Political Change in Saudi Arabia

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The defining political developments in Saudi Arabia centre around the King's son, Mohammed bin Salman ('MBS'), who took the role of Crown Prince in 2017, and has quickly moved against many of the country's previously established royal, political and business elites. MBS has been restructuring his power base, taking steps to rein in the role of religious clerics and traditional business elites, while giving more prominence to international investors and to a large but politically amorphous youth constituency. The traditional pillars of Al-Saud rule – the large royal family, the informal pact with religious clerics, and oil wealth – are all being weakened, and the leadership is turning to a new authoritarian populism, centring on a discourse of security, technological advancement, youth, social and economic liberalization, and nationalism. This change is intended to preserve the power of the monarchy while transforming it dramatically from within. Meanwhile, in foreign policy, Saudi Arabia and the UAE have led a boycott of neighbouring Qatar and have continued to pursue their military intervention in Yemen, indicating a far more assertive regional role than they have played in the past.

The New Crown Prince

In June 2017 King Salman bin Abdulaziz Al Saud declared that his son Mohammed would become Crown Prince, taking the position from his cousin, Mohammed bin Nayef ('MBN'). MBN had been appointed Crown Prince by King Salman in 2015, and was also the Interior Minister, a position he had in effect inherited from his father, Nayef, Salman's more socially conservative half-brother. MBN had been held in high regard by Western governments. He was seen as the man who had spearheaded Saudi Arabia's counterterrorism efforts, with significant success in combating al-Qaeda in the kingdom. Yet he was reportedly surprised by security forces and held incommunicado overnight until he agreed not to fight his removal.

MBN was replaced as Interior Minister by a younger relative, Prince Abdulaziz bin Saud bin Nayef – keeping the important Interior Ministry within the Nayef branch of the family but with a less experienced and well-connected leader, likely to be more directly beholden to Salman and MBS. The Interior Ministry was also stripped of many of its powers, as the special forces and key counterterrorism functions were moved to a new homeland security agency reporting to the King.

Domestically, MBS has pitched himself in particular as a champion for Saudi youth that want more social freedoms as well as a more level playing field in the economy. The notorious ban on women driving was lifted, as was the prohibition on cinemas, both to take effect in 2018 (NB: by the time of publication, cinemas will have reopened – due on 18 April). Some of the youth have certainly applauded his moves to reduce social restrictions and tackle corruption, but he has also faced criticisms over the pace and nature of the changes. No organized opposition has emerged, partly because a number of senior Islamist figures have been in prison since 2016, deterring others from actively resisting the changes that are underway.

Nonetheless, criticisms could become more vocal in the years to come if MBS struggles to deliver progress on the economy – especially jobs, access to

services, and the cost of living. The IMF forecast in July 2017 that economic growth would be "close to zero" during the year, while the World Bank said in October 2017 that the economy had contracted slightly in the first quarter because of OPEC-mandated oil output cuts. The government continued some fiscal reforms. It introduced an excise tax, dubbed 'sin tax' on cigarettes, energy drinks and fizzy drinks, in 2017, and in early 2018 it introduced a 5% VAT and slashed subsidies on fuel. It has also introduced a 'citizen's account' programme where the various government benefits are consolidated and streamlined into a single account, and, importantly, are targeted on the basis of income, rather than being universal.

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At the same time, however, some austerity measures introduced in 2016 were eased slightly, as a partial recovery of oil prices took some of the pressure off the public finances. Notably, in April 2017, King Salman reinstated a variety of benefits and allowances for public sector workers, which had been removed in September 2016 (the cuts had caused controversy as the various benefits accounted for 20-30% of take-home pay for many employees), and in early 2018 gave public sector workers and the military a pay rise. Improving the benefits in the public sector contradicts the longer term policy aim of incentivizing Saudis to work in the private sector.

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Corruption Crackdown

The restructuring of power within the royal family was again demonstrated dramatically on 4 November 2017, when several hundred people were arrested overnight as part of a sweeping anti-corruption purge, and detained with much fanfare in Riyadh's five-star Ritz Carlton hotel. Those arrested included senior royals, businesspeople, current and former ministers, and media owners. The most prominent royal arrested was Prince Miteb bin Abdullah, a son of the previous King, who headed the National Guard, a tribal fighting force, and who was once seen as a possible contender to the throne. Like MBN, he had been seen as a powerful figure with a large base of patronage and support, but there were no obvious indications of dissent within the National Guard when he was removed from his position and replaced by the less experienced Prince Khaled bin Ayyaf Al Muqrin. Miteb was freed three weeks later after reportedly agreeing to pay the government some $1bn in an out-of-court settlement, portrayed by the authorities as compensating the public finances for his past involvement in corruption. Officials said that they aimed to raise $100bn in similar settlement deals with those arrested, none of whom are believed to have gone to the slow and over-burdened Saudi court system.

Others arrested included the Economy Minister, Adel Faqih, and the veteran Minister of State and Former Finance Minister, Ibrahim Assaf as well as major businesspeople including the country's richest man, Prince Waleed bin Talal, and the leaders of some of Saudi Arabia's best-known businesses and media companies, some of whom were closely associated with former kings and their immediate families. These included the head of the broadcaster MBC, Waleed al Ibrahim, who had resisted efforts by MBS to buy the firm.

The corruption crackdown was a populist move at a time of austerity, which also enabled MBS to send certain messages to the country's traditional elites. On one hand, it signalled to the elites they would no longer enjoy impunity for siphoning off state resources. On the other hand, there is now also an implicit threat that corruption charges could be utilized for political reasons against opponents of MBS. While some of the figures arrested were widely reputed to be corrupt, corrupt practices such

as kickbacks and nepotism in the awarding of contracts have been so widespread in Saudi Arabia as to be systemic. There are other individuals who have been involved in high-profile corruption scandals but have so far escaped censure. The fact that the country's new anti-corruption body is chaired by MBS has given it teeth, but has added to the perception that the corruption purge is likely to be politically selective. For this reason, it has added to the concerns that international investors have about political risk in the kingdom. The local business community is also struggling to adapt to the uncertain new environment.

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The removal of MBN and Prince Miteb, and the arrests of several princes, marks a significant change in the power-sharing politics within the royal family. For decades, power within the Al-Saud family was distributed among a number of senior princes, who ruled their ministries as fiefdoms within the State, with major patronage bases of their own. The previous King, Abdullah, was often constrained in his decision-making by the perceived need to consult his influential half-brothers (including Salman and Nayef). King Salman and MBS appear to be reacting against a period where internal family consensus-building had become slow and unwieldy – not helped by the fact that the senior princes were all advanced in years. Power has now been centralized around the Salman branch of the family to a degree that is unprecedented for the Al-Saud. This has the advantage of enabling the leadership to be more agile and decisive. It may also have political risks; most of the Gulf monarchies, barring Oman, have adopted a model of dynastic rule where the ruling family works together to uphold the governing regime. Indeed, political scientist Michael Herb has argued that in the Middle East it has been dynastic monarchies that have tended to be most resilient, compared to the more centralized monarchies that collapsed in the twentieth century.

There are certainly signs of discontent within the Al-Saud – it would be strange if there were not, since the wider family appears to have been put on notice that their traditional privileges can no longer be taken for granted. Equally, however, there are no obvious rivals to MBS. And of course, internal royal-family dynamics are largely opaque to outsiders, so the chance of family members mobilizing against MBS are almost impossible to assess. One scenario is that there could be pushback against MBS when King Salman passes away; currently, King Salman, long known to be a king-in-waiting, acts as a bridge between the traditions of the older generation and his son's newer style of decision-making, and his stature in the family seems to ensure deference. There was a recurring rumour in 2017 that King Salman was preparing to stand down in favour of his son in order to ensure his son's passage to the throne faced no obstacles – though this did not in fact materialize. Meanwhile, diplomats and other observers recall that a former Saudi king, Faisal, was assassinated by his nephew and wonder if a similar scenario could recur.

The Changing Role of Religious Clerics

As the leadership has reconfigured power within the royal family, and has begun to confront the structural changes in its traditional economic base, it has also sought to alter the role of the religious clerics. This is partly about social change, partly about countering extremism, and partly about new methods of social control. In September 2017 the King announced that women would be able to drive from June 2018 – ending a de facto ban which had been unique in the world. The driving ban had faced international opprobrium for years, but was seen by conservative religious authorities as one of the prime symbols of Saudi Arabia's religious morality and as a key differentiator from the Western world. The leadership also announced that women would no longer need the permission of a male 'guardian' to

access government services, and in 2018 allowed cinemas to open despite the Grand Mufti's view that they could lead to immorality.

These changes are not so much driven by the economy, though being more socially liberal will help attract investment and talent, as by the leadership's sense that clerics had become too powerful – constraining the powers of the leaders, and sometimes being a breeding ground for opposition. King Abdullah had already taken steps to reduce the powers that clerics held over education and the justice system, but appeared to think that it was important to keep appeasing them where social life was concerned.

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The Grand Mufti and the state-appointed religious scholars have always ultimately deferred to the royal family. But Sunni Islam has a wide range of religious authorities, which individuals can choose to follow regardless of whether they're appointed by the State. These independent clerics, known as the *sahwa*, were sources of significant Islamist opposition in the nineties, in particular. As Interior Minister, MBN engaged with them as allies against the more violent Islamists, al-Qaeda and ISIS. By contrast, the new leadership has cracked down on the *sahwa* as well as violent groups.

MBS has talked about the need to return to moderate Islam, and has said that ever since the 1979 Islamic revolution in Iran, previous Saudi leaders did not understand how to confront extremism (implying that they were running scared of religious conservatives and appeased them too much). These sentiments have been welcomed internationally, but there is still a lack of clarity about what a religious reform process will entail, and, if it is state-led, how it will build credibility. In one interesting and little-noticed move in September 2017, the Saudi government said that female Islamic scholars would be allowed to issue fatwas.

Foreign Policy

In terms of foreign policy, Saudi Arabia has become aligned more closely than ever before with the United Arab Emirates. This pairing has emerged over the past two years as a more important alliance than the six-member Gulf Cooperation Council, a forty-year-old trade and political bloc. Indeed, the GCC's future has been cast into doubt by a politically motivated trade embargo that Saudi, UAE and Bahrain placed on another of its members, Qatar, in 2017, in an attempt to press Qatar to change its foreign policy. This marks a significant change from the Saudi leadership's previous support for a GCC union.

Also on the foreign policy front, the war in Yemen has continued into its third year. As part of this conflict, Saudi Arabia found itself for the first time under attack by missiles fired into its territory by the Houthi militia, which now holds de facto power in Yemen's capital. Saudi officials blamed Iran for developing the Houthis' missile capabilities, raising fears of a further escalation in the Saudi-Iranian 'cold war.'