the vast and intricate relations between his country and United States at the highest levels. His access to high-ranking U.S. officials has no equal in Washington. Recent discussion about succession in Saudi Arabia has focused on Prince Bandar being elevated to a high position in Riyadh should the leadership decide to skip over his father, Prince Sultan, as the next crown prince if

Abdallah were to become king. The promotion of Prince Bandar is said to compensate his father (one of the wealthiest men in Saudi Arabia. His wealth is derived from commissions on vast military procurements).(27) The ambassador to the United Kingdom, Prince Turki, is the son of the late King Faisal, and thus the brother of Turki al-Faisal, the Saudi Ambassador to the U.K. Two other princes occupy the two most senior civil service posts in the ministry of foreign affairs, including that of the first secretary-general and the director general of inspection, and both are nephews of the king.

In the ministry of defense, the second most important position below that of the minister himself is held by another member of the Sudairi seven, Abd al-Rahman (Sultan's brother) who serves as vice minister. A minister's son, Khaled, serves as assistant minister while his half brother, Nawaf, occupies the powerful position of director of central intelligence (previously occupied by the minister's nephew, the aforementioned Prince Turki.)

The ministry of interior is a powerful ministry because it controls the 13 governorates of the country. Both the minister, Na'if, and his vice minister, Ahmad, are members of the Sudairi seven. The minister's son, Muhammad, serves as the assistant minister.

The possibilities for favoritism in the granting of government contracts are enormous. A half-brother of King Fahd, Prince Mut'ib, serves as a minister for public works and housing, while his half-brother, Prince Ahmad, is his vice minister. The ministry of public works is an important economic ministry with control over a large amount of money. Prince Abdullah bin Faisal bin Turki is the governor of the investment authority with the rank of minister. He is a grandson of Ibn Saud's first son, Turki, who died in 1919. Princes serve as vice ministers in

two other ministries, petroleum and planning. In the ministry of petroleum, the vice minister is Prince Abd al-Aziz, the son of Prince Salman who is the governor of the important governorate of Riyadh and one of the Sudairi seven. In the ministry of planning the vice minister is Prince Faisal, the son of Prince Sultan.

Two significant ministries--finance and petroleum--have always been under non-royal technocrats. In the case of the ministry of finance, a non-royal minister is perhaps intended to prevent any of the leading princes from controlling the enormous finances of the kingdom. In any case, the minister of finance does not have the stature to stand up to any of the senior princes. While the kingdom has a budget approved by the cabinet, there appears to be no strict control over expenditures, if judged by the frequency with which the king or one of the senior princes makes donations to causes big or small. Nevertheless, a technocrat minister at the treasury guarantees a semblance of accountability. In the case of the ministry of petroleum, major decisions regarding production and pricing are made by the king or his vice minister, the crown prince.

Chart III: The Structure of the Sub-National Government

(See Appendix, Chart III) Saudi Arabia is comprised of 13 governorates (imarat), each headed by a governor (amir) with the rank of a minister. All the governors report to the minister of interior, Prince Na'if. Many of the governors are either brothers of the minister of interior or his nephews, and all of them are princes, though some with no direct blood link to the house of Saud. The most senior of the governors is the governor of Riyadh, Prince Salman bin Abd al-Aziz who is one of the Sudairi seven. The other half-brothers of the minister of interior are the governors of al-Hudud al-Shamaliyah, al-Madinah, and Jizan. The minister's nephews occupy the

governorates in al-Baha, al-Sharqiyah, Asair, Najran and Tabouk. Most of the governors have royal deputies.

Chart IV: Princes in Other Senior Positions

Chart IV (see Appendix, Chart IV) lists royal princes in a variety of senior positions in the sub-national administration, the military establishment, youth, women and sport, medical societies and business. Particular mention should be made of Prince Mash'al bin Majid bin Abdul al-Aziz, the governor of the district of Jeddah (and the son of Prince Abdul Majid bin Abdul Aziz, the governor of Mecca), Prince Sultan bin Salman, secretary general of the Tourism authority and the son of Prince Salman, the governor of Riyadh.

In the military establishment, besides the minister of defense and air force Prince Sultan, princes are commanders of the navy, air force, armored corps, National Guard and a variety of air bases, including Prince Abdallah Air Base, named after the Crown Prince.

In business and publishing, princes control the two major Saudi dailies, *al-Hayat* and *al-Sharq al-Awsat*, both published in London. Princes also control some of the largest business establishments, al-Mara'i, Arab Electronics and the largest cement company, Qusaim Cement Company. Many princes lend their names and connections to business enterprises or they control "exclusive dealerships"--the monopolistic form of trade that allows an individual the exclusive rights to import a particular commodity. Many of these princes/businessmen do not operate under the limelight like their political cousins, and hence we have little information about their activities. An exception, however, is Prince Walid bin Talal, a billionaire prince.

Princes also head sports and youth organizations as well as a variety of medical societies. All the princes listed are males, which is hardly surprising in the conservative Saudi society. The sole exception is Princess Abta bin Hamoud al-Rashid, president of the Women's Council, who is the wife of Prince Muqrin, the governor of Madina.

Royal Donations to Address Social and Economic Problems

Having a patriarchal and proprietary view of the country--and drawing scant distinction between the private and the public domain--the royal oligarchy looks upon the Saudi people as subjects merely deserving of royal charity rather than as the true owners of the country. Thus, instead of addressing social problems as a public obligation requiring state action, the royal oligarchy in Saudi Arabia individualizes the solutions by making royal grants designed to enhance the gratitude and the loyalty of the citizenry to their patrons. The absence of an income tax and the reliance on *zakat* enhances this personalized and individualized form of social policy.

To illustrate this point, the following are but a few examples of royal grants made to address broad social (and medical) issues and the spread of Islam outside the kingdom:

--King Fahd donated 5.8 million riyals (\$1.54 million) to an Islamic university.(28)

--King Fahd donated 100 million riyals (\$20 million) to establish a national center for the treatment of breast cancer.(29)

--Prince Sultan (Minister of Defense) donated 15 million riyals (\$4 million) for the construction of a liver department in the armed forces hospital and another 60 million riyal (\$16 million) for its equipment.(30)

--Prince Sultan donated 19 million riyals (\$5 million) for the construction and equipping of a kidney department in the armed forces hospital.(31)

--Prince Sultan's City for Human Services opened in Riyadh on October 30, 2002. It was financed by Prince Sultan's charitable foundation at a cost of 1.2 billion riyals (\$320 million).(32)

--Prince Fahd bin Sultan (Governor of Tabuk) undertook the cost of extending power lines to al-Assafiya village and paid the electric bills for 3 years.(33)

--Prince Muhammad bin Fahd, Governor of Sharqiya, donated land for a large housing project for the needy.(34)

--Princess Sara (wife of Prince Abdul Majid bin Abdul Aziz, Governor of Mecca) donated 1 million riyals (\$266,000) to a psychiatric hospital in Mecca.

The government-controlled newspapers, which report on these royal donations, never question the source of the money. If it is public money why is it offered as donations, and if they are private donations how can government officials, and often their spouses, display such largesse unless their access to public money is unrestricted?

VOICES OF DISSENT

Voices of opposition to the oligarchy are beginning to appear. The minister of economic affairs, Muhammad bin Abdul-Aziz Al-Sheikh, a scion of one of the most distinguished families in the kingdom, tendered his resignation in early 2003. In it, he expressed his disappointment regarding the failure of economic reforms, the waste of public money and the absence of plans for economic growth based on justice and wellbeing for the people. The resignation was not accepted.(35) However, he was not included in the new cabinet announced by King Fahd at the end of April.

In April 2003, 100 politicians and academics sent a letter to the senior

princes. In it, they called for halting the waste of public money, convening a conference for reconciliation and dialogue, reforming the judicial system, granting equal rights to women, abolishing restrictions on travel and preventing arrests without a trial. Above all, they called for the Saudi parliament to be elected by the people.(36)

In early 2002 a Saudi daily published an article entitled: "The Time has Come for the Reform of State Institutions." The thrust of the article was the need to tell the facts. The time of denials, the article said, has passed and the time has come to tell the truth. It is time "to draw the sword of conscience in the face of the lazy and crooks."(37)

Perhaps most disturbing for the Saudi leadership are the voices of dissent emanating from their Shi'a minority, which accounts for 20 percent of the Saudi population. Most of them reside in the oil-rich eastern part of the country. One of the main leaders of the Shi'a community, Sheikh Hassan al-Saffar, complained about job and ethnic discrimination. The Shi'a, he said, are not allowed to serve their country in the defense, security and diplomatic fields. They are denied the right to observe their religious rituals and an official prohibition exists on the publishing or importing of books related to the Shi'a. In general, al-Saffar said, the Shi'a community feels a sense of marginalization.(38)

Yet despite all these issues, the existing system seems strong enough to sustain itself, though possibly against rising dissent, precisely because of its interlocking control mechanisms, ways of relieving the pressure, high degree of control, and massive infusions of oil money.

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professional career at the World Bank. Since his retirement from the bank, he has served as an occasional consultant to both the World Bank and the International Monetary Fund. Dr. Raphaeli joined the Middle Media Research Institute (MEMRI) as a senior analyst in 2001.

NOTES

1. *Forbes* magazine, April, 2003.
2. "Country at a Glance: Saudi Arabia," (World Bank, September 23, 2002) <http://www.worldbank.org/cgi-bin/sendoff.cgi?page=%2Fdata%2Fcountrydata%2Faag%2Fsau_aag.pdf>.
3. Eric Swanson, et al., World Development Indicators, 2001 (Washington, D.C.: World Bank, 2001), pp. 24-26.
4. *Okaz*, October 19, 2002.
5. "Article IV Consultation with Saudi Arabia," (International Monetary Fund), November 7, 2001.
6. A summary of SAMA's report was published in the Saudi daily, *Okaz*, January 28, 2003.
7. *Okaz*, December 31, 2003.
8. BP Statistical Review of World Energy, (British Petroleum), 2003 <http://www.bp.com/centres/energy/pagedownloads/T_oil_prod.pdf>
9. Middle East Economic Survey, figures can be found at the Alaska state tax division homepage: <http://www.tax.state.ak.us/PRICES/mon_otheroil.htm#otherprices>.
10. *Okaz*, November 29, 2002.
11. Saudi population statistics come from the "Country at a Glance: Saudi Arabia," (World Bank) and a World Bank file <<http://www.worldbank.org/transport/rail/rdb/raildata/saudi.xls>>. A similar report was published by SAMA, a summary of which was published in the Saudi daily, *Okaz*, on January 28, 2003.
12. United Nations Development Programme, Human Development Report, 2001, (United Nations, 2002), p. 155. Other organizations, like the World Bank, concur with the UN.
13. *Okaz*, January 28, 2003.
14. Eric Swanson, et al., World Development Indicators, 2001, pp. 16-18, 114-6.
15. *Ibid.*, pp. 114-6.
16. *Ibid.*, pp. 98-100. Health Expenditure per capita on average for the years 1990-1998; figures in purchasing power parity (PPP).
17. *Ibid.*, pp. 98-100. As a measure of reference, the global average was 5.5 percent, while the regional average was 4.6 percent.
18. "Saudi Arabia Data Profile," (World Bank), statistics drawn from the World Development Indicators Database, published April 2003. <<http://devdata.worldbank.org/external/CPProfile.asp?CCODE=SAU&PTYPE=CP>>
19. *Al-Jazirah* (Saudi daily), March 8, 2003.
20. *Okaz*, February 3, 2003.
21. *Al-Riyadh*, (Saudi daily), May 5, 2002.
22. *Okaz*, February 3, 2003.
23. *Al-Sharq Al-Awsat*, May 14, 2003.
24. *Al-Jazira*, January 30, 2003.
25. *Al-Sharq Al-Awsat*, April 14, 2003.
26. *Al-Riyadh*, July 12, 2002.
27. *Al-Sharq Al-Awsat*, May 1, 2003.
28. *Al-Sharq Al-Awsat*, July 12, 2002.
29. *Okaz*, June 4, 2003.
30. *Okaz*, April 13, 2002
31. *Okaz*, July 20, 2002.
32. *Al-Hayat*, October 30, 2002.
33. *Okaz*, June 30, 2002.
34. *Al-Riyadh*, July 10, 2002.
35. *Al-Quds Al-Arabi*, April 24, 2003.
36. *Ibid.*
37. *Okaz*, March 16, 2002.
38. *Al-Quds Al-Arabi*, April 24, 2003.

Appendix

CHART I The King and His Deputies

STRUCTURE OF SAUDI ROYAL OLIGARCHY

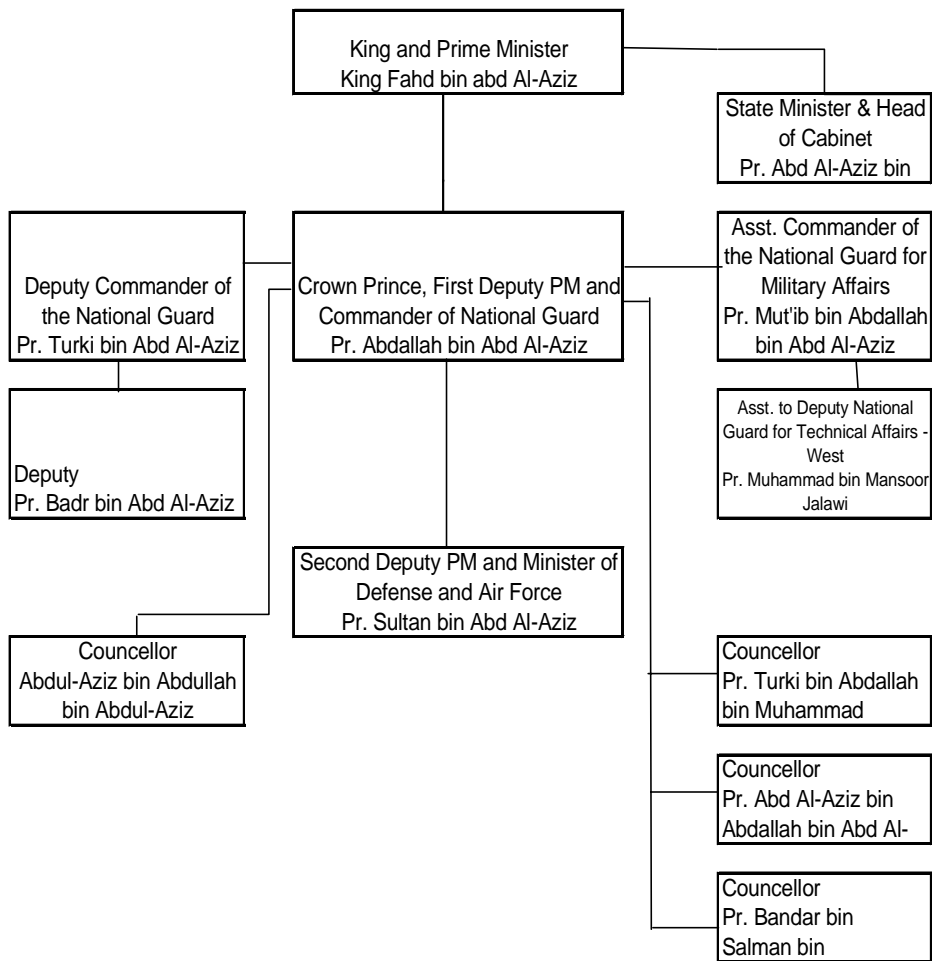
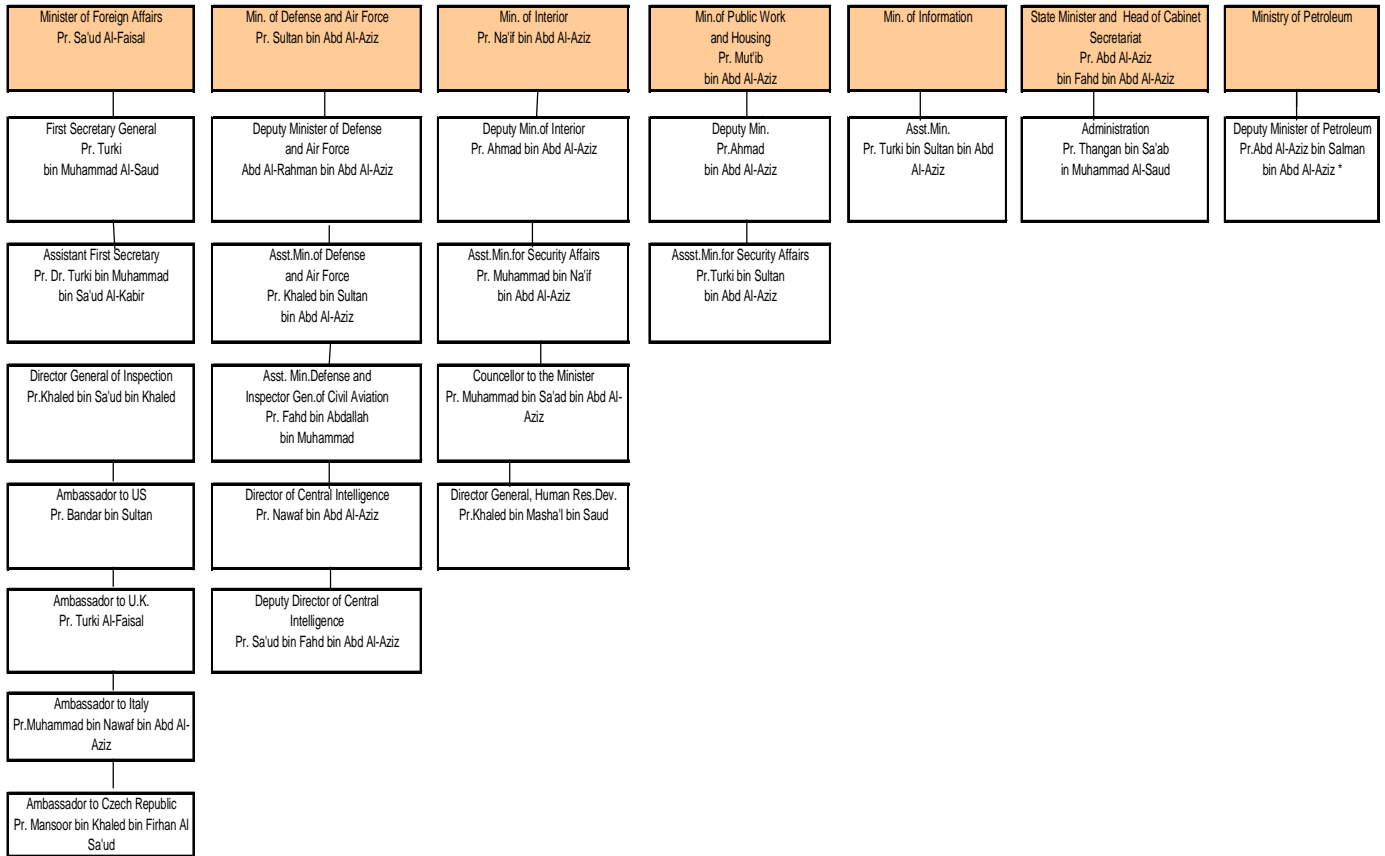
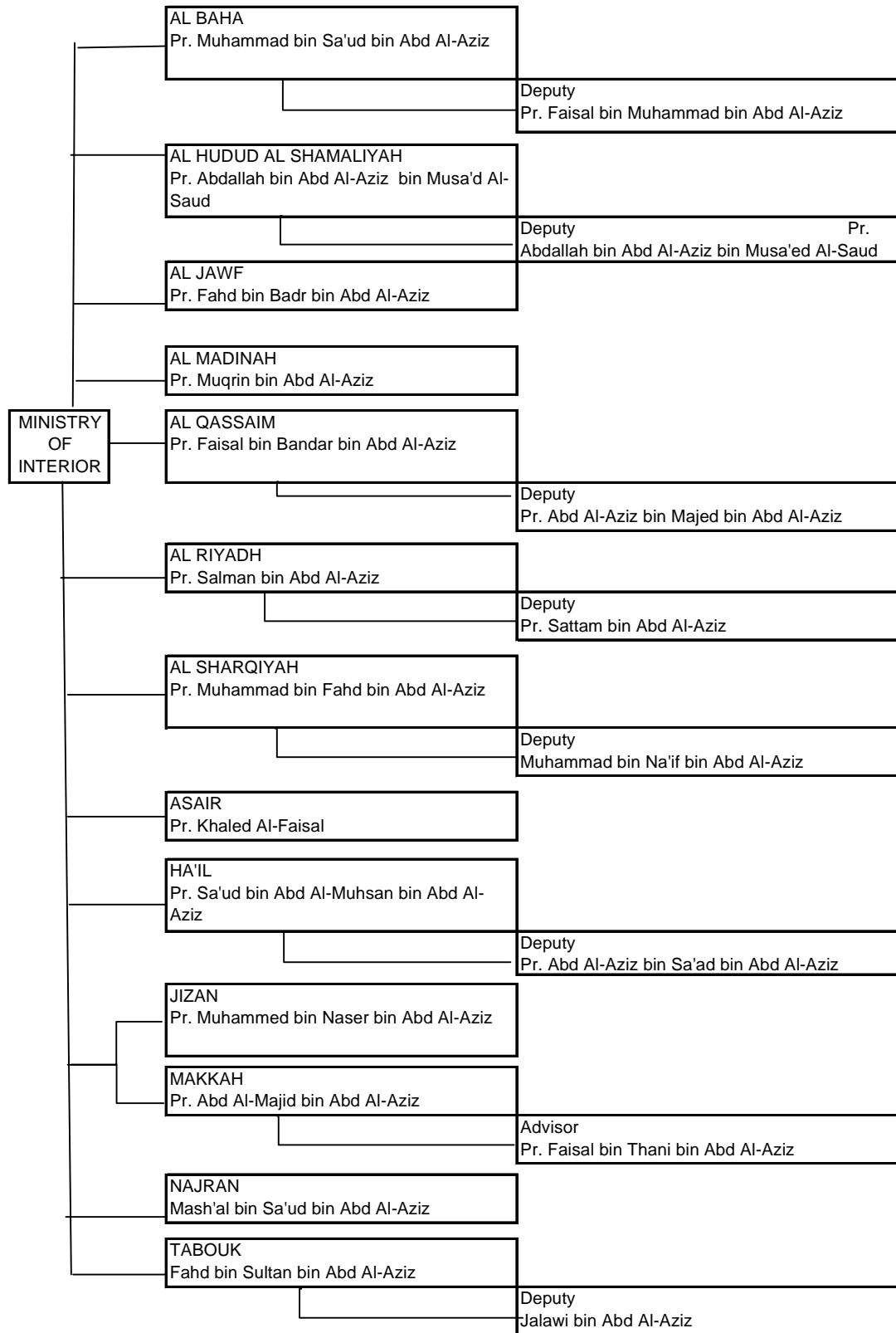


CHART II Royal Members of the Cabinet and their Deputies/Assistants



* Honorary Chairman, Saudi Economics Society

**CHART III The Structure of Sub-National Government
(Imarat or Governorates) ***



* Each of the Governorates has a Regional Governor with the rank of minister, who reports to the Minister of Interior.

CHART IV Princes in Other Miscellaneous Senior Positions

I. Senior Positions

Governor of Al Kharij
Pr. Abd Al-Rahman bin Naser bin Abd Al-Aziz

Governor of Jedah
Pr.Mash'al bin Majid bin Abd Al-Aziz

Governor of Al Ihsaa
Pr.Badr bin Fahd bin Jalawi

Chairman - High Council
Pr. Abdallah bin Abd Al-Aziz

Mayor of Riyadh
Pr.Abd Al-Aziz bin Muhammad Al-Muqrin

Governor of Al-Dar'iya
Pr.Ahmad bin Abdallah bin Abd Al-Rahman

Pr.Talal bin Abd Al-Aziz
Head of the Arab Gulf Program for Support of United Nations Development Program

Chairman of the Board, Faisal World Academy
Pr.Abd Al-Aziz bin Fahd Al-Faisal

Secretary General High Tourism Authority
Pr. Sultan bin Salman bin Abd Al-Aziz

President of Meteorology and Environment Agency
Pr.Turki bin Naser bin Abd Al-Aziz

Deputy Director General King Faisal Charitable Foundation
Pr.Bandar bin Sa'ud bin Khaled

Governor, Investment Authority
Pr. Abdallah bin Faisal bin Turki

Adviser on Islamic Affairs Saudi Embassy in the US
Pr. Muhammad bin Faisal bin Turki

Chairman, Women Committee for Social Services
Princess Sarah Al-Ankari

II. Military Establishment

Commander of Prince Abdallah Air Base
Pr. Mansoor bin Bandar bin Abd Al-Aziz

Director, Center for Strategic Studies
Pr.Mamdooh bin Abd Al-Aziz

Commander, Armored Corps.
Pr.Gen.Khaled bin Bandar bin Abd Al-Aziz

Commander of the First Mechanized Division
Pr. Turki bin Abdallah bin Muhammad Al-Saud

Head of National Guard-West
Pr. Faisal bin Abdallah

Head of National Guard-East
Pr.Mushari bin Sa'ud bin Abd-Aziz

Deputy Head
Pr.Mish'al bin Badr bin Saud

Commander of the Navy
Pr.Fahd bin Abdallah bin Muhammed Abd Al-Rahman

Gen. - Air Force
Turki bin Abdallah bin Abd Al-Aziz

V. Business & Publishing

Chariman - Al-Mara'i (Publishing, Banking)
Pr. Sultan bin Muhammed

Chariman -Saudi Group for Research Marketing
Pr. Dr. Faisal bin Salman bin Abd Al-Aziz

CEO -Arab Electronics
Pr. Sultan bin Bandar Al-Faisal

Chariman Qusaim Cement Co.
Pr. Abd Al-Rahman Al-Faisal bin Abd Al-Aziz

Chairman -NAFA Corp.
Pr. Nasser bin Fahd bin Faisal Al-Saud

Pubsisher of Al-Hayat newspaper
Pr. Khalid bin Sultan

CEO-Saudi Airlines
Pr. Sultan bin Abdul Aziz

CEO-Water and Sanitation
Pr. Abdul Majid bin Abdul Aziz

III. Youth, Women, and Sport

President Youth Federation and President of Saudi Soccer Association
Pr. Sultan bin Fahd bin Abd-Al-Aziz

Vice President Youth Federation and Saudi Soccer Association
Pr.Nawaf bin Faisal bin Fahd

Soccer Federation
Pr.Nawaf bin Faisal

Chairwoman-Women Council
Pr. Abta bin Hamoud Al-Rashid *

President Ahali Soccer Club
Pr. Sa'ud bin Turki

President of Saudi Basketball Association
Pr. Talal bin Badr

Horceracing
Pr. Faisal bin Khalid

President Riyadh Soccer Club
Pr.Faisal Abdallah bin Nasser

IV. Medical Societies

Head Regional Office for Fighting Blindness
Pr.Abd Al-Aziz bin Ahmad bin Abd Al-Aziz

Honorary Chairman, Down's Syndrome Society
Pr.Talal bin Abd Al-Aziz

President of Saudi Opthomology Society
Abd-Al-Aziz bin Ahmad bin Abd Al-Aziz

Chairman, Committee of Friends of Health
Pr.Abd Al-Ilah bin Abd Al-Rahman bin Abd Al-Aziz

Chairman of the Board Association of Handicapped Children
Pr. Sultan bin Salman bin Abd Al-Aziz

Director General Prevention of Narcotics and Drugs
Pr. Sa'ud bin Fahd bin Abdallah Al-Saud

* She is the wife of Prince Mu'qren, Governor of Mecca