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## **Saudi Arabia: A Buildup of Internal and External Challenges**

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Saudi Arabia is experiencing one of the most sensitive periods it has weathered in recent years. The combination of historical processes transforming the region; the steep fall in oil prices over the past year; and the more recent power struggle within the palace generate a set of exceptional challenges to the kingdom's political stability.

### **Internal Challenges**

The grandsons of Ibn Saud, the founder of the kingdom, have begun to seize the reins of government, and predictably, this process of change is accompanied by power struggles in the royal house. Most of the dispute centers on the growing power of Mohammad bin Salman, 30, the favorite but inexperienced son of the king, at the expense of Crown Prince Muhammad bin Nayef and other branches of the royal family. Although the media focus is on the kingdom's foreign relations, particularly the various aspects of its conflict with Iran, the power struggle within the royal family poses the major threat to stability in Saudi Arabia.

Mohammad bin Salman was appointed by his father as deputy Crown Prince, Minister of Defense, and chairman of the Council for Economic and Development Affairs, while most of those close to the late King Abdullah have been excluded from the centers of power. This appointment itself, in addition to the internal and external policy pursued by the Crown Prince, has aroused opposition, which in unusual fashion even found public expression in two letters that were distributed among the princes of the kingdom and published in *The Guardian*. In the letters, one of the princes from the grandsons' generation called on the remaining sons of Ibn Saud to unite in order to depose Salman. "How can we accept that our fate is hostage to the whims of adolescents and the yearnings of impatient men," asked the prince, who was not identified by name.

The letters, which also criticized the weakness of Salman (who apparently suffers from dementia), went on to state that several senior princes were involved in the move, and enjoyed support from the public and among important tribal leaders. These letters reflect growing frustration among groups within the royal house that feel they have been pushed aside. The publication itself of the letters is an exceptional event in Saudi Arabian

politics, in which the unwritten code imposes consensus and a solution to disputes within the family and behind closed doors.

In tandem, the Islamic State continues to initiate terrorist attacks against Shiites on the territory of the kingdom, in the hope that these attacks will help recruit operatives and undermine the royal house's legitimacy and stability. The Islamic State's successes and its ideology are alluring for many Sunnis educated in Wahhabi ideology. They are liable to direct their rage against the Shiite population or the royal house itself, if it appears conciliatory towards the Shiites. The royal house may have scored points in its struggle against al-Qaeda a decade ago, but the challenge posed by the Islamic State, which is primarily ideological, is liable to prove more significant. The royal house bears part of the responsibility for the situation, because in view of the struggle with Iran, the Saudi Arabian religious establishment is using anti-Shiite rhetoric to boost its popular support.

In addition to these threats, the price of oil has fallen by 50 percent over the past year – a trend for which Saudi policy is partly responsible. The current low in the oil market is particularly significant, because it coincides with the major upheaval in the Middle East. High oil prices and foreign currency reserves accumulated before the outbreak of the unrest helped the royal house cope with the danger of an internal crisis through general aid to the people. Nevertheless, the prolonged stabilization of prices at the current level is liable to expose the Saudi Arabian leadership to severe criticism, which will make it difficult to supply the glue necessary for stability. The royal house has chosen a strategy that combines careful use of reserves and a moderate budget cut just below the risk of an uprising. It is difficult, however, to reach this target precisely. The threat to the regime's stability is therefore rising, especially in view of the major defense expenses and the need to fulfill the public's demands and appease opposition sectors. The International Monetary Fund recently warned that at the current rate, the kingdom's foreign currency reserves will run out by the end of the decade. Evidence of the economic situation in the kingdom lies in the fact that the price of water for non-citizens is slated to rise, and for the first time, a cut in the fuel subsidiary is under consideration.

### **External Threats**

The immediate external threat facing Saudi Arabia is the prolonged war in Yemen. Despite the achievements of the regional coalition under Riyadh's leadership, particularly the "liberation" of Aden, the campaign is still far from over; its military objectives change frequently, and the political and/or military mechanisms for ending crises are unclear. The Shiite Houthi rebels in Yemen are still established in the north of the country, despite repeated aerial strikes by coalition forces against targets belonging to the Houthis and their allies. The fighting also spread to Saudi Arabia itself when the Houthis fired ground-to-ground missiles and rockets into Saudi territory. The entry of the coalition forces into the mountainous areas in northern Yemen is liable to exact a high

price, and international criticism of Saudi Arabia, which has hitherto been light, may now increase, due to the large number of fatalities and refugees since the campaign began in March 2015.

Even assuming that the coalition eventually pushes the Houthis back into their stronghold of Sa'da, Yemen will be far from stable. After almost five years of civil war, which fragmented the country's delicate political fabric, it is hard to visualize any political or military force whatsoever exercising effective sovereignty over Yemeni territory. In this situation, Yemen will remain chaotic, and a playing field for competing regional and local forces, such as global jihad organizations. Saudi Arabia's influence on events there will remain limited. Even if the warring parties reach a political settlement between them, the Houthis themselves are liable to continue posing a considerable security threat to southern Saudi Arabia. Continuation of the war in Yemen without any solution in sight, added to the disaster that occurred in Mecca during the Haj pilgrimage this past September, is not only a source of public and international embarrassment for a country purporting to be the custodian of the holy places of Islam, but could also detract from the royal house's legitimacy and constitute a weapon in the hands of its opponents. Iran had the highest number of fatalities during the Haj, and senior Iranian officials have threatened a tough response against the kingdom, which augments the existing tension between Iran and Saudi Arabia.

Outside of the Yemeni theater, Saudi Arabia's regional situation is also not auspicious. The nuclear agreement with Iran and the gradual removal of sanctions will enable Iran to pursue its intervention in the most important Middle East areas of conflict more vigorously, including the Gulf. The kingdom will have to continue conducting wars against Iran through proxies. At the same time, the United States, to Saudi Arabia's regret, continues to show signs of wishing to reduce its defense commitments in the region. The Saudi efforts to stabilize a unified Sunni front against the growing Iranian threat are also encountering difficulties. This front currently appears more fragile than ever, and far from the Saudi vision of a unified Sunni Arab axis, due in part to Cairo's public support for Russian involvement in Syria on the side of the Assad regime and Egypt's resolute war against the Muslim Brotherhood – positions opposed to those of Riyadh.

For years, the Saudi royal house was able to cope with considerable internal and external challenges, thanks to its ability to reach a consensus among senior princes, and to moderate internal tension with the help of oil revenues. The accumulation of the challenges during a period of regional upheaval and historical internal changes, however, is liable to nurture processes that will eventually change the kingdom. There is no way of predicting when, if at all, the turning point will come. Decision makers in Israel, however, should take note of the changes underway in the kingdom, which could also

have consequences for the regional order in the Middle East and beyond. The viability of the potential for developing cooperation between the two countries should therefore be assessed. The more internally vulnerable Saudi Arabia is, certainly as long as the political deadlock in the Israeli-Palestinian theater continues, the less a Saudi regime fearful of its domestic public opinion will be able to cooperate with Israel.

