

MBS's Saudi Arabia

How New?

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audi Crown Prince Mohammed bin Salman (MBS) may be shaking things up in Riyadh, but his overall revolutionary impact is probably exaggerated, Prof. F. Gregory Gause III argued at a recent CSIS Middle East Program roundtable. Although analysts often claim that MBS is promoting a sweeping revolution in Saudi Arabia's social life, economy, foreign policy, and political system, Gause contended that MBS's changes are more narrowly focused. Gause, the John H. Lindsey '44 Chair and head of the International Affairs Department at the Bush School of Government and Public Service, Texas A&M University, spoke at a CSIS roundtable on "MBS's Saudi Arabia: How New?" on April 25, 2018.

PARTICIPATING SCHOLARS

Dr. F. Gregory Gause, III is the John H. Lindsey '44 Chair, professor of international affairs, and head of the International Affairs Department at the Bush School of Government and Public Service, Texas A&M University. Dr. Gause is the author of three books and numerous articles on the politics of the Middle East, with a particular focus on the Arabian Peninsula and the Persian Gulf. He previously served on the faculties of the University of Vermont (1995-2014) and Columbia University (1987-1995) and was Fellow for Arab and Islamic Studies at the Council on Foreign Relations. Dr. Gause was also visiting professor at the Kennedy School of Government, Harvard University (2009-10), a Fulbright Scholar at the American University in Kuwait (2009), and a research fellow at the King Faisal Center for Islamic Studies and Research in Saudi Arabia (2010). He earned a Ph.D. in political science from Harvard University, a B.A. in politics from St. Joseph's University in Philadelphia, and studied Arabic at the American University in Cairo and Middlebury College. ■

OLD HABITS DIE HARD

Saudi Vision 2030 remains the hallmark of MBS's economic policy. However, aside from the privatization of Saudi Aramco, the goals of Vision 2030 have roots in Saudi government planning documents going back several decades. Gause emphasized that what is new about Vision 2030 is not its substance, but the political will behind its implementation. Unlike the crown prince's predecessors, MBS appears seriously committed to the plan's goals. True reform, though, will be a long process because the obstacles that prevented the transformation of the country's economy in the past are still present today. As a result, the grand objectives of Vision 2030 are unlikely to be achieved in full.

Rising oil prices are leading the country to revert to the rentier behavior of the past: State salaries are increasing, bonuses are being distributed, and MBS is relying on oil diplomacy to push prices up. Such moves contradict the goals of Vision 2030, which seeks to achieve greater economic diversification in Saudi Arabia. The Saudi government also tends to favor a top-down investment approach in its public investment fund, limiting the expansion of the private sector, which thrives from bottom-up investment.

THE GULF ROUNDTABLE SERIES

The CSIS Middle East Program launched the Gulf Roundtable Series in April 2007 to examine the strategic importance of a broad range of social, political, and economic trends in the Gulf region and to identify opportunities for constructive U.S. engagement. The roundtable defines the Gulf as the United Arab Emirates, Saudi Arabia, Oman, Qatar, Bahrain, Kuwait, Iraq, Iran, and Yemen.

The roundtable regularly assembles a diverse group of regional experts, policymakers, academics, and business leaders seeking to build a greater understanding of the complexities of the region. Topics for discussion include the strategic importance of Gulf energy, changing Gulf relations with Asia, human capital development, media trends, trade liberalization, and prospects for greater regional integration. The Gulf Roundtable series is made possible in part through the generous support of the Embassy of the United Arab Emirates. ■

MBS's crackdown on corruption in November 2017 further represents a challenge to economic progress. Reportedly, more than 500 individuals, several princes and prominent businessmen were confined incommunicado in the Ritz Carlton hotel in Riyadh. The crown prince's complete motives for the move, which was popular in Saudi Arabia, remain unclear. Gause remarked that with this crackdown, the previous "rules of the game" for the private sector were rewritten, causing unease within the business community. Both foreign capital and domestic capital are likely to be affected by this shake-up, because investors and companies may assess Saudi investments as being at particular risk.

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Despite MBS's policy shifts in Yemen and Qatar, Gause argued that the foundations of Saudi foreign policy remain largely unchanged. MBS relies on diplomatic and financial tools over military might to achieve foreign policy objectives, and he continues to reaffirm the centrality of relations with the United States. Although the Kingdom's military involvement in Yemen is unprecedented, MBS has refrained from deploying ground forces and Gause noted that MBS has avoided a direct military confrontation with the Kingdom's main rival, Iran.

IN WITH THE NEW

However, the shifting social dynamics in Saudi Arabia should not be underestimated, according to Gause. Women's permission to drive, for instance, represents a huge change in Saudi Arabia and will have important second-order effects. For decades, men had to take time off work to drive female relatives to jobs and appointments, resulting in a notable loss in productivity. Furthermore, women driving may diminish the demand for foreign labor in the kingdom.

Meanwhile, the growth of the public entertainment sector will have a significant economic impact, particularly by providing locals with a way to shape the new economy. Although Gause predicted that there will likely be some backlash to the rapid modernization of social life, he judged that on the whole, Saudi society has long been ready for change.

MBS's political will to make these changes happen truly marks a new era in Saudi social life.

In the House of Al Saud, MBS might seem progressive, but Gause noted that his centralization of political power follows the classic model of modernizing monarchs throughout history. Rather than relying on the business class and the Wahhabi religious establishment for support, he seems more concerned with public opinion. Additionally, by surrounding himself with non-family advisors and wooing the younger generation of princes, MBS has concentrated decision-making power within the Al Saud family in himself alone.

However, the crown prince's power to act unilaterally can lead to risky policy decisions. Gause highlighted "The Hariri Episode" as one example of this. Gause said that Lebanese Prime Minister Saad Hariri's resignation, while he was reportedly being held captive in Saudi Arabia, illustrated MBS's lack of forethought. The second- and third-order consequences of such an episode are easily brushed aside when power is consolidated in one individual, but they have an important impact on Saudi Arabia's proxies elsewhere. Nevertheless, Al Saud family members do not seem ripe for mobilization against MBS. Though the incentives to challenge the crown prince may be high, the will to challenge him first is extremely low.

SAUDI-U.S. RELATIONS

A changing Saudi Arabia is dealing with a relatively incoherent American administration, Gause assessed. Because U.S. relations remain at the center of Saudi foreign policy, the Trump administration may want to be more cautious in its dealings with MBS. Thus far, U.S. actions toward MBS have given the impression of a special, close relationship between MBS and the White House. But the Trump Administration's embrace of the Crown Prince may encourage the more reckless elements of MBS's nature on foreign policy grounds. As the Qatar crisis drags on and the humanitarian situation in Yemen worsens, the U.S. administration may need more prudence in its dealings with MBS in order to avoid encouraging decisions like the Hariri episode or escalating the Qatar crisis. ■

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