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## SHAPING THE SAUDI STATE: HUMAN AGENCY'S SHIFTING ROLE IN RENTIER-STATE FORMATION

There are two established ways of recounting the emergence of the modern Gulf oil monarchies. The social scientific explanation describes anonymous structural forces, the “resource curse” of the “rentier-state,” and how these forces have shaped politics and markets with their inexorable logic. The other narrative, of the popular history variety, offers romantic, personalized accounts of desert shaykhs, their whims, and the sudden riches of their families (complemented, in some less benevolent accounts, by tales of monumental corruption).

In its analysis of the creation of the Saudi Arabian administration, this article will, to a surprising degree perhaps, side with the shaykhs. This is despite—or rather because of—its ambition to be theoretically informed. By stressing the role of elite decisions in state creation in Saudi Arabia, it will bring personality and politics back into the structurally overdetermined accounts of the creation of Gulf states and of rentier systems in general.<sup>1</sup>

The article will look specifically at the formative period of state formation between 1951 and 1962, when the interplay of administrative growth and elite politics and patronage and factionalism was the most intense and the institutional setting the most fluid. The account has three main aims. First, it aims to explain how early conflicts and deals between senior political figures “congealed” into institutional constellations that have shaped the kingdom’s political landscape until today. Rapidly growing oil income temporarily gave the Saudi political elite great autonomy in designing the shape of their expanding state, and institutions were unusually flexible tokens in power games. Second, the article intends to explain how the Saudi administration developed a degree of segmentation early on, that is, the tendency of various institutions to be little “states within the state,” a feature closely related to the early personalization of institutional design. This segmentation has allowed the emergence of a few very efficient bureaucratic islands but has also led to failures of coordination and the parallel building of neopatrimonial bureaucratic fiefdoms, a feature still in evidence in today’s kingdom. Increasing bureaucratization and regularization has often only solidified these cleavages. Third, the article explains how the extreme social mobility offered by a rapidly expanding state and its social networks created new players within the economic and political elite.

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This fluidity is in marked contrast to today's mature and very static Saudi system in which most stakes have been "parceled out," both in business and bureaucracy. Many of the Saudi elite and their institutions were made in a dozen dizzying years in the 1950s and 1960s.

In theoretical terms, the aim of the article is to nuance several assumptions of the debate on rentier-states by looking closely at the actual history of bureaucratic evolution in Saudi Arabia, the literature's staple rentier example. I intend to show that the autonomy of rentier-states is not constant over time, as constraints grow with bureaucratic expansion. I also demonstrate that external state income does not necessarily lead to inefficient institutions but rather opens great leeway for institutional design that can be highly efficient in some areas and patrimonial in others.

The article is divided into two halves. One describes the early jumble of institutional growth that went along with increasing oil income and the expansion of Al Saud princes into the state after 1951. The second half recounts how a more permanent distribution of power and institutional resources emerged from the fundamental struggle between King Saud and Crown Prince Faisal. A more brief section explains how the dispensation that had emerged by 1962 subsequently grew and was consolidated, with the Saudi state apparatus moving from great fluidity to bureaucratization and eventually great stasis, immortalizing the institutional outcomes of earlier struggles.

My account is almost exclusively based on primary sources, significant parts of which have been previously unexploited. I have used archives from three continents, including U.S. and British diplomatic documents up to 1975, the extensive records of a 1960s and 1970s Ford Foundation mission on administrative reform held at the Institute of Public Administration in Riyadh, the Mulligan Papers at Georgetown University, and the Philby archive at St. Antony's College, in Oxford. Moreover, I conducted interviews with seasoned diplomats, expatriate advisers, and former Saudi bureaucrats in London and Riyadh. Finally, I draw on a large number of dissertations written by Saudis in the West about Saudi administrative development issues and a number of contemporary country studies and reports in 1950s and 1960s trade journals.

## THE LITERATURE

Although much has been written on the impact of the United States on the formation of modern Saudi Arabia,<sup>2</sup> little research has been done on the internal politics of the formation of the modern Saudi state. Sarah Yizraeli's valuable *The Remaking of Saudi Arabia*<sup>3</sup> remains the only account concerned primarily with Saudi elite politics in the 1950s and early 1960s, which I complement from a more institutional perspective: Yizraeli concentrates mainly on the struggle between Faisal, Saud, and their princely followers and is less concerned with the formation and composition of bureaucracy as such. The fiefdom character and segmentation of administration and its interplay with personal politics on various levels therefore are not in the focus of her analysis, which results in a certain overemphasis on the "modern" aspects of institutional growth and differentiation under Faisal.

Whereas Yizraeli focuses mainly on persons, the other main account of modern state formation in Saudi Arabia, Kiren Aziz Chaudhry's *The Price of Wealth*, conversely talks almost exclusively about structural economic forces and institutions. Individual actors

are largely absent from her account, which means that many specifics of institution building I focus on go unexplained, and rationality and capacity of the early Saudi administration are considerably exaggerated.<sup>4</sup> My claim is that focusing on the interplay of personal politics *and* institutional formation offers the most adequate perspective on the formative years of the modern Saudi state.

In addition to contributing to the still thin historiography of Saudi state building, my ambition is to challenge and contextualize several of the broader theoretical claims of rentier-state theories, for which Saudi Arabia has often been used as an archetypical case. There is no fully formulated, generally accepted rentier-state theory. There are, however, a number of recurring hypotheses connected to effects of oil income on politics.

First, rentier theorists usually argue that oil income grants state elites increased autonomy from social forces.<sup>5</sup> Chaudhry was right to challenge this generalization in her account of the 1980s economic crisis,<sup>6</sup> in which entrenched distributional coalitions managed to stall the regime's austerity policies. I argue, however, that regime autonomy was considerably higher at an early state of state building, before distributional networks and entitlements were established on a large scale. In other words, state autonomy of rentier-states seems to decline over time. This highlights the importance of early institutional decisions, which can create strong path dependencies that are not accounted for in "static" rentier theories.

Second, my ambition is to disaggregate the state, which is usually dealt with in the aggregate by rentier theorists<sup>7</sup> (and, implicitly, by Chaudhry, as she sees all state institutions subject to the same, although shifting, development dynamics over time). By breaking up the state on a mesolevel, I show that different parts of it have followed different trajectories, some developmental, some regressive, largely depending on how early elite decisions shaped institutions. There is no automatic mechanism producing regulatory failure and rent seeking in rentier-states.<sup>8</sup>

My account offers a way to look at the crucial role of oil in state building without succumbing to rentier-state determinism. As Jill Crystal has shown in the cases of Kuwait and Qatar, crucial junctures of regime formation shape later political options.<sup>9</sup> What she does for state-business relations I do for politics *within* the state. Michael Herb has drawn our attention to the dynamics of "dynastic rule" to explain elite politics and regime survival in the Gulf.<sup>10</sup> I analyze the impact of dynastic rule on state formation.

#### THE STATE OF THE STATE IN THE EARLY TO MID-1950S

Verily, my children and my possessions are my enemies.

(Ibn Sa'ud briefly before his death)<sup>11</sup>

#### *Patrimonial Rule under 'Abd al-'Aziz*

Modern bureaucracy is a recent phenomenon in Saudi Arabia. Its first elements were created in the early 1950s, during King 'Abd al-'Aziz's last years, when oil income was taking off. In the lean years before, the kingdom had not been ruled through a differentiated administrative apparatus but rather through trusted regional governors installed by the king and supported by other local intermediaries and clients, be they notables or tribal shaykhs.

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On the national level, the system completely revolved around ‘Abd al-‘Aziz, who was king and chief legislator and had the right to review all judicial decisions.<sup>12</sup> Most of the departments of ‘Abd al-‘Aziz’s court were occupied with the logistics of the court itself and not broader administration or public services.<sup>13</sup> From the western province, taken from the Hashemites in the mid-1920s, ‘Abd al-‘Aziz had inherited a somewhat more elaborate bureaucratic structure, with special offices for health and education for example.<sup>14</sup>

Altogether, however, most Saudis had no contact with formal administration, as apart from basic security the state provided hardly any services to its citizens. There were few formal, national bodies during most of ‘Abd al-‘Aziz’s reign. The Ministry of Foreign Affairs had been set up in 1930, under Faisal. Ministries of finance and defense followed in 1937 and 1944. These agencies were not linked through formal mechanisms of budgeting or governance.<sup>15</sup>

After World War II annual oil income started to increase rapidly—from \$10.4 million in 1946 to \$56.7 million in 1950.<sup>16</sup> While elderly ‘Abd al-‘Aziz’s personal rule grew increasingly slack due to his frailty,<sup>17</sup> there was a growing need to manage the huge sums of money flowing into the kingdom, as at least his second-oldest surviving son, Faisal, and the American diplomats and oilmen present at the time realized.<sup>18</sup> In the absence of any scheme for budgeting and development, much of the oil income was frittered away by the court, its clients, and their entourages.<sup>19</sup> There was also another reason for institution building: with the unquestioned patriarch leaving the stage, a new generation of princes vied for power and prestige,<sup>20</sup> giving them a stake in the creation of new posts and ministries.

*Analysis: A State Created above Society*

<sup>638</sup> I’m just diversifying some of these “grow”s.

The state would soon start to expand rapidly, providing posts for numerous princely aspirants. I will argue that the way the state grew was an outcome largely of royal elite decisions unconstrained by larger political forces. To substantiate that, some social history is needed before I engage with princely dealings in detail.

<sup>639</sup> Even though this could be “was,” it sounded odd when paired with “most.”

In the 1950s the national income was still extremely small by standards of modern statehood. However, the aggregate societal demands on it were even smaller<sup>21</sup>: Saudi society, based on an economy that in most regions barely provided for subsistence needs, was unprepared for the riches. Most politics were local; people were ruled through the Al Sa‘ud’s tribal or notable intermediaries. The kingdom knew no public space to negotiate over national budgets, which were fed externally and grew rather suddenly. Saudi Arabia had no national constitution, no formal mechanisms of political participation, and no experience of national politics. Society was deeply geographically fragmented.

There were no large and coherent social groups to voice demands toward the government. Merchants were quickly tied up in patronage structures.<sup>22</sup> Their chambers of commerce were state created and state dependent and had little voice in policy making.<sup>23</sup> Aramco researchers describe Saudi businessman as “more individualistic” than their counterparts in other places, not interested in collective bargaining,<sup>24</sup> which is indeed completely absent from the historical record. Similarly, the independent power of tribes had been crushed in the course of ‘Abd al-‘Aziz’s conquest of the peninsula in the 1920s and 1930s,<sup>25</sup> and they were subsequently co-opted through royal subsidies,

without much modern state infrastructure interfering or being demanded.<sup>26</sup> The kingdom had no working class, with the exception of Aramco workers in the eastern province, whose demonstrations were harshly repressed in the 1950s and 1960s.<sup>27</sup> Newspapers were all closely supervised by the state, their boards usually controlled by princes or senior public servants.<sup>28</sup>

Robert Vitalis cites a U.S. labor attaché's early 1950s conclusion that Aramco "can ignore public opinion, which is neither a force nor a voice."<sup>29</sup> American "New Dealers" on a technical cooperation mission looked in vain for grassroots initiatives to support in Saudi society. Municipal elections in the early 1960s were purely local phenomena in which governors could control who would get elected and who would not,<sup>30</sup> and in which the population at large tended to take limited interest.<sup>31</sup> Throughout the 1950s and 1960s there were no parties or other national interest organizations of which to speak. The consultative council still extant in the western province had no real political role and no popular backing.<sup>32</sup>

The Saudi 'ulama', finally, were an important part of the ruling elite but, despite popular myths, consistently deferred to royal prerogative, as was indeed their ideology.<sup>33</sup> As far as they played a role in policy, this concerned matters of public morals, not the specifics of bureaucracy building.<sup>34</sup> With no national political traditions and most Saudis not in touch with the administration, society hardly constrained the decisions that royal elites made in building their state. A unique pattern of bureaucracy building ensued in which yet-embryonic institutions became tokens of intra-elite bargaining among ambitious princes and a limited number of commoner clients. There was, of course, an underlying concern to build institutions that could administer the increasing flow of oil income;<sup>35</sup> but beyond this very general need, personal ambitions and bargains loomed very large in determining specific outcomes.

In 1951 'Abd al-'Aziz created the basis for a rudimentary functional differentiation of domestic bureaucratic institutions, separating the Ministry of Interior from the fiscal and administrative affairs of the Ministry of Finance. Differentiation meant spread of the royal family into state posts: the Ministry of Interior was given to Faisal's son, 'Abdallah.<sup>36</sup> In December 1953, briefly after 'Abd al-'Aziz's death, ministries of education and agriculture were officially established as spin-offs from interior and finance respectively. Aspiring Prince Sultan took charge of agriculture, his full brother, Fahd, of education.

There were few functioning mechanisms to coordinate their work. The formal introduction of the Council of Ministers, in 1953, briefly before 'Abd al-'Aziz's death, had changed little about actual practices of governance. The new King Saud, 'Abd al-'Aziz's oldest surviving son, governed according to the patrimonial style of his father, basing his rule on the court and embarking on grand tours through the country during which he disbursed royal largesse.<sup>37</sup> Decision making on major national questions remained largely informal,<sup>38</sup> and although service provision improved in some sectors, governance was marred by "princely jealousies."<sup>39</sup>

#### *Institutional Design: "Form Follows Family"*

It was largely intrafamily patrimonial politics that determined who would receive which government post—this was no different from other clan-based, administratively

<sup>38</sup> Commas depend on whether there are other full brothers. No?



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underdeveloped political systems. However, patrimonial politics also determined much of the very *institutional design* of the rapidly growing state during ‘Abd al-‘Aziz’s last years and under his first successor.

Institutions in the 1950s were malleable and often adjusted to the authority and status of the individuals or factions leading them. They were occasionally created from scratch to either bolster or weaken specific players. Although there was a general trend of functional differentiation, concerns of power balancing were as important in the emergence of specific bureaucratic designs: princes had to be accorded roles according to their seniority while also satisfying their ambitions as much as possible. In the summer of 1951, ‘Abdallah bin Faisal was made minister of health and interior for the reported reason that he should be equal in status to Minister of Defense Prince Mish‘al.<sup>40</sup> Conversely, the likely motivation for a 1952 plan to set up the Ministry of Air Force, with Mish‘al as minister and his full brother Mit‘ib as deputy, was to prevent aviation issues from falling under the authority of the new Ministry of Communications under Prince Talal.<sup>41</sup> At some point in 1953, it seemed that Saudi Arabia would have to separate government airlines, as Mish‘al and Talal could not agree.<sup>42</sup>

When Talal resigned as minister of communications in 1955, the communications portfolio was reassigned to the Ministry of Finance (then under the commoner Mohamad Suroor). Talal told U.S. diplomats that this was essentially a solution to avoid picking one of the various princely candidates for the post and offending the others.<sup>43</sup> There was no indication that qualification played a great role in creating and apportioning posts: more talented princes operated next to worse ones.<sup>44</sup> As far as we know, no prince was ever fired for performance failure in the 1950s or 1960s. Although the historical record does not allow us to establish the precise motivations for every specific institutional decision, we can conclude that balances of power and personal ambitions within the Al Sa‘ud have played a uniquely prominent role.

It seems that tailoring institutions around personal needs and conflicts was also reproduced on a smaller scale by senior commoner administrators. The then deputy minister of finance, Mohammad Suroor, for example, was given a new post supervising both pilgrimage and broadcasting for the reason that the heads of these two departments were rivals, and making Suroor titular head of both meant that neither would be subordinate to the other.<sup>45</sup> When Saudi ambassador to the United States Asad Al-Faqih returned to the kingdom in 1955, a new senior post in the Ministry of Foreign Affairs was created according to his own proposal.<sup>46</sup> Although skills often did matter when selecting commoner administrators (such as oil minister Abdallah Tariki or minister of state Abdallah bin ‘Adwan), structures of clientelism and long-term loyalty also played a prominent role, often to the detriment of performance.<sup>47</sup>

Under King Saud, senior appointments and institutional changes were increasingly a function of his rivalry with Crown Prince Faisal. Apart from Talal, all new princely appointments to his “reform” cabinet had no administrative experience,<sup>48</sup> clearly indicating that building a coalition in the family was his main concern. The Sa‘ud–Faisal struggle has been recounted in detail elsewhere.<sup>49</sup> A few examples of how it affected the institutional setup of the kingdom will suffice. The defense establishment was a prime battleground in terms of successive appointments but also administrative engineering. King Saud detached the Royal Guard under Mus‘ad bin Sa‘ud from the Ministry of Defense to weaken Mish‘al and strengthen his own sons. The guard was temporarily the

most powerful military unit.<sup>50</sup> In May 1955 Sa'ud decreed the formation of a modern national guard, which was to be headed by another of his sons, Khalid bin Sa'ud. This again was seen as a step against Mish'al, who had been able to prey on national guard resources before, as it had been a relatively weak institution headed by a commoner.<sup>51</sup> In 1964, after Sa'ud's final defeat by Faisal, the Royal Guard was attached to the Ministry of Defense, implying its disbandment as independent institution. Institutional design followed power politics, sometimes resulting in the parallel existence of very similar structures.<sup>52</sup>

### *Institutions as Fiefdoms*

Institutions being tokens in political games, they were also used for building personal fortunes and expanding one's following. Proprietary patterns were established early on: in his later years, 'Abd al-'Aziz "granted" several of the new agencies to specific factions among his sons, a process in which maternal lines played an important role. Examples include the Royal Guard, the governorships of Riyadh and Mecca, and the Ministry of Defense, all controlled successively by full brothers. Control of specific institutions through factions within the Al Sa'ud has been a prevalent pattern ever since. Similarly, well-positioned commoner families developed a permanent claim over certain offices.<sup>53</sup>

Most senior figures used the institutions they controlled to personally distribute favors and conclude business deals. King Sa'ud built up a following of contractors whom he delighted with large contracts for palaces and grossly oversized ministries.<sup>54</sup> Minister of Defense Mish'al—known as one of the richest princes in subsequent decades<sup>55</sup>—was said to have used his privileged post to keep millions of freshly minted riyals for himself, as did a number of regional governors.<sup>56</sup> Most princes in bureaucratic positions quickly surrounded themselves with growing numbers of hangers-on, advisers, and business partners.<sup>57</sup>

Different princes had different followings: Sa'ud tended to cling to his father's foreign advisers<sup>58</sup> whereas Faisal had a larger number of Hijazi among his clients.<sup>59</sup> Fahd later on would bring more young, educated Najdis into the state apparatus.<sup>60</sup> Senior clients all had an urban background in common; they were often from client-notable families and sometimes upstarts of indistinct background who had worked their way up as loyal servants. Tribes were hardly represented in the new elite.<sup>61</sup> More important in our context is that the elite was very small in size and was built in a top-down fashion by princes, with hierarchies between princes and commoners very strict.<sup>62</sup> Clienteles were local and did not represent broader social groups, as most of society remained outside of the state's reach.

### *Formal and Informal Authority in a Fluctuating Bureaucracy*

Saudi Arabia largely lacked an administrative tradition and societal checks on bureaucracy. Combined with family politics, this meant that the unprecedented growth of bureaucracy in the 1950s was not accompanied by much rationalization. Although some new agencies helped to increase the provision of public services,<sup>63</sup> the sudden availability of resources also led to uncontrolled, Byzantine expansion based on patronage.

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Many young administrators were highly inexperienced, especially the royal ones, who had without exception been educated only in the royal court.<sup>64</sup> A U.S. dispatch described Minister of Defense Mish'al as dignified and serious about his job, but in terms of institution building, "through lack of education, knowledge and experience, performance results have been practically nil as the Ministry remains unorganized and its procedures are on an entirely personal basis. He [Mish'al] leans heavily for advice and recommendations on foreign counsel."<sup>65</sup> Similarly, by the time Talal's Ministry of Communications was reattached to the Ministry of Finance, he was said to have achieved very little.<sup>66</sup>

The personalized nature of institutions went along with a lack of meaningful formal procedures. In the 1950s there were no proper systems of civil-service training, seniority, or even document filing.<sup>67</sup> The U.S. embassy at the time was trying to keep track of administrative development and drew charts of agencies, but "... the diagrams themselves have proved to be most confused, since this Government does not lend itself at all well to such schematic presentation. . . . [T]he organization is so confused, particularly among the lower echelons, that an unwarranted level of research would be required in order to fill out charts at all these levels. . . . [S]ince organization means little to this Government, it is very flexible and changes with such rapidity that charts are outmoded almost before they can be prepared."<sup>68</sup>

68? OK? YES

Aramco at the time kept a roster of Saudi public personnel, on which the government itself depended due to lack of oversight over its fluctuating institutions.<sup>69</sup> Several agencies, such as the Ministry of Economy, created in July 1953, remained merely on paper,<sup>70</sup> as did senior ministerial positions.<sup>71</sup> When posts were actually filled, they frequently were just depositories for clients of ministers or princes, adding "excess baggage" to the bureaucracy.<sup>72</sup>

Informal authority determined the actual importance of institutions. The bits of bureaucracy that mattered were run by important princes or by commoners very close to the court. A formally important institution like the Ministry of Commerce, although headed by leading Hijazi merchant Mohammad Alireza, proved to be largely powerless.<sup>73</sup> Undercut by successive ministers of finance with better royal access, and with no commercial regulations emerging from the Council of Ministers, he complained about *de facto* having no role.<sup>74</sup> Conversely, a previously inconsequential post such as that of comptroller general suddenly became important when it was filled by senior prince Mus'ad bin 'Abdallah.<sup>75</sup>

As far as institutions mattered, their day-to-day operations were often carried out rather autonomously, with ministries run as fiefdoms.<sup>76</sup> The administrative sprawl and personalized nature of authority meant that coordination between agencies was largely lacking, with different institutions often producing directly contradictory decisions and jurisdictions remaining unclear.<sup>77</sup> As early as 1952, six different entities were supposed to be in charge of economic planning.<sup>78</sup>

*State-Society Relations: Mobility and Local Clientelism*

Although the formal state was still small, unorganized, and self-absorbed, its combination of growing resources and institutional fluidity meant that it offered great chances for a small number of people in the right place at the right time. Access to the expanding



court, with its growing needs for material supplies from the 1940s on, offered great opportunities for social and economic mobility and influence peddling. Many of the prominent Saudi merchant families established their privileged positions as suppliers to King ‘Abd al-‘Aziz, with some of them being granted exclusive trade agencies by the king, which they still hold today. Players from the Jomaih, Rajhi, or Juffali families made their first appearances, often emerging from rather humble Najdi backgrounds (Jomaih, for example, was the king’s grocer from the village of Shaqra; Rajhi was a money changer in the Riyadh suq).<sup>79</sup> Several of the king’s advisers and their offspring also used their positions to venture into business, including the Pharaon and Khashoggi families.

In a related pattern, auxiliary positions at court could be the starting point of public-service careers. ‘Abdallah bin ‘Adwan, for example, worked his way up to head of the important ministry of finance branch in the (oil-rich) eastern province, without any formal education, thanks to the intervention of then crown prince Sa‘ud, whose bodyguard he had been.<sup>80</sup> Id bin Salem moved from being a mechanic to head of the royal garage and one of Sa‘ud’s leading advisers.<sup>81</sup> Interpreters ‘Abdallah Tariqi and Mohamad Ibrahim Mas‘ud (the latter with the U.S. embassy) became the minister of oil and minister of state, respectively.<sup>82</sup>

#### *‘Abdallah Sulaiman’s Empire: Mobility of Commoners*

It is the Najdi Sulaiman Al-Hamdan family that probably has combined both patterns—merchant and bureaucratic mobility—most masterfully. Their story colorfully illustrates the contingent, personalized, and fiefdom-like trajectory of early institution building, as well as the great associated opportunities of clientelism.

‘Abdallah Sulaiman was a Najdi of humble background who worked his way up from clerk to the first Saudi minister of finance and close confidant of ‘Abd al-‘Aziz. Until the early 1950s, Sulaiman’s ministry combined an inordinate range of administrative duties, its subordinate departments including health, public works, education, and agriculture. Their workings usually were opaque and left great scope for patronage. At the Ministry of Finance affiliated customs, Ottoman-inspired clearing procedures involved up to thirty different signatures, and kickbacks were common. A British diplomat commented sardonically, “The Director of Posts proudly proclaims that he had British training. There are naturally Saudi improvements on this; the postage stamp clerk, for instance, will take the money for letters and stick the stamps on later; after eighteen months in the job he can build himself a large house.”<sup>83</sup> The ministry was well known for its “widespread system of letting contracts on a basis of personal favoritism rather than expected performance and cost,”<sup>84</sup> the beneficiaries usually being Sulaiman’s merchant friends.<sup>85</sup>

Sulaiman, based in Jeddah, was given large administrative discretion by the king.<sup>86</sup> His brother Hamad and his son ‘Abd al-‘Aziz were vice and deputy minister respectively, the higher rank for his brother being created specifically for him (it still exists today).<sup>87</sup> Apart from profiteering activities, Hamad was reported to be largely inactive.<sup>88</sup>

Sulaiman had started to procure government supplies through figureheads in the 1920s, and his merchant friends lent him money without interest, which in turn was used to purchase goods at inflated prices for the court.<sup>89</sup> He was given the lucrative

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cement franchise for the Hijaz in the late 1940s.<sup>90</sup> Sulaiman owned palaces and large tracts of land and had his own entourage of some 400 people. After retiring in 1954, he ran hotels and a number of trading companies. His descendants are still among the prominent merchants of Jeddah.<sup>91</sup>

Several big businessmen were “made” or at least boosted by the Ministry of Finance during Sulaiman’s time, including some who served under him.<sup>92</sup> The case of Hasan Sharbatli is perhaps the most colorful example of how upstart clients could rapidly gain status and wealth. The diplomatic note on him bears a lengthy citation:

Climaxing a rags-to-riches career illustrative of the fluidity of Hejazi mercantile society, Hasan Sharbatli, Jidda merchant and public benefactor, recently received from the King the title of Honorary Minister of State . . . [making him the ninth of this kind. The title] implies no necessary assumption of government powers . . . Sharbatli, who only ten years ago was a fruit-vendor and small-time auctioneer in Jidda, reportedly gained entry into the favored circles of the Ministry of Finance by sending to Hamad al SULEIMAN, brother of the minister, a gift of fruit. So pleased was the recipient that he recommended the appointment of Sharbatli as Government Purchasing Agent.

<sup>93</sup> Block quote implies verbatim. Is this interior quote in original? NO IT'S MY OWN INSERTION. OK IN [] BRACKETS?

In this capacity, Sharbatli evolved an eminently satisfactory relationship with the government. Selling a hypothetical 5,000 riyals worth of fruit, he would then bill the Ministry for 50,000 riyals and subsequently share the profits with his sponsors in the Ministry.<sup>93</sup>

Sharbatli accumulated a total reported credit of 43 million riyals with the government. Unable to redeem the debt for himself, Sharbatli became one of the kingdom’s largest charitable benefactors. He became one of the richest men in the kingdom, had a virtual monopoly on pilgrim travel, and had reportedly given 500,000 riyals for the establishment of the Saudi air force.<sup>94</sup> He also set up his own bank.<sup>95</sup> Sharbatli’s case illustrates that although the royal family was clearly at the center of the polity and of state growth, more or less, random networks of commoners within and around the administration had great distributional leeway and offered great mobility at an early stage—and the chance to position oneself for later decades.

The story of Sulaiman, however, also demonstrates how commoners’ local power, in the final analysis, depends on royal patronage. The minister was a favorite of King ‘Abd al-‘Aziz but not of his sons Sa‘ud and Faisal. Sulaiman and his family left the ministry one year after ‘Abd al-‘Aziz’s death. Even the most senior and trusted commoner with a large personal clientele did not have any independent support he could count on once he had fallen out of favor.

*External Advisers and Islands of Efficiency: The Saudi Arabian Monetary Agency*

Before that, however, Sulaiman had surprisingly gotten involved in probably the most significant attempt at administrative rationalization in the 1950s: the creation of the Saudi Arabian Monetary Agency (SAMA). In the early 1950s monetary chaos reigned in Saudi Arabia.<sup>96</sup> Interested in at least minimal economic stability, the U.S. embassy and Aramco successfully lobbied the king to accept U.S. consultants into the kingdom.

U.S. adviser Arthur Young managed to convince Sulaiman and the king of the need for basic monetary and banking regulation. Young was mandated by the king to draw

up a charter for what was to become SAMA within a few hours.<sup>97</sup> SAMA derived its income by charging the government for its services. Its first head was also an American, and accountants were hired from Lebanon.<sup>98</sup>

King ‘Abd al-‘Aziz and Sulaiman had been convinced of the existential need for institution building in this strategic sector. SAMA’s charter and use of expatriate technocrats bolstered the relative independence of the body. After the Ministry of Finance temporarily sidelined SAMA,<sup>99</sup> in 1957 the governorship was taken over by another expatriate, Anwar ‘Ali, who had come to the country with an International Monetary Fund mission and who held the post as a confidant of King Faisal until his death, in 1974. Different from other “fiefdom ministries,” SAMA’s well-paid leadership used relative autonomy and ‘Abd al-‘Aziz’s and Faisal’s clear reform mandates to become one of the best central banks in the Middle East.

The specific social and political structure of Saudi Arabia gave its political elite large temporary autonomy, in this specific regard confirming rentier theory. The new external income left much space for state actors’s individual patronage interests and for distribution and institutional design to be negotiated *within* the state. Much of the modern state was originally created above society, following its own peculiar logic of fiefdoms and their lateral sprawl. In the 1950s Aramco and the U.S. embassy were probably the most significant lobbyists for bureaucratic rationalization in the kingdom, ahead of all domestic groups.<sup>100</sup>

#### THE EMERGING BUREAUCRATIC ORDER UNDER FAISAL

##### *Faisal’s Order by Cabinet*

U.S. pressure was largely ineffective under Sa‘ud, with politics and institutional change following elite dynamics as described above. Despite U.S. lobbying, no coherent budgeting happened,<sup>101</sup> and an American Point IV assistance mission was canceled.<sup>102</sup> It was under Faisal that some degree of order was brought into the government apparatus, as is explained in the following section. Again, this was at least driven as much by royal family politics as by perceived development needs. Faisal’s struggle with Sa‘ud was at its apex between 1958 and 1962, and it was in this period that institutions were reshaped most dynamically, with the power interests of the Faisal faction eventually prevailing. After 1962, a stable balance of elite forces combined with bureaucratic growth and regularization led to the “locking in” of personal and institutional constellations at the core of the state.

Some of the institutional balancing games between Faisal and Sa‘ud in the field of security organization have already been adumbrated. After 1958, the struggle between the two brothers went deeper than that: the core of what the Saudi state was to be was at stake in the conflict, with fundamentally different institutional concepts deployed by both players, reflecting the fluidity of Saudi governance structures at the time.

The Saudi drive for political order began with a May 1958 decree that enhanced the status of the Council of Ministers, with Faisal as prime minister. The reason was that a coalition within the Al Sa‘ud had pushed for enhancing Faisal’s standing against Sa‘ud, who was, among other things, perceived as favoring his sons over his brothers and incapable of handling the state budget, which was in a severe deficit. The decree

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gave the Council of Ministers the final authority in financial matters. The king could return decrees to the council, with further steps kept ambiguous.

Although a step toward formal government, the May 1958 institutional redesign most of all reflected a temporary personal balance of power between Faisal and Sa'ud, as Sa'ud was to remain king and Faisal responsible to him. Institutions at the very core of the state were pliable weapons in the struggle. Sa'ud as king with a court had larger quasi-traditional, patrimonial resources at his disposal and used those to increase his following through royal handouts and tours through the country. Faisal, conversely, promoted more modern institutions of rule to boost his otherwise inferior standing, trying to curtail the royal budget and enforce cabinet rule. There was no superior constitutional (or societal) framework to contain the struggle to be fought *within* given institutions.

The brothers' attitudes toward institutions could be quite instrumental, a point vindicated by the institutional track record of the two protagonists. In 1959 Sa'ud reportedly planned the creation of a consultative council with 120 members, including tribal representatives, 'ulama', and members of the Al Sa'ud. It would take over some responsibilities of the Council of Ministers and hold legislative power.<sup>103</sup> It very much looked like an attempt by Sa'ud, at that time inferior, to regain territory, as the king would appoint the *majlis*. It is striking that supposedly "traditional" Sa'ud would forward such a relatively progressive concept. Conversely, Faisal was very reluctant to give up his traditional post as vice regent of the Hijaz, although that hampered homogenization of the national administration in Saudi Arabia. He used the post as a bargaining chip to attain the premiership.<sup>104</sup> If politically expedient, Faisal could hamper bureaucratic rationalization.

Conversely, Faisal's buildup of bureaucracy was completely centered on himself. Until Sa'ud temporarily regained power, in 1960, Faisal achieved a certain separation of state and royal family affairs and a degree of budgetary control and monetary modernization with IMF assistance.<sup>105</sup> This he accomplished through stark centralization of authority, however. In addition to being minister of foreign Affairs and finance, in April 1959 he also took over the interior portfolio. Although this enabled Faisal to exert more control over regional fiefdoms of other princes, it created a bottleneck of decision making.<sup>106</sup> Rated as a thorough individualist by Aramco researchers, Faisal sat on decisions.<sup>107</sup> Liberal Saudis, although sometimes conceding that Faisal stuck to formal rules more clearly than Sa'ud, deplored such overcentralization.<sup>108</sup>

The Council of Ministers was, most of all, an instrument for Faisal to gain power through the post of prime minister.<sup>109</sup> It is true that after Sa'ud's fall from grace, in 1962, it somewhat improved policy coordination—not least because the royal *diwān* as parallel political actor had disappeared. Faisal was generally willing to devote more time to the formal workings of government,<sup>110</sup> seeing a degree of budgetary control and more clearly defined administrative units as instruments of stability. Most of his reformist ambitions beyond the establishment of basic order petered out soon after Sa'ud had been stripped of all powers in 1964, however. In a period of regional turmoil, Faisal was interested in stability, not rapid development.

Sa'ud, through his alliance with junior princes, seemed temporarily to introduce more players into decision making. This was an outcome of his alliance strategy, though, as was the progressive-developmental orientation of the new cabinet: he had relied before on his father's small and closed group of decidedly reactionary Syrian advisers.<sup>111</sup>

His younger royal allies in turn were further down in the seniority ranking. One can speculate that they saw progressive politics as a shortcut to positions of power otherwise unavailable to them.

In any case, the reformist episode proved short lived, as Faisal's coalition with Fahd and his full brothers first drove out Talal and his brothers, then Sa'ud. It is telling that the group that had built the larger alliance *within* the royal family carried the day. At no point in the struggle were broader social constituencies mobilized.<sup>112</sup> Talal and his princely allies might have banked on support by "young intellectuals," having seen the revolutionary examples of Egypt, Iraq, and Syria. In Saudi Arabia, however, this stratum remained small, amorphous, and incapable of action. Talal failed to rouse support.<sup>113</sup>

When progressive adviser 'Abd al-'Aziz Mu'ammār briefly gained agenda-setting power under Sa'ud, this did not reflect a social revolution but rather a temporary power vacuum between different royal factions. Mu'ammār and his small circle of friends had no organizational base to rely on and were quickly thrown out when Sa'ud decided they were damaging to him. At any rate, Mu'ammār had always known that Sa'ud had deployed him as part of a "power play"<sup>114</sup> and not because of a suddenly discovered reformist zeal. Other "progressive" young Saudis, such as Zaki Yamani and Hisham Nazer, got the message and had themselves co-opted into senior administrative positions as docile technocrats under Faisal. Commoner administrators quickly stopped speechifying about political reform.<sup>115</sup>

#### *Consolidation of Fiefdoms: The 1962 Cabinet Deal*

Throughout the 1960s, the Saudi budgets once again continued to expand—quadrupling within less than a decade<sup>116</sup>—and the bureaucratic apparatus grew with them, offering new mobility for commoners. Ministries of petroleum, Hajj affairs, labor and social affairs, and information were created between 1960 and 1963. After 1963 and until the oil boom, however, the growth of the budget implied growth of existing institutions rather than creation of new ones. The expansion of a number of fiefdoms would continue, but in a much more orderly manner.

The cabinet that emerged in October 1962 had become the gravitational center of Saudi politics and represented a post-Sa'ud distribution of power that grew increasingly immovable. It was based on a stable balance of forces within the Al Sa'ud and was the end result of the Sa'ud–Faisal struggle. Faisal kept the post of prime minister, which he would fuse with the kingship from 1964 on (a structure his successors have inherited).<sup>117</sup> Faisal's senior allies in the conflict were rewarded with ministerial posts; Fahd and the sultan, young and "modernizing" supporters, were given the portfolios of interior and defense, respectively.

Sticking to established patrimonial patterns, they brought in full brothers to take up specially designated vice ministry posts in subsequent years.<sup>118</sup> The sultan has kept his ministry ever since, but Fahd handed his portfolio over to his younger brother Nayef upon becoming crown prince in 1975. Prince 'Abdallah, another ally of Faisal, was given cabinet status and control of the national guard in 1963, which he has kept until today. In 1967, the special post of second deputy prime minister was created for Fahd, underlining his ambitions to be next in line after his older half-brother Khaled, a moderate figure Faisal made crown prince for reasons of seniority and intrafamily balance<sup>119</sup> despite



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Khaled's disinterest in politics and lack of a previous government role.<sup>120</sup> Institutional decisions again followed the royal power balance.

All of the major princes embarked on expanding their institutions, which became irreducibly identified with their persons. Growing budgets allowed for ambitious programs, most remarkable among them the sultan's expansion of the Saudi air force in the 1960s.<sup>121</sup> Staff numbers, business opportunities, and networks of gatekeepers, brokers, and business partners expanded concurrently. As the Ministry of Defense was organized around the sultan (and to a lesser extent his full-brother deputies), all of its organizational units were oriented toward him as central authority. Armed services and the civil administration in the ministry hence cooperated little.<sup>122</sup> Similarly, 'Abdallah was the figure around whom the national guard was organized. Foreign specialists assessed the guard's chains of command as ill defined and overcentralized. As the guard was also a government agency, the presence of civilians in its headquarters, accountable only to 'Abdallah, decreased its administrative coherence.<sup>123</sup>

*Faisal and the Civil Service: Slow Regularization*

Beyond the "sovereignty ministries," most of the other posts in the 1962 cabinet were controlled by commoners, as Faisal strove to limit the number of princes in the cabinet to make it manageable,<sup>124</sup> another pattern that would become "locked in," as most of the cabinet posts reserved for nonroyals then have been held by commoners until now.

A stable distribution of power did not automatically mean integrated government. Under Faisal the Saudi administration still suffered from enduring problems of overcentralization and lack of coordination between agencies.<sup>125</sup> As institutions grew in parallel, functionally similar bureaucratic units reported to different ministries, and duplication and conflicts of authority were endemic.<sup>126</sup> As all actors were oriented toward Faisal, there was little horizontal communication of commoner bureaucrats, while Faisal's brothers were busy building their fiefdoms. The phenomenon of "paper agencies" persisted—for example, a Ministry of Justice was decreed in 1962 but not actually set up until 1971. All good intentions of development planning got lost somewhere between agency conflicts and an insufficient database.<sup>127</sup> The Central Planning Organization, set up in 1964, had little leverage over other ministries during most of the 1960s,<sup>128</sup> and several ministries never submitted their financial reports to the Ministry of Finance.<sup>129</sup>

Different from the sprawl of the state in the 1950s, however, was the clear regularization of bureaucratic growth both in terms of stability of the overall setup and of internal bureaucratization of institutions. The setup became less fluid. Although facing an acute shortage of qualified administrators, Faisal managed to assemble some good commoner ministers around him, which might explain how at least some decisions were carried out.<sup>130</sup> "Elsewhere," as one British diplomatic source explains, "as so often in developing countries, it [was] the bureaucratic bindweed that [took] root and proliferated most quickly, its function being to choke decision and action." The "bureaucratic bindweed," however, did go along with institutionalization of the civil service, making for gradual institutional consolidation.

Faisal achieved a discernible rationalization of the bureaucracy. As early as June 1958, a royal decree reforming the civil service was issued. It clarified the classification of employees, salary schedules, and criteria for hiring and terminating employment.<sup>131</sup> The

use of public offices for private gain was prohibited and severe penalties threatened. Private business activities of bureaucrats were very common at the time, and the Americans rated the decree as a serious attempt by Faisal to decrease malpractice.<sup>132</sup>

To be sure, overcoming the shortage of qualified and committed personnel was an uphill struggle in a grossly undereducated society.<sup>133</sup> In the early 1960s, the Institute of Public Administration, in Riyadh, was set up with international assistance and imparted basic administrative skills to increasing numbers of Saudis. Having to start almost from scratch, its impact was only gradual. At the end of the 1960s, the pool of skilled administrators was still very small and recruitment often based on nepotism.<sup>134</sup> Many bureaucrats were involved in business interests tied to their respective agency.<sup>135</sup> Absenteeism was rampant,<sup>136</sup> and attempts by a large Ford Foundation consultancy mission in the 1960s to create a merit-based public service did not yield significant results, as the Central Personnel Bureau proved unable to break into the turf of other ministries.<sup>137</sup>

Faisal's own commitment to orderly and rule-bound administration should not be overstated. In his context, he was austere,<sup>138</sup> but that did not mean that he did not have his own trustees, brokers, and business clients, whom he paid off in various ways.<sup>139</sup> The Alireza family, close to Faisal since his time as Hijazi vice regent, was amply supplied with defense-related contracts.<sup>140</sup> Princes from Faisal's own family branch were heavily involved in business.<sup>141</sup> Although the clientelist distribution of budgets and deals was relatively well controlled under Faisal, his rule was no exception to the basic pattern.<sup>142</sup>

Still, all nepotism and clientelism occurred within a progressively bureaucratized institutional setting, the main components and cleavages of which did not change fundamentally after the early 1960s. The 1971 comprehensive civil-service law led to further consolidation of bureaucratic rules and clearer formal concepts of salary scales, seniority, and hierarchy.<sup>143</sup> The Institute of Public Administration augmented its profile under the leadership of 'Abd al-'Aziz Quraishi in the late 1960s, and increasing numbers of foreign-trained Saudis entered public service.<sup>144</sup> The internal structures of agencies, though still fluid in many cases, were much better defined and permanent than ten years earlier.<sup>145</sup>

#### THE BUREAUCRATIC IMMORTALIZATION OF FIEFDOMS IN THE 1970S

The final and dizzying phase of Saudi state expansion after the 1973 oil boom happened in a much more orderly way, based on existing institutions, than in the 1950s.<sup>146</sup> Paradoxically, bureaucratization and state growth also led to entrenchment of existing fiefdoms in the boom—the final phase of state growth. As the budget quadrupled and total state employees increased from 52,000 in 1960 to 124,000 in 1970,<sup>147</sup> royals had growing powers of patronage in their realms, and entrenchment of civil-service rules made for increased institutional stability on lower levels.<sup>148</sup>

The defense budget, usually above one-quarter of overall state expenditure, allowed Prince Sultan to expand his ministerial fiefdom to a full “state within a state,” attaching large-scale housing, health, and educational infrastructure to his ministry. The largest of Sultan's artificial “military cities” in the northern periphery of the kingdom was supposed to house 70,000 people.<sup>149</sup> Although the Saudi military was gradually formalized, all organizational units of the ministry remained organized around Sultan as the

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central authority, hampering communication among them.<sup>150</sup> The national guard under ‘Abdallah developed similar structures on a smaller scale, having its own “cities” and parallel housing, education, and health systems.<sup>151</sup> The Ministry of Interior under Fahd and Nayef, dubbed a “rule unto itself”<sup>152</sup> by a seasoned British diplomat, also built up its own infrastructure.

All of the major fiefs conferred enormous patronage power to their heads through the sheer scale of employment,<sup>153</sup> the provision of select services, and numerous business contracts of various sizes. Considerable parts of society were drawn into the orbit of big government agencies as clients in one form or another.<sup>154</sup>

The dynamics of growth often reinforced segmentation. The Ministry of Defense, the national guard, and the Ministry of Interior seem to have seen repeated competition over budget allocations, and there was a persistent overlap in security functions.<sup>155</sup> The autonomous power of senior princes meant that they ignored budgetary rules in their procurement, undermining coherent economic planning.<sup>156</sup> The parallel buildup of independent housing and health services prevented integrated sectoral policies.<sup>157</sup> The parallel power bases of princes made national decision making and, on a lower level, day-to-day policy coordination more difficult.

Segmentation was reproduced on a smaller scale among agencies headed by trusted commoners. Due to the underdevelopment of general infrastructure and public services, agencies under conditions of fiscal abundance strove to create their own services to be able to develop autonomously.<sup>158</sup> Institutions functioned in more predictable and formal ways than in past decades; the civil service law was refined in 1977 and a further empowered Civil Service Bureau created.<sup>159</sup> However, the persistent hierarchical orientation of various agencies meant that they rarely coordinated in policy and budgeting matters. In the process of rapid growth they acquired their own vested interests and, typically, their own housing and other infrastructure annexes and in at least one case, their own TV studio and gas station.<sup>160</sup>

However, similar to the case of SAMA in the 1950s, further state expansion in the 1970s and early 1980s allowed for new islands of efficiency to emerge, staffed by the most promising technocrats and given relative autonomy from the rest of the civil service. These include the Saudi Ports Authority, the Saudi Arabian Basic Industries Corporation, and the Riyadh Development Authority.<sup>161</sup> Although the core structure of state and regime remained unaltered, the oil boom still allowed for new institutional creations on a technocratic level, offering great mobility to aspiring administrators, some of them successfully co-opted into the system despite their originally leftist leanings.<sup>162</sup> Similarly, the boom was the last time new big business names were added to those that had emerged in the 1950s, most saliently that of later Lebanese Prime Minister Rafiq Hariri, who became a billionaire construction magnate under the patronage of King Fahd.

*Mobility Closure and Congealment*

The institutional fluidity of the 1950s and 1960s and the enduring mobility in the 1970s and early 1980s stand in sharp contrast to the stasis and mobility closure since the mid-1980s. Since the end of the boom, the expansion of the Saudi state has largely stopped and with it change and mobility within the system. The institutions created since the

early 1950s have congealed into a permanent setup through bureaucratic formalization and resource constraints but also through sheer size and scope of the state.

Some well-known facts suffice to illustrate how the end of the boom has brought an end to the internal dynamic of the Saudi system: not only have all the leading princes clung to their posts (until death in the case of Fahd), but also Saudi business has seen very few big newcomers since the oil bust in 1986. The turnover of technocrats in the cabinet has decreased markedly, with their average age strongly increasing.

There has been little change in the setup of government agencies, which have proven to persist once they had grown. The socioeconomic entitlements created through state growth seem to have fettered the once autonomous system, with the wage bill steadily increasing as a share of public expenditure between the early 1980s and the late 1990s. As more social groups have been tied to the state through the formalized clientage of employment and service provision, the government, it appears, has become increasingly immobile, largely incapable or unwilling to impose cuts on the public payroll and subsidized public services.<sup>163</sup> The stickiness of bureaucratic employment prevents institutional reengineering. Policy in the last twenty years has been limited mostly to “putting out fires,” with few grand initiatives.<sup>164</sup>

#### CONCLUSION

For those who know the modern Saudi bureaucratic behemoth, its unmovable institutions and administrative stasis, the great fluidity of early years as traced in this article is hard to imagine. The modern Saudi bureaucracy was created in the 1950s and early 1960s by an elite that was largely unconstrained by society or established bureaucratic structures.

The rapid, personalized creation of government institutions happened in a completely top-down fashion and in a relative political vacuum. Political agency and voluntarism determined state formation at least as much as the development needs of Saudi society did. The Al Sa‘ud laterally expanded into a state apparatus that was most of all geared upon their internal distribution of power. The rapid shifts in institutional design reflected the unique autonomy of the early Saudi rentier-state and its role as playing field for intra-elite balancing games.

Saudi bureaucracy building often seems not to be a case of “form follows function” but of “form follows family.” Institutional reforms often were instruments in an intra-elite power game as much as attempts to modernize the state. Whereas Yizraeli sees primarily a clash between different ideologies of rule and development between Sa‘ud and Faisal, the present account adds a rather more instrumental view of institutional initiatives by both players, with institutions as flexible tokens of power. It is not possible to glean specific princely motivations from the archival record on every single institutional decision. We do know, however, that power politics within the family—whatever its details—consistently loomed larger than other considerations when it came to negotiating institutional change.

#### *Shifts in State Autonomy*

Rentier-state theory posits state autonomy as a result of external state income. As far as autonomy is a useful concept at all, the present historical analysis of Saudi institutions indicates that it is not constant over time: early state autonomy seems to

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have been uniquely large, and political agency determined structures of rule. In later years, conversely, the weight of established structures has taken away much of the political and distributional leeway the Saudi elite used to have. The rentier argument that external revenues give state elites free reign—at least in underdeveloped states with relatively cohesive elites—seems to make much more sense in early phases of state building and, to a lesser degree, while the expansion lasts. Similar patterns may be at work in other late-developing rentier-states. Frequent shifts in alliance and redesigns of the fledgling Omani state under Qaboos in the early 1970s, for example, have given way to more static development in subsequent decades.<sup>165</sup>

*Path Dependency of Institutional Design*

Many of today's permanent features of the Saudi state can be traced back to early contingencies and the crucial juncture of 1962. Civil Aviation's attachment to the Ministry of Defense, the Vice Ministry of Finance, the large size of the national guard, the omnipresent role of the Ministry of Interior—all are outcomes of the politics of the day, which happened to be perpetuated by bureaucratic growth and/or agreements to maintain a given power balance. Similarly, the composition of significant parts of the Saudi private sector is often an outcome of chance encounters that happened many decades ago. The expanding Saudi rentier-state provides powerful examples of "path dependency," the idea that relatively small, early events can have a strong influence on subsequent structural developments. The rapid growth of rentier-states can lead to a "telescoping" effect, magnifying the effects of early decisions manifold and locking them in as states grow mature and harder to change.

More than any other event, the 1962 cabinet deal shaped the face of Saudi politics for the subsequent half century. However, it also appears somewhat contingent in retrospect: there were reported offers by Sa'ud to make Fahd his prime minister, which the latter rejected.<sup>166</sup> Had Fahd accepted, Saudi Arabia and its institutions of governance would look much different today. There were also rumors that Mohammad bin 'Abd al-'Aziz, an irascible older brother of Fahd, could be made minister of finance, which again would have changed the balance of power—and quite likely, institutions—tremendously.<sup>167</sup>

Instead, sober Minister of Finance Prince Mus'ad bin 'Abd alrahman controlled the fisc and helped to limit the intrusion of royals into the state. Although this policy was loosened under Fahd, Faisal's decision to keep princes largely out of technocratic cabinet posts in 1962 established a pattern that has been perpetuated until today and that differs from other Gulf Cooperation Council states with large ruling families, which tend to have princely ministers of finance, oil, and commerce.<sup>168</sup>

*Path Dependency of State Segmentation*

Regularization and growth of the bureaucracy helped to reduce the fluidity of administrative structures, increasingly limiting change to the lower rungs of the state and entrenching senior office holders within an established power balance. It also helped to deepen the fiefdom character of certain institutions that dominate the Saudi scene today.

It is ironic that in the first place it had been the lack of clearly defined bureaucratic hierarchies that tended to give institutions the character of personal courts and enabled



small-scale empire building. With formal procedures loosely defined, ministries were frequently used for patronage and to recruit allies—not only by royals but also by well-positioned commoners, several of who left their mark on the Saudi state. As the state grew more complex and the Al Sa‘ud delegated authority only in specific institutional contexts, the fragmentation of the state did not disappear but was often consolidated through bureaucratization. Although Faisal’s overcentralization persisted, agencies often kept their island character, communicating mostly vertically.

Again, many institutional idiosyncrasies of Saudi Arabia would not be thinkable without rent surpluses that allowed institutional sprawl and costly redundancy. In a starkly contrasting example from an originally quite similar country, John Davis has argued that oil rents in Libya allowed for the experiment of abolishing significant parts of the state.<sup>169</sup> What these two very different oil states seem to demonstrate is that rents can allow for unusual, possibly dysfunctional institutional experiments without predicting what these will look like.

Approaching rentier-states from this angle, the focus is once more on contingency and agency, which are in turn crucial to understanding the internal heterogeneity of the Saudi state. Oil income has in some cases allowed for the creation of very efficient bureaucratic islands—SAMA and the like, where select commoners played crucial roles—but in others has boosted neopatrimonialism. As long as the system expanded, oil created great leeway to freely design institutions and in very different ways. Generalizations about the nature of the state are hence difficult. As political agency intervenes, rents do not automatically create inefficiency and corruption. At the same time, rapidly increasing rents may create a temptation to build institutional fiefdoms, as these can be convenient devices to cement coalitions within the elite. Again, this is not an automatic outcome, but the record of other oil states indicates that it is a distinct possibility and yet one overlooked by rentier theories.<sup>170</sup>

Sarah Yizraeli contends that the management of family politics through handing over control of functionally differentiated formal institutions to senior royal players is more modern than the old patrimonialism under Ibn Sa‘ud and his first successor, centered mostly on the king’s court. As soon as individual formal posts become royal fiefs of their own, this judgment might be questionable. The paradox of Saudi state development is that modern, differentiated bureaucracy and royal patrimonialism have grown concurrently.

#### NOTES

*Author’s note:* I thank the Daimler Benz Foundation, my interviewees, and the archivists of Riyadh, Oxford, and Georgetown for their invaluable support.

<sup>1</sup>Cf. Kiren Chaudhry, *The Price of Wealth: Economies and Institutions in the Middle East* (Ithaca, N.Y.: Cornell University Press, 1997); Jacques Delacroix, “The Distributive State in the World System,” *Studies in Comparative International Development* 15 (Fall 1990); Giacomo Luciani, “Allocation vs. Production States: A Theoretical Framework,” in *The Arab State*, ed. Giacomo Luciani (London: Routledge 1990), 65–84; Terry Lynn Karl, *The Paradox of Plenty: Oil Booms and Petro-States* (Berkeley, Calif.: University of California Press, 1997).

<sup>2</sup>Recent additions to this academic growth industry include Nathan J. Citino, *From Arab Nationalism to OPEC: Eisenhower, King Sa‘ud, and the Making of U.S.–Saudi Relations* (Bloomington, Ind.: Indiana University Press, 2002); Thomas Lippman, *Inside the Mirage: America’s Fragile Partnership with Saudi Arabia* (Boulder, Co.: Westview, 2004); Rachel Bronson, *Thicker than Oil: The U.S. and Saudi Arabia* (Oxford: Oxford University Press, 2005).

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<sup>3</sup>Sarah Yizraeli, *The Remaking of Saudi Arabia: The Struggle between King Sa'ud and Crown Prince Faysal, 1953–1962* (Tel Aviv: Dayan Center, 1997).

<sup>4</sup>Cf. Robert Vitalis's review in *International Journal of Middle East Studies* 31 (November 1999), 659.

<sup>5</sup>Delacroix, "The Distributive State"; Gregory Gause, *Oil Monarchies* (New York: Council on Foreign Relations, 1994); Dirk Vandewalle, *Libya Since Independence* (Ithaca, N.Y.: Cornell University Press, 1998); Nazih Ayubi, *Over-Stating the Arab State* (London: I. B. Tauris, 1995), 256.

<sup>6</sup>Chaudhry, *The Price of Wealth*, 269–319.

<sup>7</sup>Luciani, "Allocation vs. Production States"; Hazem Beblawi, "The Rentier State in the Arab World," in Luciani, *Arab State*; Delacroix, "The Distributive State."

<sup>8</sup>Despite protestations to the contrary, such determinism strongly underlies the "resource curse" account in Karl, *Paradox of Plenty*.

<sup>9</sup>Jill Crystal, *Oil and Politics in the Gulf* (Cambridge: Cambridge University Press, 1995).

<sup>10</sup>Michael Herb, *All in the Family* (Albany, N.Y.: State University of New York Press, 1999).

<sup>11</sup>Philby has allegedly reported Ibn Sa'ud making this quote from the Qur'an; Jones to USSD, "Six months of King Saud," embassy report, 10 May 1954, U.S. Records on Saudi Affairs (henceforth USRSA), vol. 2 (Slough, U.K.: Archive Editions, 1997).

<sup>12</sup>Ali Mashhour al-Seflan, "The Essence of Tribal Leaders' Participation, Responsibilities, and Decisions in Some Local Government Activities in Saudi Arabia" (PhD diss., Claremont Graduate School, 1980), 81.

<sup>13</sup>See the list of administrative units in 'Abd al-'Aziz's court in Alexei Vasiliev, *The History of Saudi Arabia* (London: Saqi, 2000), 293.

<sup>14</sup>Yizraeli, *The Remaking*, 101; Soliman Solaim, "Constitutional and Judicial Organization in Saudi Arabia" (PhD diss., Johns Hopkins University, 1970), 8; Ibrahim Al-Awaji, "Bureaucracy and Society in Saudi Arabia" (PhD diss., University of Virginia, 1971), 45.

<sup>15</sup>Arthur N. Young, *Saudi Arabia: The Making of a Financial Giant* (New York: New York University Press, 1983), 23.

<sup>16</sup>*Ibid.*, 20.

<sup>17</sup>United Kingdom Public Record Office, Foreign Office, 371/75507 (E 10334) (henceforth PRO, FO).

<sup>18</sup>Embassy to the USSD, reforms undertaken by the crown prince, 16 November 1952, USRSA, vol. 2.

<sup>19</sup>Letter from Philby to Barker, Jidda, 6 August 1953, "misc" file, Philby archive, St. Antony's College, Oxford.

<sup>20</sup>Yizraeli, *The Remaking*, 20.

<sup>21</sup>Summer Scott Huyette, *Political Adaptation in Saudi Arabia* (London: Westview, 1985), 106.

<sup>22</sup>"... the merchants all, to a greater or less [sic] degree, depend on the spending power of the court"; brief for talks with USA, January 1956, PRO, FO 371/120754 (ES 1015/3).

<sup>23</sup>Chambers of Commerce in Saudi Arabia," 14 April 1956, box 2, folder 51, Mulligan Papers, Georgetown University (henceforth Mulligan Papers).

<sup>24</sup>"Ministry of Commerce," 11 March 1957, box 9, folder 1, Mulligan Papers.

<sup>25</sup>Taha Osman El-Farra, "The Effects of Detribalizing the Bedouins on the Internal Cohesion of the Saudi State" (PhD diss., University of Pittsburgh, 1973).

<sup>26</sup>Citino, *From Arab Nationalism to OPEC*, 64–65; Robert Lacey, *The Kingdom* (New York: Harcourt Brace Yovanovich, 1981), 302.

<sup>27</sup>Robert Vitalis, *America's Kingdom* (Stanford, Calif.: Stanford University Press, 2007).

<sup>28</sup>Cf. numerous biographies in the Mulligan papers.

<sup>29</sup>Vitalis, *America's Kingdom*, 143.

<sup>30</sup>"Dammam Municipal Elections," 24 September 1960, box 3, folder 61, Mulligan Papers.

<sup>31</sup>"Municipalities in Saudi Arabia," May 1956, box 5, folder 18, Mulligan Papers.

<sup>32</sup>"Consultative Council," 29 December 1956, box 9, folder 1, Mulligan Papers, 15.

<sup>33</sup>'Ulama' were reported to be loyal to both Saud and Faisal; "Faisal's Character" (n.d.), box 1, folder 70, Mulligan Papers. On the 'ulama's effective political abstinence, see Stephane Lacroix, "A Political Sociology of Islamism in Saudi Arabia" (PhD diss., Sciences Po/Paris 2007); Abdulaziz Al-Fahad, "From Exclusivism to Accommodation: Doctrinal and Legal Evolution of Wahhabism," *NYU Law Review* 79 (May 2004).

<sup>34</sup>Sa'ud was reported early on as being uninfluenced by the 'ulama'; PRO/FO 371/82639 (ES1015/1).

<sup>35</sup>Embassy to USSD, reforms undertaken, USRSA, vol. 2.

<sup>36</sup>Hare to USSD, telegram 714, 4 June 1951, USRSA, vol. 3.

<sup>37</sup>Citino, *From Arab Nationalism*, 64, 78.

<sup>38</sup>Jones to USSD, telegram, 13 October 1953, USRSA, vol. 2. Lack of coordination had existed since the creation of the Saudi state. A British dispatch in early 1954 commented, "Hitherto each Minister has done whatever he found within his pleasure and his power"; 1953 annual review, 1 January 1954, PRO, FO 371/110095 (ES 1011/1).

<sup>39</sup>1954 annual review, 6 January 1955, PRO, FO 371/113872 (ES 1011/1).

<sup>40</sup>Hare to USSD, telegram 714.

<sup>41</sup>Embassy to USSD, telegram 537, 3 April 1952, USRSA, vol. 3.

<sup>42</sup>1953 annual review, PRO, FO 371/110095 (ES 1011/1).

<sup>43</sup>Stein to USSD, resignation of prince Talal bin Abdulaziz as Minister of Communication, 30 April 1955, USRSA, vol. 5. In November 1955, up and coming Prince Sultan would become head of the Ministry of Communications, once again re-created as an independent entity.

<sup>44</sup>Various biographical sketches, Mulligan Papers; Sweeney to USSD, telegram, 14 April 1959, USRSA, vol. 5.

<sup>45</sup>Embassy to USSD, Mohammed Suroor to supervise pilgrimage and broadcasting, 22 December 1952, USRSA, vol. 2.

<sup>46</sup>"Inspector of the Diplomatic and Consular Service"; Embassy to USSD, news summary for September, 6 November 1955, USRSA, vol. 4.

<sup>47</sup>One rather embarrassing example was Saudi United Nations ambassador Baroudi, who was useless by the admission of his boss Omar Saqqaf but to whom Faisal was obliged; "Saudi Arabia: Government Officials," United Kingdom, Public Record Office, Foreign and Commonwealth Office, 8/1168 (henceforth PRO, FCO). Similarly, Ibrahim Suwayyel had no visible qualification for being minister of agriculture apart from being loyal and trusted; biographical sketch, box 2, folder 4, Mulligan Papers.

<sup>48</sup>Biographical sketches of Abdalmuhsin, Badr, and Fawwaz, box 1, folder 69, Mulligan papers.

<sup>49</sup>In addition to Yizraeli, there is Gary Samore, "Royal Family Politics in Saudi Arabia (1953–82)" (PhD diss., Harvard University, 1983).

<sup>50</sup>"Faisal's Character," box 1, folder 70, Mulligan Papers.

<sup>51</sup>Yizraeli, *The Remaking*, 153.

<sup>52</sup>On the parallel plans for broadcasting authorities cf. "Resignation of Amir Nawwaf," 1 August 1961, folder 8, box 3, Mulligan Papers.

<sup>53</sup>George Lipsky, *Saudi Arabia: Its People, Its Society, Its Culture* (New Haven, Conn.: HRAF Press, 1959), 96.

<sup>54</sup>Discussions with Saudi bankers, Riyadh, December 2005; Vitalis, *America's Kingdom*, 168.

<sup>55</sup>Michael Field, *The Merchants: The Big Business Families of Saudi Arabia and the Gulf* (New York: Overlook Press, 1984), 101.

<sup>56</sup>Young, *The Making*, 78.

<sup>57</sup>Examples include Sa'ud's confidant Id bin Salem ("The Royal Cabinet," 24 August 1960, box 3, folder 61, Mulligan Papers); Adnan Khashoggi, who reportedly was given his first break by Talal and Nawaf before becoming a client of Fahd and Sultan ("Adnan Muhammad Khashoggi," October 1971, box 1, folder 70, Mulligan Papers); Ibrahim Shakir, who was a client of Minister of Finance 'Abdallah Sulaiman (Consulate Basra to USSD, enclosure no. 1 to dispatch no. 111, 4 May 1950, USRSA, vol. 2); Faisal's brother-in-law Kamal Adham and the Alireza merchant family, all supported by Faisal; Field, *The Merchants*, 110.

<sup>58</sup>"The Royal Cabinet," box 3, folder 61, Mulligan Papers.

<sup>59</sup>Field, *The Merchants*, 110; "Muhammad Omar Tawfiq" (n.d.), box 2, folder 4; "Faisal's Character," box 1, folder 70, Mulligan Papers; Huyette, *Political Adaptation*, 69.

<sup>60</sup>Interviews with former senior bureaucrats, Riyadh, between 2003 and 2006.

<sup>61</sup>Only 2 percent of 271 "top officials" in a 1960s survey were born to tribesmen (Awaji, "Bureaucracy and Society," 169–76). Government charts from 1947 and 1961 show several urban notable family names in senior positions but no tribal names; box 1, folder 9, Mulligan Papers.

<sup>62</sup>J. B. Armitage to R. McGregor, 31 July 1971, PRO, FCO 8/1733.

<sup>63</sup>Biographical sketches of Fahd and Sultan, box 1, folder 70, Mulligan Papers.

<sup>64</sup>Various biographical sketches, Mulligan Papers.

<sup>65</sup>Department of the Air Force, "Visit of HRH Prince Misha'al Abdulaziz al Saud, Minister of Defense, Saudi Arabi [sic], including 2 biographies," 6 November 1951, USRSA, vol. 2.

<sup>66</sup>Stein to USSD, "Resignation of prince Talal."

<sup>67</sup>Vitalis, review of Chaudhry, p. 661.

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<sup>68</sup>Embassy to USSD, "Transmittal of charts of Saudi Government Organization," 14 November 1951, USRSA, vol. 2.

<sup>69</sup>Robert Vitalis, personal communication, November 2005.

<sup>70</sup>Jones to USSD, establishment of Saudi Ministry of Economy, 19 July 1953, USRSA, vol. 3.

<sup>71</sup>"Discussion with Hafiz Wahba," 23 December 1961, box 3, folder 10, Mulligan Papers.

<sup>72</sup>Embassy to USSD, "Transmittal of charts."

<sup>73</sup>Toomey to USSD, "Saudi Press Criticizes the Minister of Commerce, Sheikh Mohammed Alireza," 2 October 1958, USRSA, vol. 5; Morris to FO, 25 November 1958, PRO, FO 371/132656 (BS1015/16).

<sup>74</sup>"Ministry of Commerce," 24 August 1960, box 3, folder 61; biographical sketch Alireza family (n.d.), box 1, folder 170, Mulligan Papers.

<sup>75</sup>Embassy to USSD, biweekly report for 1st half of May, 11 June 1957, USRSA, vol. 4.

<sup>76</sup>Huyette, *Political Adaptation*, 105.

<sup>77</sup>Awaji, "Bureaucracy and Society," 130, 217; Taha El-Farra, "The Effects of Detribalizing the Bedouins on the Cohesion of an Emerging State: The Kingdom of Saudi Arabia" (PhD diss., University of Pittsburgh, 1973), 73.

<sup>78</sup>Embassy to USSD, "financial regulations issued by crown prince," 20 December 1952, USRSA, vol. 2.

<sup>79</sup>Interview with senior Arab economic adviser, Riyadh, April 2004.

<sup>80</sup>To USSD, "Promotions within ministry of finance," 2 March 1953, USRSA, vol. 3. The son of 'Abdallah bin Adwan today serves on the advisory body of King 'Abdallah's Supreme Economic Council.

<sup>81</sup>David Holden and Richard Johns, *The House of Saud* (London: Pan Books, 1982), 182.

<sup>82</sup>Young, *The Making*, 39, 61.

<sup>83</sup>Philips to Anthony Eden, 16 April 1953, PRO, FO 371/104860 (ES1105/1); Young (*The Making*, 50) mentions more than twenty signatures.

<sup>84</sup>Embassy to USSD, "Financial regulations."

<sup>85</sup>1945 annual review, PRO, FO 371/52823 (E 2249).

<sup>86</sup>*Ibid.*

<sup>87</sup>Hare to USSD, telegram 31x[illegible], 17 July 1952; USRSA, vol. 3; Pelham to FO, 8 August 1953, PRO/FO 371/104854 (ES 1016/1).

<sup>88</sup>Embassy to USSD, telegram, 17 July 1952, USRSA, vol. 3; revision of the list of leading personalities in Saudi Arabia, 1946, PRO, FO 371/52832.

<sup>89</sup>Vasiliev, *History of Saudi Arabia*, 298.

<sup>90</sup>Field, *The Merchants*, 108.

<sup>91</sup>Other high-ranking Ministry of Finance officials in Sulaiman's time, such as Lebanese Najib Salha, had a degree of maneuverability in their respective administrative units and established their own clienteles. Salha reportedly "made" the Kaaki family (who were to found the large National Commercial Bank) during World War II; revision of leading personalities, PRO, FO 371/52832.

<sup>92</sup>In the early 1950s, for example, Siraj Zahran and Mohammad Zaidan, both subsequently prominent business names, were assistants to Mohammad Suroor, adviser to Sulaiman and head of the purchasing department in Riyadh. Mohammad bin Laden, who built a palace for King 'Abd al-'Aziz, was director of public construction; Consulate Basra to USSD, 4 May 1950, USRSA, vol. 2; Embassy to USSD, "Transmittal of Charts."

<sup>93</sup>Hare to USSD, appointment of Hasan Sharbatli as Minister of State, 28 July 1952, USRSA, vol. 2.

<sup>94</sup>*Ibid.*

<sup>95</sup>Foreign Office minutes, 24 January 1958, PRO, FO 371/133156 (ES 1111).

<sup>96</sup>Young, *The Making*, 14.

<sup>97</sup>*Ibid.*, 64.

<sup>98</sup>Embassy to USSD, "Financial regulations."

<sup>99</sup>Beeley to FO, 15 June 1955, PRO, FO 371/114888 (ES1111/2)

<sup>100</sup>Aramco generally urged the princes to streamline their government, and so did the embassy; Embassy to USSD, "Reforms undertaken."

<sup>101</sup>Pelham to FO, 18 January 1955, PRO, FO 114888 (ES1111/1).

<sup>102</sup>"Evaluative Study Number 2: Assistance to the Institute of Public Administration," October 1970, box 11, Ford Foundation archive, Institute of Public Administration, Riyadh (henceforth Ford Foundation archive).

<sup>103</sup>Heath to USSD, telegram, 27 November 1959, USRSA, vol. 5.

<sup>104</sup>Yizraeli, *The Remaking*, 53.



<sup>105</sup>SAMA's first annual report in 1960 stressed the achievement of budgetary order, contrasting it with the preceding chaos; MEED, 23 January 1959, 45 (and subsequently MEED, 8 January 1960, p. 7; MEED, 31 August 1962, p. 382); cf. also Embassy to USSD, fortnightly summary for 1–15 December, 5 January 1959, USRSA, vol. 4.

<sup>106</sup>Embassy to USSD, telegram, 14 April 1959, USRSA, vol. 5.

<sup>107</sup>"Faisal's Character," box 1, folder 70, Mulligan Papers.

<sup>108</sup>Heath to USSD, "Over-centralization of authority in the Saudi Government," 22 July 1959, USRSA, vol. 5.

<sup>109</sup>The austerity starting with the 1959 budget did not imply rationalization all across the board but mostly hit the budgets of Sa'ud and his minister sons, whereas Faisal's allies saw constant or increasing allocations; MEED, 23 January 1959, 45; 6 January 1961, 8.

<sup>110</sup>Lacey, *The Kingdom*, 258–371.

<sup>111</sup>These advisors grew increasingly unpopular throughout the 1950s; PRO, FO 371/127150 (ES 1015/8); 114874 (ES 1015/6).

<sup>112</sup>When Talal tried to build a popular following during a tour through the eastern province, merchants proved uninterested and young professionals refused to engage with him; "Saudi National Legislative Council," 2 August 1961, box 3, folder 8, Mulligan Papers.

<sup>113</sup>"Complete Powers" (n.d.), box 6, folder 12, Mulligan Papers.

<sup>114</sup>Vitalis, *America's Kingdom*, 221.

<sup>115</sup>Biographical sketch Hisham Nazer, box 1, folder 69, Mulligan Papers; various other biographies.

<sup>116</sup>The budget volume increased from 1.4 billion Saudi riyals in 1960 to 5.8 billion in 1968 and 1969; MEED, 8 January 1960, 8; 4 October 1968, 976.

<sup>117</sup>Huyette, *Political Adaptation*, 74

<sup>118</sup>Biographical sketch Muhammad Abalkhail, 1972, box 1, folder 70, Mulligan Papers.

<sup>119</sup>Samore, "Royal Family Politics," 232.

<sup>120</sup>Biographical sketch Khalid, June 1968, box 1, folder 70, Mulligan Papers.

<sup>121</sup>Already in 1965, a volume of 100 million pounds was envisaged; MEED, 19 November 1965, 526.

<sup>122</sup>"Form-At-A-Glance–Saudi Arabia," June 1973, PRO, FCO 8/2105; "Organization and Administration of the Ministry of Defense and Civil Aviation" (n.d.), box 18, Ford Foundation archive.

<sup>123</sup>At least up to 1972 it also lacked an operations center and adequate maps; "Report on Saudi Arabian National Guard," 11 October 1972, PRO, FCO 8/1915; "Management Survey Report National Guard," March 1966, box 23, Ford Foundation archive.

<sup>124</sup>Yizraeli, *The Remaking*, 96, 110.

<sup>125</sup>Regarding public works, for example, the Ford Foundation commented, "Each Ministry is more or less an independent autonomous unit as to policy determination, budget formation, fiscal control and over-all administration," "Interim Report on Establishment of an Integrated Public Works Agency," May 1965, box 17, Ford Foundation archive.

<sup>126</sup>Abdullah Mohammed Binsaleh, "The Civil Service and Its Regulation in Saudi Arabia" (PhD diss., Claremont Graduate School, 1982), 65; Vasiliev, *History of Saudi Arabia*, 404.

<sup>127</sup>Awaji, "Bureaucracy and Society," 162; David Edens and William Snavelly, "Planning for Economic Development in Saudi Arabia," *Middle East Journal* 21 (Winter 1970): 17; "Evaluative Study Number 2: Assistance to the Institute of Public Administration," October 1970, box 11, Ford Foundation archive.

<sup>128</sup>The CPO acquired political clout only from 1968 on, under Hisham Nazer, who had direct access to the king; Morris to Douglas-Home, 3 February 1971, PRO, FCO 8/1742.

<sup>129</sup>Financial Management Program & System, September 1970, box 1, Ford Foundation archive, 5.

<sup>130</sup>Rothnie to Wright, 22 August 1974, PRO, FCO 8/2332.

<sup>131</sup>Ahmed H. al-Hamoud, "The Reform of the Reform: A Critical and Empirical Assessment of the 1977 Saudi Civil Service Reform" (PhD diss., University of Pittsburgh, 1991), 178, 268.

<sup>132</sup>Sweeney to USSD, telegram, 26 June 1958, USRSA, vol. 5.

<sup>133</sup>Heath to USSD, telegram, 30 July 1958, USRSA, vol. 5.

<sup>134</sup>Annual Review 1968, 14 January 1969, FCO 8/1166; Binsaleh, 65; Huyette, 106; Qualifying exams, as far as administered, were often tailor-made for specific individuals; Awaji, "Bureaucracy and Society," 139.

<sup>135</sup>The British embassy in Jeddah decried the "prevalence of corruption at all levels"; Annual review for 1968, PRO, FCO 8/1166.



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<sup>136</sup>Interview with James Craig, former British ambassador to Saudi Arabia (1979–84), who had also been posted in the kingdom in the late 1960s. Oxford, June 2005.

<sup>137</sup>Lippman, *Inside the Mirage*, 146.

<sup>138</sup>“Under King Feisal. . . . If corruption has not disappeared, it is circumscribed”; Morris to Stewart, “The Saudi Arabian Internal Scene,” January 1969, PRO, FCO 8/1165.

<sup>139</sup>It was an insider deal of Faisal’s brother-in-law Kamal Adham that reportedly prompted the clash between Faisal and Minister of Petroleum Abdallah Tariqi leading to Tariqi’s dismissal, in 1962 (Lacey, *The Kingdom*, 339). Similarly, Faisal decided to help out the bin Laden family through road contracts in the late 1960s, after the head of the family died in a plane crash; “Saudi Arabia: A Reappraisal,” *Geneva Business International* September (1985), 183.

<sup>140</sup>MEED, 26 October 1967, 10 July 1970; Field, 110.

<sup>141</sup>Cf. MEED, 14 June 1968, 553.

<sup>142</sup>Contacts in the administration were needed for obtaining contracts. Faisal knew of the systems of the middleman but turned a blind eye; Rothnie to Wright, PRO, FCO 8/2332.

<sup>143</sup>Al-Hamoud, “Reform of the Reform,” 184–86, 268.

<sup>144</sup>Armitage to McGregor, 31 July 71, PRO, FCO 8/1733; Report on the Institute of Public Administration, April 1969, box 9, Ford Foundation archive.

<sup>145</sup>Interview with Soliman Solaim, former Saudi Minister of Commerce, Riyadh, December 2005.

<sup>146</sup>Government expenditure grew from 6.4 billion Saudi riyals in 1970 to 234 billion in 1980; SAMA Annual Report 2003, 380.

<sup>147</sup>Rayed Krimly, “The Political Economy of Rentier States: A Case Study of Saudi Arabia” (PhD diss., George Washington University, 1993), 231; MEED 8 January 1960, 8; 4 October 1968, 976.

<sup>148</sup>Bader H. al-Ammaj, “Administration in Traditional Society: The Case of Recruitment and Selection in Public Sector Employment in Saudi Arabia” (PhD diss., University of Southampton, 1993); Ahmed H. al-Hamoud, “Reform of the Reform”; Ahmed Mohamed Al-Tawati, “The Civil Service of Saudi Arabia: Problems and Prospects” (PhD diss., University of West Virginia, 1976).

<sup>149</sup>MEED, 1 June 1979, 3.

<sup>150</sup>Form-At-A-Glance–Saudi Arabia, June 1973, PRO, FCO 8/2105.

<sup>151</sup>Report on Saudi National Guard, 11 October 1972, PRO, FCO 8/1915

<sup>152</sup>Phone interview with Andrew Green, former British ambassador to Saudi Arabia, June 2005.

<sup>153</sup>The number of budgeted state employees more than tripled from 1971–72 to 1981–82 (from 96781 to 353229, although many posts could not be filled initially); al-Hamoud, “Reform of the Reform,” 382.

<sup>154</sup>For a description of agency-based princely clientelism today, see Madawi Al-Rasheed, “Circles of Power: Royals and Society in Saudi Arabia,” in *Saudi Arabia in the Balance*, ed. Paul Aarts and Gerd Nonneman (London: Hurst, 2005).

<sup>155</sup>“Saudi Arabia: Defence: National Guard,” 1969, PRO/FCO 8/1198; Craig to Stewart, “Internal security in Saudi Arabia,” 14 August 1969, PRO/FCO 8/1165.

<sup>156</sup>MEED, 1 June 1979, 25; Holden and Johns, *House of Saud*, 508.

<sup>157</sup>MEED, 4 February 1983, 41.

<sup>158</sup>Interview with Michael Gillibrand, former adviser to the Saudi government, London, November 2005.

<sup>159</sup>Ammaj, “Administration in Traditional Society,” 141.

<sup>160</sup>Interview with former senior Saudi bureaucrat, Riyadh, May 2004.

<sup>161</sup>On the ports authority, see Holden and Johns, *House of Saud*, 404.

<sup>162</sup>Fahd played a prominent role in cultivating these young Turks; discussion with Saudi businessman, London, July 2005.

<sup>163</sup>Steffen Hertog, “Segmented Clientelism: the Politics of Economic Reform in Saudi Arabia” (PhD diss., University of Oxford, 2006).

<sup>164</sup>Interview with former Saudi deputy minister, Riyadh, November 2005.

<sup>165</sup>Cf. Calvin Allen and W. Lynn Rigsbee, *Oman under Qaboos: From Coup to Constitution* (London: Frank Cass, 2000), 34–64.

<sup>166</sup>Yizraeli, *The Remaking*, 89.

<sup>167</sup>Consulate Basra to USSD, 4 May 1950, USRSA, vol 2.

<sup>168</sup>The Saudi example shows that elite power balancing at crucial historical junctures can also work against the gradual expansion of princes into dynastic rentier-states as described by Herb, *All in the Family*.

<sup>169</sup>John Davis, *Libyan Politics: Tribe and Revolution* (Berkeley, Calif.: University of California Press, 1987).

<sup>170</sup>Terry Lynn Karl mentions the “top-down yet divided organisation” of Venezuelan parties, with various personalized patronage structures all vying for state access, indicating equivalent patterns of fragmentation (see Karl, *Paradox of Plenty*, 107). Members of the ruling Sabah family built ministerial fiefdoms in Kuwait as early as the 1950s (Crystal, *Oil and Politics*, 13), and the Qatari state is similarly divided among various fiefs (discussion with Jill Crystal, Paris, January 2005). Several of the Libyan ministries in the 1950s and 1960s, the decades of early oil, were also run as patrimonial fiefdoms; Vandewalle, *Libya Since Independence*, 48.



