

THE BALANCING ACT IN SAUDI FOREIGN POLICYMAKING IN THE AFTERMATH OF THE RUSSIAN INVASION OF UKRAINE

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24 FEBRUARY 2023



EXPERT BRIEF
REGIONAL POLITICS

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Abstract: This expert brief examines how Saudi foreign policy decision-making is evolving to meet the challenges of aligning interests in a world of growing great power competition and strategic rivalries. The Russian invasion of Ukraine in February 2022 and the increase in tension between China and the United States has created new pressures for countries which seek to maintain a workable balance in international affairs. Saudi Arabia and other Arab Gulf States are at the fulcrum of this changing landscape as political and strategic partnerships of long standing with western states coexist increasingly uneasily with newer economic and energy relationships which since the 2000s have diversified their foreign relations.

There are three parts to this brief, which begins by providing historical context to a set of relationships forged during the Cold War and reshaped by changing geoeconomics in the decades since. This leads into a section which examines how foreign policymaking in Saudi Arabia has adapted to the more assertive and, at times, less predictable leadership of Mohammed bin Salman since his rise to political authority. A third section assesses Saudi foreign policy responses to the Russia-Ukraine war and the associated geopolitical fallout and offers concluding thoughts that look ahead to the remainder of the 2020s as 2030, the year selected by Mohammed bin Salman as his milestone for policy deliverables, looms into view.

Introduction

The historical trajectory of Saudi Arabia (and the other Gulf States) for much of the twentieth century was oriented firmly toward a conservative *status quo* that marked them as highly distinct from most other countries in the region especially between the 1950s and the 1980s. Although never formally under colonial control, four of the Gulf States came under British protection until 1961, in Kuwait, and 1971, in Bahrain, Qatar, and the Trucial States (which became the UAE that year). In Saudi Arabia, a web of political and military ties with the United States provided similar shelter for the royal family after 1945, while in Oman, British influence, which was informal yet pervasive, remained firm until the 1970s. All six Gulf States developed a reputation for political caution that contrasted sharply with radical movements of national liberation elsewhere in much of the developing world during the period of decolonization and after.¹

Such conservatism impeded the growth of political and economic links with states such as China and the USSR especially as both countries provided ideological and some material support for an uprising in the southern Omani governorate of Dhofar in the 1970s. Aside from Kuwait, which established diplomatic relations with the Soviet Union in 1963 and China in 1971, for most of the other Gulf States equivalent ties did not begin until the 1980s or, in

the case of Saudi Arabia, until 1990 with both Moscow and Beijing. Once in place, however, tangible economic and political links quickly expanded, to the extent that just sixteen years later, the new Saudi King, Abdullah, made his first foreign trip as head of state to China, in 2006, and then welcomed the first visit to Saudi Arabia by a Russian President, Vladimir Putin, in 2007.²

Several trends converged and gradually intersected in the 1990s and 2000s. Although China only imported its first oil from the Gulf (from Oman) in 1983, the country became a net importer of oil products a decade later and a net importer of crude oil three years after that, in 1996.³ Energy consumption rose rapidly across Asian markets even as they began to plateau in North American and European markets in the 2000s. Already by 2012, the value of the six Gulf States' exports (including oil and gas) to China, Japan, South Korea, and India was three-and-a-half times greater than to the United States and the whole of the European Union combined.⁴ In 2020, *Reuters* market analyst John Kemp observed that West, South, and East Asia had accounted for more than two-thirds of worldwide growth in oil consumption since 2009. Between 60 and 90 percent of Gulf States' energy exports (depending on the country) currently flow to Asian markets, illustrating their eastward shift in the twenty-first century.⁵

The growth in Asian demand was part of a rebalancing of geo-economic power from west to east, one in which the Gulf States, by virtue of their geographical location as well as their energy reserves, functioned as a pivot around which the broader change in global influence was taking place. In this period, the Gulf States, led by Dubai and Qatar and with Abu Dhabi and Saudi Arabia following, emerged as more visible regional actors with an increasingly global reach on issues such as financial, trade, and investment flows as well as a proactive approach to reshaping aspects of international governance in coalition with other non-Western states. Their rise was facilitated by (and built upon) the capital accumulation during the long oil-price boom in the 2000s but also reflected a desire to diversify and broaden economic and political interdependencies in a post-Cold War multipolar world especially after the 2007-8 global financial crisis.⁶

The Conduct of Foreign Policymaking in Saudi Arabia

Policymaking in Saudi Arabia often came in for criticism because it was seen as slow and ponderous. This in part reflected the multiple circles of power wielded by senior princes who had been in post for decades and whose consensus was an important if sometimes underappreciated element of decision-making.⁷ In this system, it was difficult for any one individual to act precipitously, a notable exception being King Fahd's decision in August 1990 to accept military assistance from the United States after Saddam Hussein invaded

Kuwait; this was the only major decision Fahd took without obtaining prior consensus, and it had unanticipated after-effects that only became apparent over the years and decade that followed.⁸ An additional element of predictability was provided by the long tenure and diplomatic experience of Prince Saud al-Faisal as Minister of Foreign Affairs over nearly 40 years from October 1975 to April 2015.⁹

Developments over the past decade eroded the informal checks and balances that acted as meaningful constraints on the exercise of untrammelled power by previous Saudi leaders. Some of these were entirely unconnected by the sudden rise to policymaking authority of Mohammed bin Salman; the period between 2011 and 2015 saw the passing, in quick succession, of long-serving princes Sultan (after 48 years as Minister of Defense), Nayef (37 years as Minister of Interior), and Saud al-Faisal (40 years as Foreign Minister), in addition to King Abdullah and his associated 48 years as head of the National Guard. Their deaths not only deprived Saudi Arabia of 173 years of accumulated decision-making expertise but also meant that spaces opened up at the apex of decision-making when Salman became King in January 2015.

It was within this context that Mohammed bin Salman began his rapid concentration of decision-making authority to a degree unseen since the death of his grandfather, the modern Kingdom's founder Abdulaziz, in 1953. First appointed to succeed his father, King Salman, as Minister of Defense in January 2015, Mohammed bin Salman entered the line of succession as Deputy Crown Prince in April, the same day Saud al-Faisal resigned as Foreign Minister, displaced his older and far more experienced cousin, the Interior Minister Prince Mohammed bin Nayef, as Crown Prince in June 2017, and gradually became responsible for day-to-day policymaking, culminating in his appointment as Prime Minister in September 2022.¹⁰ Mohammed bin Salman also gained control of Saudi energy and financial policy through the chairmanship of the Supreme Council for Saudi Aramco and the board of the Public Investment Fund, both in 2015, with his older half-brother, Prince Abdulaziz bin Salman, later becoming Minister of Energy in 2019.¹¹

The conduct of Saudi foreign policymaking became less predictable and, at times, more volatile and increasingly assertive in the aftermath of the Arab Spring upheaval in 2011, and as two foreign ministers came and went in quick succession before the highly-capable Prince Faisal bin Farhan was appointed in October 2019. With fewer checks around him as he rose to seniority, Mohammed bin Salman gained a reputation for taking decisions that took friends and enemies by surprise. Saudi officials reportedly gave their future partners only 24 hours' notice of their intervention in Yemen in March 2015, with one Western official

recounting how “They were not quite as surprised as us, but it still took them aback that they were suddenly part of this military coalition.”¹² Other incidents, such as the launching of the blockade of Qatar in June 2017, the detaining of Lebanese Prime Minister Saad Hariri in November 2017, the souring of relations with Canada in August 2018, and the killing of Jamal Khashoggi in the Saudi Consulate in Istanbul in October 2018, raised further questions about the direction Saudi Arabia was taking.

A fraying of Saudi-U.S. relations formed a final contextual backdrop to the rebalancing of aspects of Saudi foreign policymaking in the years preceding the Russian invasion of Ukraine. Unlike other periods of strain in bilateral ties, such as the 1973-74 oil embargo or the September 11 terrorist attacks in 2001, the buildup of tension spanned multiple American presidencies and Saudi monarchs. Indeed, one of the earliest examples of abrupt Saudi action that caught international partners by surprise took place in 2013 when the Kingdom declined to take up a rotating seat on the United Nations Security Council, a decision many attributed to King Abdullah’s anger at the Obama administration’s policies on Syria and Iran.¹³ While Mohammed bin Salman grew close to members of Donald Trump’s White House, the president’s failure to respond to the drone and missile attacks on Saudi oil installations in September 2019 caused shockwaves in Riyadh as Trump pointedly drew a distinction between U.S. and Saudi interests.¹⁴ During the Biden administration, poor relations from the start were also personal in nature, adding to the sense that Saudi and U.S. leaders were drifting apart, or at least talking past one another too frequently.¹⁵

The Ukraine War and the Ensuing Saudi Balancing Act

The geopolitical fallout from the Russian invasion of Ukraine, which began on February 24, 2022, has illustrated in practice many of the deeper underlying trajectories in Saudi foreign policy. Mohammed bin Salman has put Saudi interests at the forefront of his policy responses, consistent with the more assertive, even nationalist ‘Saudi First’ approach to decision-making in recent years.¹⁶ This caused friction with the U.S. which was evident in the weeks after the invasion when Mohammed bin Salman spoke twice with Russian President Vladimir Putin yet was reported as having ‘snubbed’ Joe Biden.¹⁷ Saudi (and Emirati) officials did not accede to requests from U.S. and other Western leaders to increase oil production to temper the impact of the sharp increase in oil prices at a time of inflationary pressures in Europe and the U.S.¹⁸ Although President Biden did ultimately visit Saudi Arabia in July 2022, where his ‘fist-bump’ with Mohammed bin Salman generated worldwide headlines, that visit descended into acrimony after OPEC+ only marginally increased oil production in September 2022 and then cut output significantly in October.¹⁹

In October 2022, the furor over the OPEC+ decision to reduce oil production by two million barrels per day, despite warnings from White House officials to Saudi counterparts that the decision would be seen as favoring Russian interests over those of the U.S., encapsulated the recalibrated balancing acts in play.²⁰ Oil price increases from US\$76/barrel at the start of 2022 to more than US\$120/barrel at their peak in June 2022 meant that Saudi Arabia reported a budget surplus for the first time since 2014 and Saudi Aramco reported near-record earnings for the year.²¹ The surge in government revenue from oil exports certainly came at an opportune moment for Mohammed bin Salman as Vision 2030 enters a key phase and as work continued on 'giga-project' such as the Neom development in northwestern Saudi Arabia. A concern that oil prices risked falling to below US\$50/barrel, jeopardizing Vision 2030 and related projects, may have been a factor in Saudi decision-making at OPEC+.²² The fact that Saudi and Russian positions in OPEC+ appeared to align was one of several reasons for the depth of U.S. political anger in response.²³

Like their counterparts in other Arab Gulf capitals, Saudi officials have declined to overtly 'pick sides' in a war which, for the U.S. and many European leaders, has become a totemic and era-defining challenge to the international order.²⁴ For some time, policymakers in the Gulf States have sought to balance ties between the U.S. and other 'western' states, on the one hand, and states such as Russia and China, on the other, without getting drawn into the increasingly adversarial geopolitical context. Saudi- and Gulf-based funds, for example, continued to do business with Russian entities even after they were placed under U.S. and European sanction after the first invasion of Ukraine in 2014.²⁵ Kingdom Holding, operated by a member of the Saudi royal family, invested an additional US\$500 million in Russian energy companies around the time of the 2022 invasion as Western companies were pausing their own investments.²⁶ Saudi and Chinese agreements on issues such as military drones and the use of Huawei technology in cloud computing and data centers provide further evidence of the Kingdom charting its own path forward.²⁷

Conclusion

2023 is the midpoint between 2016, when Mohammed bin Salman launched his plans to transform Saudi Arabia, and 2030, the year he has set for delivery of his Vision of change. Recognition that foreign policy missteps in the period after 2015 risked entangling the Kingdom in costly confrontations that could detract from and undermine Vision 2030 projects lay behind the shift back toward a moderation of policymaking, including in Yemen, where Saudi officials are actively engaged in dialogue to end the eight-year-war.²⁸ Mohammed bin Salman may have weakened the guardrails around him but he has responded to the overreach of some of his

initial decisions and moved to repair his international standing. As Vision 2030 moves into a phase where tangible results and policy outcomes will be expected, maintaining a balance among key international partners (and investors) takes on added importance for Saudi leaders. A major difference in the emerging 'new Cold War' is that states such as Saudi Arabia are no longer unequivocally aligned in one camp but are instead projecting and asserting their own interests as and where necessary.

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