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Saudi Arabia's strategic stalemate – what next?

Old Saudi certainties are rapidly fading under the leadership of King Salman and his increasingly powerful son Mohammed bin Salman. The Kingdom of Saudi Arabia is currently pursuing a range of economic and social reforms domestically, while it has also replaced its traditional low-profile foreign policy with a proactive and muscular one. This policy brief explores the domestic and regional origins of Saudi Arabia's more assertive foreign policy as well as its costly consequences, and outlines an alternative policy the Saudi government could choose to pursue.

Introduction

The Kingdom of Saudi Arabia has traditionally pursued a low-profile foreign policy and relied on others to do the heavy work. For example, Saudi Arabia invited the US into the country in 1991 to protect itself from Saddam Hussein's Iraq, as Saudi leaders considered the Kingdom unable to defend itself.¹ Recently, however, the country has developed a more muscular foreign policy and has taken a front seat in conflicts across the Middle East: leading the war against the Houthis in Yemen, creating the Islamic Military Alliance to Fight Terrorism, supporting various factions in the Syrian civil war, and initiating the blockade of Qatar.

This shift results from the regional upheaval that followed the Arab Spring, a growing sense of insecurity within the Saudi royal family, and the centralisation of power under its new and assertive leadership. To date, however, the results of this newfound assertiveness have not impressed. One could in fact argue that Saudi Arabia's more assertive foreign policy has produced a series of costly failures, both financially

and in reputational terms. This policy brief explores these elements in turn and outlines an alternative path towards regional stability that the Saudi government could choose to pursue.

Legitimacy: The monarchy and the Ulema vs. the Brotherhood, Al-Qaeda and Shia Iran

Saudi Arabia's foreign policy is in large part a function of its domestic situation. As an absolute monarchy, its foreign policy decisions reflect the interests of the princes of the House of Saud. These princes occupy nearly all the important foreign policy decision-making functions within the Kingdom and are understandably concerned with the survival of the monarchy. The main threat they see is a threat to their

1 Osama Bin Laden offered to raise an army of mujahedeen to defend the Kingdom, but the royal family refused the offer.

legitimacy. This legitimacy rests on a pact made between the House of Saud and the Ulema, the Saudi religious elite. This pact trades religious legitimacy for the House of Saud for a transfer of significant state power to the Ulema, notably in the judicial and educational systems. One method by which the Ulema support the monarchy is by issuing fatwas that endorse the monarchy and its policies. For instance, in 1991 the Ulema supported the decision to host US troops in the Kingdom, in 2013 during the Arab Spring they declared that protests were un-Islamic, and in 2015 they pronounced the war in Yemen a religious duty.²

To understand the specific threats the monarchy fears, it is worth revisiting the events of 1979, which still play an important and underappreciated role in Saudi foreign policy today. In late 1979, an extremist Sunni group within Saudi Arabia violently seized the Grand Mosque in Mecca and called for the overthrow of the House of Saud, which it saw as corrupt and having betrayed Islam.³ That same month, the Shia minority in Saudi's oil-rich Eastern Province rose up in large-scale protests against the royal family. These dual domestic threats occurred under the shadow of the Iranian revolution. Only months before, the Shah of Iran had been removed by a popular Islamic revolution and replaced with Ayatollah Khomeini, who swiftly declared the Saudi monarchy un-Islamic.

Almost four decades have passed since 1979, but the threats to Saudi legitimacy remain the same: Sunni groups with an alternative religious vision on governance that are not beholden to the Saudi monarchy, a repressed and restive Shia domestic minority, and an antagonistic Iran. The Sunni groups cover a wide range of religious ideologies: from organisations that claim

to be democratic and peaceful, such as the Muslim Brotherhood, to organisations that are explicitly violent, such as the Islamic State and Al-Qaeda. On the one hand, the Saudi monarchy fears the combination of participatory democracy and Islamist politics.⁴ This is why Saudi Arabia opposed the Muslim Brotherhood in Egypt, which it labelled a terrorist organisation in 2014. It also partly explains Saudi's stance towards Qatar, which has supported both the Muslim Brotherhood and the 'new governance' sought by many Arab Spring protestors through Al-Jazeera coverage.⁵ On the other hand, extremist Sunni groups, such as Al-Qaeda and the Islamic State, call for the violent removal of the Saudi monarchy. Similar to the extremists responsible for the Grand Mosque seizure in 1979, Al-Qaeda and the Islamic State do not recognise the legitimacy of the House of Saud and have carried out lethal attacks inside the Kingdom – even though the relationship between these groups and the official Saudi theology is complicated and multilayered.⁶

Saudi Arabia's Eastern Province is home to the country's Shia minority, estimated to be between 10% and 15% of the Kingdom's total population.⁷ Although the province is oil-rich, it is also one of the poorest parts of the country, having suffered from sectarian discrimination for more than a century, both economically and politically. Tensions in the Eastern Province rose with the Iranian Revolution in 1979, as many Shia

2 Karim, Umer (2017) 'The Evolution of Saudi Foreign Policy and the Role of Decision-making Processes and Actors', *The International Spectator*. 52:2. p.75.

3 For a historical overview of the seizure of the Grand Mosque and its consequences, see: Lacey, Robert (2010) *Inside the Kingdom: Kings, Clerics, Modernists, Terrorists and the Struggle for Saudi Arabia*, London: Arrow Books.

4 Gause III, Gregory F. (2014) *Beyond Sectarianism: The New Middle East Cold War*, Brookings Doha Center. p.2.

5 Interestingly, it also helps explain why Saudi Arabia is not closer to Turkey, even though both want to see Assad removed in Syria, because Turkey's democratically elected AKP supports the Muslim Brotherhood.

6 When it comes to extremism, Saudi Arabia has been called 'Both the Arsonists and the Firefighters'. See: <https://www.nytimes.com/2016/08/26/world/middleeast/saudi-arabia-islam.html?mcubz=3>.

7 Wehrey, Frederic (2013) *The Forgotten Uprising in Eastern Saudi Arabia*, Carnegie Endowment for International Peace, <http://carnegieendowment.org/2013/06/14/forgotten-uprising-in-eastern-saudi-arabia-pub-52093>.

began looking to Iran for leadership. Unrest increased again with the Arab Spring in 2011, when Saudi troops entered neighbouring Bahrain to assist the Sunni monarchy in suppressing protests by the Shia majority there. Since the Arab Spring, Saudi's Eastern Province has seen incessant low-level unrest. While calls from the country's Shia minority for more religious and political freedom transcend pure sectarian motives and are shared with others in the Kingdom, the Saudi regime often interprets Shia protests through the lens of the Kingdom's rivalry with Iran.⁸

The rivalry between Saudi Arabia and Iran – the two largest countries in the Middle East – can be seen as a classic quest for hegemony.⁹ In addition to its Realpolitik, however, it also features a prominent ideological front, namely, between a revolutionary antimonarchical republic and a reactionary monarchy that wants to maintain the status quo. Saudi documents released by WikiLeaks show an 'obsession with Iran'.¹⁰ When Bahrain's monarchy is threatened, when there are Shia protests in Saudi's Eastern Province, or when Houthis take control in northern Yemen, Saudi's rulers tend to see an Iranian connection: ideological, material, or both.

Recent external developments: regional upheaval and growing threat perception

Saudi Arabia's increasingly assertive foreign policy has been some years in the making. Arguably, its seeds were sown in 2003 with

the regional upheaval created by the US-led invasion of Iraq, which in the eyes of Saudi leadership played into the hands of rival Iran. More recently, it has accelerated due to two external factors. First, the Arab Spring and its aftermath generated more upheaval and violence in significant parts of the Middle East. Civil wars from Syria to Yemen, and political unrest from Morocco to Bahrain, created a sudden set of opportunities for countries to intervene in the affairs of some of their neighbours. Local political factions also invited foreign powers as patrons into their domestic struggles. Iran and Saudi Arabia – both keen to increase their influence in the region – seized the moment. In Syria, for example, Saudi Arabia first patronised the Free Syrian Army and later the Islamic Front, while Iran supported its proxy, Hezbollah, and the Assad regime.¹¹

In addition, Saudi Arabia feels increasingly isolated and threatened: from the Saudi perspective, Iran is seen to be on a winning streak from Syria to Yemen; Sunni Jihadism in the form of the Islamic State and Al-Qaeda challenge Saudi Arabia ideologically and materially; the Muslim Brotherhood briefly replaced Saudi ally Mubarak in Egypt; and oil prices have fallen sharply.¹² As these threats become more active and clear, Saudi Arabia's relationship with the US, its traditional security guarantor, is perceived to be weakening: the US abandoned Saudi ally Mubarak in Egypt; it showed apathy in supporting Bahrain during protests against the monarchy; Obama reneged on his 'red line' against Assad in Syria; and the US signed a nuclear deal with rival Iran which lifted a range of economic sanctions.¹³ Consequently, Saudi leadership experiences that latent threats are becoming more acute, and believes it must respond – but it can no longer rely on others to do the heavy work. This mindset has contributed to muscular, but also improvised and poorly thought out, foreign policy responses.

8 *Ibid.*

9 This comparison hides significant differences that are worth noting: the Saudi population is 28 million, that of Iran 82 million; Saudi GDP (PPP in 2016) amounted to US\$1,727 trillion, Iranian GDP to US\$1,455 trillion; Saudi military expenditure amounted to US\$61,358 million (2016), Iranian military expenditure to US\$12,383 million. Sources: *CIA World Factbook* and SIPRI online.

10 Hubbard, Ben & El Sheikh, Mayy (2016) 'WikiLeaks Shows a Saudi Obsession With Iran', <https://www.nytimes.com/2015/07/17/world/middleeast/wikileaks-saudi-arabia-iran.html?mcubz=3>.

11 Gause III, Gregory F. (2014) *Op Cit.* pp.6-8.

12 Jenkins, John (2016) 'States and non-states: the Levant in Turmoil', *Asian Affairs*. 47:2. 199-214.

13 Stephens, Michael (2017) *The Arab Cold War Redux*, The Century Foundation, <https://tcf.org/content/report/arab-cold-war-redux/>.

Recent internal developments: centralisation of power and economic reorientation

King Salman was crowned in January 2015. Within months, his son, Mohammed bin Salman, was appointed as the world's youngest defence minister and had begun a war in Yemen. In June 2017, in the latest of several controversial royal reshuffles seen as consolidating the power of King Salman, his son, and the Sudairi clan of the House of Saud, Mohammed bin Salman was appointed crown prince. He will become the first king from the grandson generation of Ibn Saud, the Kingdom's founder, which represents a significant break with the tradition that succession passes along the lines of Ibn Saud's sons before jumping to the next generation.

Since coming to power, King Salman and his son have set about transforming the Saudi state, including its decision-making processes. Traditionally, foreign policy making has been reliant on the consensus of numerous princes, with the king's brothers seen as almost equal to him.¹⁴ Under the current leadership, however, the decision making of the Saudi state is being centralised and bureaucratised, with more power going to a single clan, the Sudairi; to a single person, Mohammed bin Salman; and to non-royal advisers and consultants. For example, Adel Al-Jubeir is the first non-royal foreign minister in Saudi history. Decision making in Saudi Arabia has become less diffuse and consultative within the royal family, creating more scope for bold action, but also for bold mistakes.

In addition to the centralisation of power manifesting itself in Saudi Arabia's muscular foreign policy, in April 2016 Mohammed bin Salman announced 'Vision 2030'. This plan, largely designed by US consultancy McKinsey, represents a comprehensive roadmap for Saudi development, which involves transitioning from an economy based on oil exports and a bloated public sector to one with a dynamic private sector,

with productive domestic industries such as manufacturing, finance and tourism.¹⁵ Implementation is already underway: generous government subsidies have been cut; the power of the religious police has been reduced; and there are plans for an initial public offering of Aramco, the largest oil company in the world and the government's cash cow.

However, as the House of Saud tries to transform its economy, it will have to surmount three domestic constraints that could potentially reverse its policies. These constraints come from the Saudi population, from the Ulema, and from within the royal family itself. They also represent indicators to watch on how Saudi domestic politics will develop and affect its foreign policy:

- The economic and social liberalisation pursued by Vision 2030 may stimulate the Saudi population to also demand political liberalisation. Such a demand could be strengthened by a reduction in government subsidies, which weakens the compact between the Saudi state and its population. In fact, Vision 2030 has already proved to be overly ambitious, as some subsidies have been reinstated and a toned-down '2.0' plan was announced in September.¹⁶
- Economic and social liberalisation also encroaches on the domain of the Ulema. For example, educational reform, expanding the entertainment industry, allowing women to drive and encouraging more women into the workforce are all Vision 2030 policies that the Ulema have traditionally opposed. The role of the religious police was also notably diminished in 2016. So far, there has been some opposition to the liberalisation from the Ulema, but less than expected.¹⁷

15 See: <http://vision2030.gov.sa/en>.

16 Nereim, Vivian (7 September 2017) 'Saudi Arabia is Redoing Reform Plan it Rushed Last Year', *Bloomberg*. <https://www.bloomberg.com/news/articles/2017-09-07/saudi-arabia-revamps-its-major-economic-reform-plan>.

17 Kinninmogh, Jane (2017) 'Vision 2030 and Saudi Arabia's Social Contract: Austerity and Transformation', *Chatham House*.

14 Karim, Umer (2017) *Op Cit*. pp.75-82.

The monarchy has also shown itself willing to confront certain members of the clergy. For example, several high-profile clerics who had not openly supported the Kingdom's policy towards Qatar were arrested in September 2017. A clear signal *pour encourager les autres*.¹⁸

- But the most significant threat to the current leadership comes from the royal family itself. For years there have been rumours of mounting concern that the Sudairi clan has amassed too much power within the royal family. Both Vision 2030 and the war in Yemen are seen by some as a cynical way for Mohammed bin Salman to consolidate his own power. The royal family may present a united front to the outside world, but the history of the Al-Saud is replete with in-fighting and even the occasional assassination.¹⁹ Royal divisions were on display in early November 2017, when the newly formed anti-corruption commission arrested 11 princes in a move widely seen as further tightening the grip of Mohammed bin Salman.²⁰

A case of muscular and assertive foreign policy failure?

Saudi Arabia's muscular foreign policy since the Arab Spring, and particularly during the last two years under King Salman and Mohammed bin Salman, has reaped few real benefits. Yes, Saudi leadership has

some reasons to be satisfied: the Muslim Brotherhood is no longer in power in Egypt, the Arab Spring protests did not remove any Gulf monarchs, and the Islamic State is losing. But in the proxy war against Iran, which escalated in the wake of Saudi Arabia executing Shia cleric Sheikh Nimr al-Nimr in January 2016, the Kingdom has made no real gains. The execution of al-Nimr prompted Shia protests in Saudi Arabia and in Iran, where the Saudi consulate in Mashad was set on fire, and led to the cutting of diplomatic ties between the two countries.²¹ Almost two years later, diplomatic ties have not been restored, and Iran remains more influential than Saudi Arabia in Iraq, Lebanon and Syria. Iran's ally, Hezbollah, is still a powerful force in Lebanon, and Iran-backed Assad seems likely to remain in power in Syria.

More importantly, Saudi Arabia's two most assertive foreign policy moves in recent years – the war in Yemen and the Qatar blockade – are widely regarded as costly mistakes, with little to show for them and no clear exit strategy in place. A recent confidential report by the United Nations stated that the 'air campaign continues to have little operational or tactical impact on the ground, and is only serving to stiffen civilian resistance'.²² Similarly, the Qatar blockade, rather than forcing the Gulf Cooperation Council to tow the same line, has shredded any semblance of unity among the Gulf countries and is deepening divisions.²³ The war in Yemen, which was the first major decision of Mohammed bin Salman, has not achieved its aims to 'restore the legitimate government [of President Abdrabbuh Mansur Hadi] and bring peace and stability to that war-

18 Hassan, Hassan (13 September 2017) 'New Saudi policy will ensure clerics fall in line', *The National*, <https://www.thenational.ae/opinion/new-saudi-policy-will-ensure-clerics-fall-in-line-1.628123>.

19 Hubbard, Ben, Mazzetti, Mark & Schmitt, Eric (18 July 2017) 'Saudi King's Son Plotted Effort to Oust His Rival', *The New York Times*, <https://www.nytimes.com/2017/07/18/world/middleeast/saudi-arabia-mohammed-bin-nayef-mohammed-bin-salman.html?mcubz=3>.

20 Kirkpatrick, David (4 November 2017) 'Saudi Arabia Arrests 11 Princes, Including Billionaire Alwaleed bin Talal', *The New York Times*. <https://www.nytimes.com/2017/11/04/world/middleeast/saudi-arabia-waleed-bin-talal.html>.

21 Karim, Umer (2017) *op cit*. p.80.

22 Lynch, Colum (2017) 'Confidential U.N. Report Suggests Saudi-Led Coalition Failing in Yemen', *Foreign Policy Magazine*. <http://foreignpolicy.com/2017/08/18/confidential-u-n-report-suggests-saudi-led-coalition-failing-in-yemen/>.

23 Abdoh, Louise (15 August 2017) 'How Saudis Pushed Gulf Unity and Got the Qatar Crisis: QuickTake Q&A', <https://www.bloomberg.com/politics/articles/2017-08-15/how-saudis-pushed-gulf-unity-got-qatar-crisis-quicktake-q-a>.

torn nation'.²⁴ Instead, it has triggered a humanitarian disaster and damaged Saudi's reputation. Leaked emails indicate that Mohammed bin Salman himself now wants to find a way to end the war.²⁵ 'Operation Decisive Storm', the codename for the war, has been anything but decisive. Saudi's muscular foreign policy has led the country into an expensive stalemate on at least two fronts.

Time for plan B

There is, perhaps, reason for cautious optimism, as several recent events indicate a willingness on the part of Saudi leadership to rethink its strategy. The leaked emails by US and Emirati officials indicating Mohammed bin Salman's desire to end the war in Yemen call the crown prince pragmatic, and state that 'he is OK with the US engaging Iran as long as it is co-ordinated in advance and the objectives are clear,'²⁶ indicating that he does not see the US' softer stance on Iran in purely negative terms. The US stance on Iran is also changing, as illustrated by President Trump's recent decision to 'decertify' the Joint Comprehensive Program of Action with Iran. Although this decision delighted Riyadh, the implications for Saudi Arabia's threat perception and strategy remain to be seen. What is evident, however, is that the outright hostility between Saudi Arabia and Iran appears to have eased slightly in the last few months. After almost two years of severed diplomatic ties, in September 2017 Saudi Arabia and Iran agreed to allow Saudi diplomats to fly to Iran to inspect the damaged embassy and consulates, which remain empty. Iran, in turn, is preparing

a delegation to visit Riyadh.²⁷ In Iraq, Saudi Arabia is turning towards diplomacy by opening a new consulate in Najaf, after more than two decades of very limited official engagement with its northern neighbour. In August, the Saudis asked Iraq to mediate between them and Iran.²⁸

The rivalry between Saudi Arabia and Iran will not disappear and using Iraq as a mediator between the two countries is problematic, but a more diplomatic approach could reduce the current hostility. As the Islamic State is defeated and the war in Syria grinds to an end, it is vital that the relationship between Saudi Arabia and Iran improves, as they will both play an important role in any post-war political settlement. Any signs that the Saudi leadership is beginning to reconsider its muscular strategy should be encouraged.

Conclusion

Saudi Arabia's muscular foreign policy of the last few years – the result of regional upheaval, growing threat perception and new leadership – has mostly ended in a costly stalemate. A different strategy – one of deescalating the geopolitical competition with Iran, focusing on diplomacy, and prioritising a viable economic future for the Kingdom through Vision 2030 – offers an alternative path towards regional stability. Whatever strategy Saudi Arabia follows, the next developments in Saudi foreign policy are likely to be shaped more by what happens within the country than by any external developments, as the Kingdom's traditional social contract is disrupted through liberalisation and more and more power is centralised within the royal family in the person of Mohammed bin Salman.

24 'Coalition "not seeking a war"' (7 April 2015) *Saudi Arabian Ministry of Communications and Information Technology*, https://www.saudi.gov.sa/wps/portal/snp?urlile=wcm:path%3A%2FMCIT_en%2FNews%2FCONT-news-07042015%2B1.

25 Swisher, Clayton & Hearst, David (16 August 2017) 'EXCLUSIVE: Saudi crown prince wants out of Yemen war, email leak reveals', *Middle East Eye*, <http://www.middleeasteye.net/news/exclusive-mohammed-bin-salman-wants-out-yemen-war-leaked-emails-reveal-135340790>.

26 *Ibid.*




27 Al Wasmī, Naser (7 September 2017) 'Riyadh and Tehran agree diplomatic exchange to inspect embassy buildings', *The National*, <https://www.thenational.ae/world/riyadh-and-tehran-agree-diplomatic-exchange-to-inspect-embassy-buildings-1.626414>.

28 Regencia, Ted (14 August 2017) 'Saudi Arabia "seeks Iraq's help" to mend ties with Iran', *Al-Jazeera*, <http://www.aljazeera.com/news/2017/08/saudi-arabia-seeks-iraq-mend-ties-iran-170813151145632.html>.

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