

**DIRECTORATE-GENERAL FOR EXTERNAL POLICIES
POLICY DEPARTMENT**



**WORKSHOP
Relations between
the EU Member States
and Saudi Arabia
in the field of
security and defence**

SEDE



IN DEPTH ANALYSIS

Relations between the EU Member States and Saudi Arabia in the field of security and defence

ABSTRACT

The workshop was organized on October 13, 2016 at the initiative of the Subcommittee on Security and Defence (SEDE) with the aim of assessing relations between Saudi Arabia and the Member States in the field of armaments cooperation, touching on the absence of a common European position in this area.

Agnès Levallois, lecturer at Sciences Po Paris and ENA, is affiliated to the Académie Diplomatique and works as a consultant, specialising in political, strategic and economic issues in the Middle East. Jane Kinninmont is a senior research fellow and deputy head of the Middle East and North Africa programme at Chatham House.

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WORKSHOP

POLICY DEPARTMENT, DG EXPO
FOR THE SUBCOMMITTEE ON SECURITY
AND DEFENCE (SEDE)



Thursday 13.10.2016 – **09:00-10:30**
PAUL-HENRI SPAAK BUILDING – ROOM **P4B001**

CONTACT AND REGISTRATION: poldep-expo@europarl.europa.eu



Chairman: Anna FOTYGA

Relations between the EU Member States and Saudi Arabia in the field of security and defence

PROGRAMME OF THE WORKSHOP

DIRECTORATE-GENERAL FOR EXTERNAL POLICIES

POLICY DEPARTMENT



For the Sub-Committee on Security and Defence (SEDE)

WORKSHOP

Relations between the EU Member States and Saudi Arabia in the field of security and defence

Thursday, 13th October 2016
Brussels, **Paul-Henri Spaak Building, Room (P4B001)**
09.00-10.30h

PROGRAMME

- 9.00-09.05 Welcome and introductory remarks by**
- **Ms Anna Elżbieta FOTYGA**, Chair of the Sub-Committee on Security and Defence (SEDE)
- 09.05-09.25 Saudi Arabia and the obsession of security**
- **Ms Agnès LEVALLOIS**, associate researcher at the Paris based 'Fondation pour la Recherche Stratégique' (FRS), and research fellow at the Académie Diplomatique Internationale (ADI).
- 09.25-09.45 Saudi Arabia and the dynamics of transformation in the MENA Region**
- **Ms Jane KINNINMONT**, senior research fellow and deputy head of the Middle East and North Africa program at Chatham House.
- 09.45-10.25 Q&A**
- 10.25-10.30 Concluding remarks by**
- **Ms Anna Elżbieta FOTYGA**, Chair of the Sub-Committee on Security and Defence (SEDE)

BIOGRAPHICAL SUMMARIES OF THE SPEAKERS

Ms Agnès LEVALLOIS

Agnès LEVALLOIS, a specialist of the contemporary Arab world, is an Arabic-speaking consultant, an associate researcher at the FRS, research fellow at the Académie Diplomatique Internationale (ADI), a lecturer at both Sciences Po Paris and ENA alongside holding the position of vice president of the iReMMO (Institute of Research and Studies on the Mediterranean region and Middle East). She has held the role of Near East expert at the General Secretariat for Defence and National Security and has directed the Arab and Persian World desk at the Strategic Affairs Unit of the Ministry of Defence. She coordinated the fall summer 2016 edition of the 'Confluences Méditerranée' journal the focus of which was 'Iran/Saudi Arabia: a cold war'.

Ms Jane KINNINMONT

Jane KINNINMONT is a senior research fellow and deputy head of the Middle East and North Africa program at Chatham House. Her previous positions include associate director for the Middle East and Africa at the Economist Group, Middle East and North Africa editor and economist at the Economist Intelligence Unit from 2006 to 2010 and managing editor for Middle East and Africa at *Business Monitor International* from 2003 to 2006, and she contributes regularly to the media, including *The Economist*, the *Guardian* and *Foreign Policy*. Her research interests include the international relations of the Middle East; deconstructing the politics of sectarianism in the Gulf and Levant; the development of opposition movements and new actors; and the challenges that political economy structures pose to transitions in the region. She has a BA from The University of Oxford and an MSc from the School of Oriental and African Studies, University of London.

PART I: CONTRIBUTION BY AGNES LEVALLOIS

1 Speech by A. Levallois

When analysing the EU-Saudi defence relationship, it was important to understand the reasons for which Saudi Arabia sought to defend itself. These stemmed primarily from the regime's instability, the large-scale defence budget being, in a way, a method of assuring its survival.

Three main factors lay at the heart of the Kingdom's fragility:

Firstly, Saudi Arabia's creation was a source of weakness. The pact forged between the religious establishment and the Saud dynasty had created a number of tensions.

The second element resulted from the monarchy's geographical location and the tense regional environment. While the war in Yemen loomed large, Saudi Arabia also had to grapple with internal tensions and terrorist attacks. The Crown Prince, Muhammad bin Nayef (referred to in diplomatic circles as MBN), had proven his ability to deal with Al Qaeda and the Islamic State (IS) group, elements of which had been active at domestic level. Their antipathy to the regime had been born from the belief that the Saud dynasty had failed to abide by Islamic precepts. The ruling dynasty's role as 'Guardian of the Holy Places' was strongly contested by jihadist groups.

The nuclear deal, signed by Iran and the international community, had also stoked fears that Tehran might return to the international stage, thereby directly threatening Saudi Arabia. These concerns were directly linked to the fact that the imposition of embargoes on Iranian exports had given the Kingdom free rein to control international oil markets, a status quo the Kingdom was keen to maintain. This issue had particularly tested relations between Washington and Riyadh, with the latter shaken by the ease with which the US had abandoned Mubarak. Such concerns would be amplified if the throne's legitimacy was threatened.

A third hurdle was the rivalry between MBN, who had made his name overseeing domestic security, and Muhammad ben Salman (MBS), the Deputy Crown Prince. The latter's appointment as Minister of Defence last year was highly controversial. Saudi Arabia's engagement in the Yemeni conflict was complicated by MBS's personal stake in the war's outcome, with its success being critical to his own personal legitimacy, buttressing his eventual goal of succeeding to the throne. That being said, Saudis were increasingly uncomfortable with the duration of the conflict — while Riyadh had devoted considerable resources to fighting it for over a year and a half, it had little to show for its efforts. The peace negotiations had thus far been unsuccessful with the situation having gone from bad to worse, providing fertile ground for the implantation of radical groups in Yemen.

Saudi Arabia's inherent fragility explained why the country had devoted such considerable sums to defence: its weapons purchases helped to create a protective 'shell' to shore up its internal weaknesses.

Given its belief in the importance of the alliance, the United States would not abandon Saudi Arabia.

Saudi Arabia, presented by the West as the only regional power able to counter the instability racking the region, occupied a position once held by Egypt before the Morsi and Sissi administrations. Its perceived importance was further bolstered by the situation in both Iraq and Syria, as well as the fact that Egypt was unlikely to take on the role of regional leader that it had once held.

Riyadh was especially worried about the Syria conflict, given the Assad regime's strong position.

In general, Saudi Arabia was struggling to deal with regional conflicts. This was due primarily to the lack of a coherent foreign policy or vision, the formulation of which would be vital in pursuing its international objectives.

What had emerged was the Kingdom's desire to diversify its arms imports. This had led to the signing of arms contracts with traditional allies, such as the United States, but also to an unprecedented willingness to reach out to Russian manufacturers.

A number of Member States wished to profit from this new state of affairs. At their head was France, which had announced a slew of new arms contracts. It was worth bearing in mind, however, that there was a significant difference between the number of contracts which had been announced and those which would be completed. Having emerged from a period of caution, Germany was currently interested in the Saudi market.

The real question regarded the lengths to which Saudi Arabia would go to diversify its arms market. Although Washington would remain Riyadh's most important arms supplier, there was a marked desire to prove to the United States that Saudi Arabia was no longer dependent on American largesse.

It was worth bearing in mind that arms trade flows were structured in such a way that they could not change from one day to the next. Major shifts in weapons imports required a significant period of time.

Saudi society had become increasingly sceptical regarding the colossal sums reserved for arms spending. Such doubts were fuelled by the fact that Saudi Arabia remained vulnerable, often falling back on its allies when need be. Its population was able to question the leadership as far as its management of the country's finances was concerned.

The fall in oil prices and reduced state hand-outs had threatened the implicit social contract between both rulers and subjects, a pact built on a system of top-down wealth redistribution in return for a compliant, politically inactive populace.

The possibility of growing social unrest could prove to be a significant source of instability.

2 Background information by A. Levallois

In order to understand the issue at hand, we must ask ourselves: "Why does Saudi Arabia invest so heavily in both defence and security?"

Geopolitical context

Saudi Arabia recognises that it is vulnerable for a number of reasons:

- The weakness of the power-sharing agreement between the Saud family and the religious establishment, a partnership increasingly called into question by radical groups.
- An unstable regional environment: the war in Yemen and threats from terrorist groups, ISIS and AQAP.
- The signature of an agreement between Iran and the international community.
- Questions pertaining to who will inherit the throne, with a rivalry between Mohamed Ben Nayef, Crown Prince and Mohamed Ben Salman, Vice-Crown Prince and King Salman's son.

When the Arab Revolutions started, Saudi Arabia was taken aback that Washington stopped supporting such regional allies as Hosni Mubarak and Ben Ali, fuelling concerns as to the soundness of the two countries' relations. This concern increased with the signature of Iran nuclear deal. Riyadh has always been wary of Iran's hegemonic ambitions in the Persian/Arabian Gulf region, its suspicions having grown in the 1979 Islamic Revolution's wake.

The changing nature of American policy in the Middle East under the Obama administration – from decrying the Gulf Cooperation Council's military intervention in Bahrain in March 2011 to a shifting

regional policy regarding Iran or the Syrian conflict – increased the political pressure to which the Arab Gulf States, especially Saudi Arabia, were exposed.

This evolution concerns Saudi Arabia without challenging America's position at the head of the international coalition against ISIS. Moreover, it does little to threaten the contractual system which binds the United States to the Gulf's dynastic monarchies, the rapid ascension of which has been stoked by the massive purchase of military equipment in return for security guarantees, an arrangement dating back to the Arab Spring's unfolding. Such factors push back the prospect of an American withdrawal from the Gulf Region.

Nevertheless, this situation encourages Saudi Arabia to reinforce its relations in the domain of defence with a number of partners, thereby showing the Americans their dissatisfaction. This desire to diversify clearly includes France and Britain which are the main European suppliers of arms to Saudi Arabia. Hence, the Gulf States and especially Saudi Arabia represent one of the most attractive arms markets in the world. In 2011, Riyadh devoted 7.2% of its GDP on military spending, 9% in 2013 and 13.7% in 2015.

Saudi Arabia and the European Union

According to SIPRI, 59% of Saudi imports come from Europe. Between 2009 and 2013, member states granted export licences for military equipment and technology worth upwards of €19 billion to Saudi Arabia.

Saudi Arabia is by far the largest buyer with more than €829 million in export licenses from European countries – UK, France, Spain, Italy, Netherlands, Germany and Sweden¹.

Arms exports from the EU are subject to common European rules that regulate transfers of both technology and military equipment. However, if the legal framework is a European one, the final decision to export arms to a country remains the prerogative of each Member State.

There are currently reservations in Europe regarding arms exports. Demands for the revision of military contracts stem from Saudi Arabia's military intervention in Yemen, primarily due to concerns regarding the violation of international humanitarian law.

The issue raised by the major purchase of arms by Saudi Arabia is the following: even if Riyadh spends hundreds of billion on defence, it relies on the presence of powerful foreign States for its safety. The purpose of arms purchases would thus be more diplomatic than military – such procurements maintain ties with external powers while buttressing the fight against radical groups operating on a domestic level (Saudi Arabia has faced many acts of terrorism).

Indeed, despite cost and breadth of its arms contracts, Saudi Arabia's operational weaknesses prevent it from ensuring its strategic autonomy, rendering it dependent on partnerships with Western powers for its safety.

Therefore, it is important to analyse reactions from within Saudi society regarding the fact that, despite lavish military spending, the Kingdom is unable to guarantee its own security. Such concerns are particularly salient at a time when the Kingdom's finances are squeezed by falling oil prices. (Later it would be relevant to assess the consequences of the OPEC agreement on 28th of September for a light reduction of the production.)

¹ In March 2015 the Swedish Government announced that a 10-year Memorandum of Understanding on military cooperation between Sweden and Saudi Arabia would not be renewed, after a diplomatic dispute over human rights between the two countries.

The importance of security-related concerns should push Riyadh's strategic allies to better reconcile both economic and military necessities, all the while encouraging it to improve its adherence to human rights, an area in which it has long been found wanting.

However, only a European policy could make things move forward in this direction, maintaining the EU's economic interests while emphasising the need to better comply with human rights.

PART II: CONTRIBUTION BY JANE KINNINMONT

1 Speech by J. Kinninmont

Saudi Arabia was currently the second-largest market for EU arms exports to non-EU countries, only surpassed by the United States.

There had been a dramatic deepening and widening of defence relations between Riyadh and Member States over the past 15 years. However, cooperation between the EU as a whole and the GCC remained limited, with relations between the two organisations heavily focused on trade and economic cooperation. The partnership had struggled even in this area — a trade agreement had been in the works for two decades.

There was a sharp contrast between regional institutional cooperation and bilateral cooperation between Saudi Arabia and the Member States, the latter competing amongst each other to be partners and arms suppliers, rarely acting together to maximise any common European interests.

Having enjoyed an oil boom since 2003, Saudi Arabia's spending on defence had been substantially increasing, only decelerating in recent years. Despite this recent slowdown, defence spending remained the fastest growing area of expenditure.

Riyadh was currently anxious about Iraq, Iran's regional role, and the Arab uprisings and their various consequences, as well as the rise of IS, a threat common to both European countries and Saudi Arabia. Against this backdrop, there was a growing demand for deeper and more diverse defence and security relationships, beyond Riyadh's traditional relations with the UK and France. It had therefore been establishing a growing number of ties with both Western and Eastern European countries.

Questions had arisen regarding the extent to which European countries and Saudi Arabia shared common interests and understandings as to what security in the Middle East looked like. One particular sticking point was the Yemen conflict, which had led to an unprecedented degree of tension between both blocs.

Before the Arab uprisings of 2011, most European countries assumed that the Saudi government was a conservative power with regard to defence and security, striving to preserve the region's existing international order.

Despite the conservative, traditionalist but politically quietist interpretation of Islam dominant in Saudi Arabia, the impact of Saudi religious networks had complicated relations. Moreover, Sunni Islam had been fertile ground for activists or jihadi groups, merging Salafism and other elements. Worryingly, the role of Saudi network radicalisation in Europe and elsewhere was well documented. While these religious networks were not part of the state's official foreign policy, jihadi actors had periodically been mobilised to support Saudi political goals, for example, in Afghanistan during the 1980s and more recently in Syria. Of late, tensions had also arisen over questions about the Kingdom's role in 9/11, straining Saudi-American relations.

However, since the Arab uprisings, political turmoil across the Middle East had encouraged Riyadh to adopt a more activist and less conservative approach to regional conflicts and to politics more broadly. The abandonment of Saudi Arabia's role as a conservative defender of the status quo in the Middle East had been spurred by the coming to power of a new leadership following King Abdullah's death in early 2015.

Simply put, there had been no status quo to defend — every actor had been forced to take sides to some extent in very fluid political situations. European foreign policy, for example, had changed over time to such an extent that it was difficult to discern any coherent stance regarding such issues as the Syria conflict.

Saudi foreign policy was shaped by multiple threat perceptions, primarily stemming from a region-wide security and political vacuum, combined with the collapse of traditional centres of power. For all the anxiety felt in Europe regarding the refugee crisis, those in the Middle East lived with the visceral knowledge that neighbouring states had collapsed.

At the same time, Saudi Arabia was concerned that the US had become more ambivalent regarding its presence in the Middle East. One question was whether or not this policy would prove to be unique to the current government; while the Saudi elite had a dim view of the Obama administration, the jury was still out as to whether the next president would continue on the same foreign policy track.

Moreover, there was growing anxiety that the aforementioned vacuum would be filled by Tehran and its proxies. The recent rise in defence spending had been heavily motivated by fear of Iran. Various European countries had been profiting from the demand that this had fuelled, even as they became more accepting of IS, thereby stoking Saudi fears. While Saudi observers saw the rise of Iran as inimical to their interests, Tehran's acceptance back on the international political stage was perceived by Europeans as a win-win process, helping them pursue their regional interests.

Under MBS, and alongside the younger generation of princes more broadly, Saudi Arabia had adopted a more confrontational policy with its neighbours. Its response to the Arab Spring had diverged from that of the US and European policies; Saudi troops had been sent into Bahrain even as the US quietly worked to negotiate the formation of a government of national unity. In addition, the Gulf's strong support of Mohammad Morsi had been at odds with both US and European foreign policy goals. The Kingdom had made clear that it viewed these countries as its backyard.

Saudi Arabia's military intervention in Yemen marked the biggest break with the Kingdom's past policies, changing its security and defence relationship with weapons exporters — traditionally, Riyadh had only bought arms for defensive and deterrent purposes. There was widespread pessimism in the wider Gulf regarding defence spending's share of national budgets, as it almost always outweighed health and social spending combined.

In the past, Saudi Arabia had been involved in some military involvement outside its own borders as part of peacekeeping operations. One such example was the role it adopted as part of Operation Desert Storm in helping Kuwait. Nevertheless, the Gulf-led intervention in Yemen with support from Western allies was totally new. Saudi Arabia had emerged as a major force in Yemen's economy, able to exert control over ports and therefore imports.

This state of affairs presented various European countries with a dilemma at a time when there was little appetite to spend much aid money or intervene militarily in the Middle East. Europe was torn between wanting regional problems to be solved by such local powers as Saudi Arabia while desiring a say in how they went about doing so. This had further complicated the limited degree of leverage enjoyed by Member States, given that they had committed neither their own troops nor money towards confronting the challenges Riyadh faced.

The nature of defence and security relations with key EU Member States varied. The most significant exporters were the United Kingdom and France. In 2015, the UK had signed two thirds of EU arms agreements with Saudi Arabia by value. Overall, Member States had issued 882 licenses to the Kingdom worth just under EUR 4 billion in terms of pledges signed; only 11 licenses had been refused on grounds largely pertaining to human rights concerns. Despite many reports of weapons sold to Gulf States being found in Syria, there had only been one case of a license being refused for the perceived risk of diversion to other conflict zones.

A number of Member States had signed defence and security accords with Riyadh. Such agreements facilitated defence sales, often including training in the use of defence equipment to be employed in Saudi Arabia. The military cooperation thereby engendered was neither particularly deep nor advanced, being

driven primarily by the provision of equipment and training. The UK had the largest number of military personnel in the Kingdom, with around 130 military personnel and MoD civilians involved in training and communications.

There had been a growing degree of cooperation between France and Saudi Arabia. Last year, a military cooperation and assistance agreement had been renewed, providing for the strengthening of defence procurement destined for the Saudi navy. In the same vein, Spain had signed several agreements since 2008 including training contracts with the Saudi air force. Lastly, Saudi Arabia was the third biggest importer of German weapons. However, despite widespread controversy within Germany regarding human rights concerns, Saudi-German export agreements had been firmly on the up.

Riyadh's intervention in Yemen had provoked a backlash within both the European Parliament and Member States. A judicial review had been launched in the UK, arising as a result of an NGO's campaign against the arms trade, which had taken the question of arms exports to court. As a result, weapons sales would no longer be within the executive's jurisdiction.

Future prospects included Vision 2030, which set out that Saudi Arabia intended to massively increase its own military industries by 2030. While 2 % of weapons were currently produced domestically, Vision 2030 envisaged that, in 14 years' time, the Kingdom would supply half of its own equipment through domestic production, a plan which was highly unlikely to materialise. Its realisation, if at all possible, would require heavy investment as well as an unprecedented degree of openness regarding technology transfers on the part of both European countries and the US, a situation which was unlikely to come about.

Vision 2030's goals partly reflected a desire to create jobs at home as well as the notion that depending on outsiders for security was a long-term source of risk. It was unclear whether the large-scale Saudi intervention in Yemen was a sign of things to come or merely a reaction to an extreme period of foreign policy caution — analyses abounded regarding a new 'King Salman doctrine', which would entail a number of future interventions. However, it was unlikely that the Kingdom's experience in Yemen would be deemed successful enough for this to be the case.

Viewed favourably among Saudis, the war in Yemen was generally portrayed as involving the provision of vital assistance to a neighbouring Arab country which had suffered a coup. However, as the conflict dragged on, domestic austerity was threatening its popularity. Rather than framing Saudi Arabia as having taken the initiative in launching its intervention, Saudi politicians preferred to seek to portray its traditional Western allies as having failed to provide the security role they expected.

The biggest area of divergence remained Iran, given that many Member States might yet wish to deepen their economic relations with Tehran while Saudi Arabia held it primarily responsible for the rise of IS. Despite the unlikelihood of a hot conflict, all possible scenarios should be considered when evaluating the future prospects for defence ties with Riyadh.

2 Background information by J. Kinninmont

2.1 Introduction and context

Saudi Arabia has strong defence and security links with a number of key EU member states, particularly the UK and France. Relations with the wider EU are normally through the regional bloc that Saudi Arabia is part of, the GCC. However the development of EU-GCC has so far been limited, given a preference for bilateralism on the part of both Saudi Arabia and its key European allies, and the fact that trade relations between the EU and the GCC have long stalled over questions of human rights and differences over subsidies.

Nonetheless, defence and security relations with member states have deepened and widened over the past 15 years, because of the oil boom after 2003, the expansion of Saudi defence spending, and the growth of counterterrorism cooperation against Al Qaeda and ISIS. Saudi Arabia is now the second biggest non-EU market for EU arms exports, after the USA.

Before 2011, most European countries assumed that the Saudi government was a conservative power in terms of defence and security, seeking to preserve the existing state order in the region. The impact of Saudi religious networks is somewhat more complicated: the dominant Saudi interpretation of Islam is conservative, traditionalist and politically quietist, but Saudi salafism has also provided fertile ground for more politically activist, sometimes revolutionary, jihadi groups. There are therefore well documented concerns about the role of Saudi religious networks in radicalisation in Europe and elsewhere. These are for the most part not part of the state's defence and foreign policy, but jihadi non-state actors have sometimes been mobilised for Saudi foreign policy ends, most obviously in Afghanistan in the 1980s and more recently in Syria.

However, since the Arab uprisings of 2011, the political turmoil in the Middle East has encouraged the country to take a more hawkish and activist approach in regional conflicts. This has been particularly evident since the new leadership that came into power in Saudi Arabia in 2015. Its approach is influenced by multiple threat perceptions: fears that there is a vacuum of security, authority and order in the region, because of the collapse of traditional centres of power since 2011, combined with a less interventionist and more ambivalent US; worries that this vacuum will be filled by Iran and its proxies; and concerns about ISIS, which has carried out four suicide bombings inside Saudi Arabia in the past twelve months.

Thus, under King Salman and his son and defence minister Mohammed bin Salman, Saudi Arabia has adopted a more confrontational defence and foreign policy in its neighbourhood.

Above all, the military intervention in Yemen is a clear break with past Saudi policy. Since March 2015, the Saudi air force has been at the head of an Arab coalition carrying out air strikes on Yemen in an attempt to weaken the Houthi-Saleh coalition which deposed internationally recognised president Abed-Rabbo Mansour Hadi. Saudi military deployments outside the country's own borders are extremely rare, and this is the first time the country has led an intervention of this sort, rather than lending financial support to preferred local allies. At the same time, the air strikes, and restrictions that Saudi Arabia has placed on Yemen's ports, have contributed to a humanitarian disaster in one of the world's poorest countries, which is extremely dependent on aid and food imports.

While Saudi Arabia continues to be one of the main aid donors to Yemen, it faces entirely new dilemmas now that it is also responsible for airstrikes, casualties and destruction of infrastructure. There are serious concerns about possible breaches of international humanitarian law, given reports from credible NGOs and journalists, and there are a number of parliamentary and legal challenges seeking to suspend and review arms exports from key European member states to Saudi Arabia. There are also concerns about the possible re-export of arms from Saudi Arabia to the civil war in Syria. And where small arms are concerned, there are risks of use in internal repression, whether in clashes with protestors (primarily in the Eastern Province) or in prisons.

2.2 Saudi Arabia's defence and security relations with EU member states

EU-GCC relations largely focus on trade co-operation, rather than on defence. However, Saudi Arabia has growing defence relationships with a rising number of EU member states, primarily driven by the trade in armaments (and often related contracts for training and maintenance).

For different reasons, Saudi Arabia and EU member states have both been seeking to diversify their defence relationships: Saudi Arabia wants to be less dependent on the US, while European countries have been seeking new export markets. However, relations have continued to be constrained by political differences,

including different views about what would make the Middle East more sustainably secure and well-governed, as well as significant differences over values such as human rights and religious freedoms.

The UK and France both have formal defence accords with Saudi Arabia. For the UK's part, a 2013 parliamentary report on UK-Saudi relations found that defence cooperation underpins the entire bilateral relationship. The UK stations around 130 military personnel in Saudi Arabia (20 navy, 40 army and 70 airforce), involved in the following missions:

- MODSAP, a team of 80 civil servants and military personnel based in Saudi Arabia to oversee defence cooperation agreements (mainly meaning government-to-government arms procurement contracts, and related training and assistance)
- BMM, British Military Mission to train the special security brigade of the National Guard
- SANGCOM, a team assisting in establishing a new communications system for the National Guard (including 50 ministry of defence civilian staff based in Saudi Arabia)
- 5 naval personnel supporting the Saudi naval academy

France and Saudi Arabia updated their military cooperation and assistance agreement in 2015 and stated they wished to strengthen their partnerships in operational cooperation and defence procurement, particularly for their navies. They also declared their intention to open negotiations for France to export surveillance and satellite equipment to Saudi Arabia, which also agreed to buy 30 coast guard patrol boats from France. Saudi Arabia had also previously agreed to fund the Lebanese army to buy \$3bn of defence equipment from France, but cancelled this in 2016 owing to political disputes with Lebanon.

Armaments

According to the 2015 data on EU arms exports licences, EU member states issued 882 licences for arms exports to Saudi Arabia, worth a total of EUR 3.9bn. 11 licences were refused, with the following reasons cited: (human rights (in 10 cases); the internal situation (4); regional peace and stability (3); and in just one case, the perceived risk of diversion.

The UK alone accounted for nearly half of the total export licences by value, at EUR1.9bn, while France followed with EUR777m. In addition, Germany, Sweden, Italy and Croatia each approved export licences worth over EUR100m apiece. (Figures for the actual value of exports were not provided.)

Saudi Arabia's defence spending has been growing rapidly since the beginning of the oil boom in 2003, and it is now the world's second-largest arms importer after India. From 2011-15, it bought 7% of the world's arms exports, more than three times as much as in the previous five-year period, according to SIPRI data.

2.3 Saudi foreign and defence policy: generational change

The foreign policy of the richest Arab country is going through a period of revision and transition, because of seismic political changes in the Middle East region, and because of generational change inside its own royal family.

Leadership changes

In January 2015, the nonagenarian King Abdullah, who had ruled the country since 2005 and been the power behind the throne since the mid-1990s, passed away. His successor, 79-year-old Prince Salman, is to be the last of that generation to rule Saudi Arabia: he has empowered a 56-year-old crown prince, Mohammed bin Nayef bin Abdel-Aziz Al Saud, and has made his youngest son, Mohammed bin Salman bin Abdel-Aziz Al Saud, who is in his 30s, the defence minister and deputy crown prince.

A new foreign minister, Adel Jubeir, replaced Prince Saud Al Faisal bin Abdel-Aziz Al Saud in 2015. He is the first foreign minister to come from outside the royal family.

The new set of decision-makers is so far carving out a foreign-policy role for Saudi Arabia which is very different from the cautious approach seen under King Abdullah. It is responding to several international, regional and domestic factors:

- The political turmoil in Saudi Arabia's neighbourhood
- The perception in Saudi Arabia that international players (e.g. the US) are not doing enough to secure the Middle East
- Opportunities to diversify defence and security relations – but only up to a point
- The perception that Iran is seeking regional hegemony and that this is a zero-sum game, at the expense of Saudi interests
- The awareness – since a wave of attacks in 2003 – that jihadi groups like ISIS and Al Qaeda pose domestic a risk to Saudi Arabia
- Saudi aspirations to lead the Gulf Co-operation Council regional bloc

The regional environment is being reshaped by several long-term changes that have been unfolding over the past decade. The first of these is the 2003 game-changing US invasion of Iraq and its unintended consequences; intended to establish a non-threatening, WMD-free, pro-US democracy in a major oil exporter, the war has ended up creating a fragmented, weak, conflicted state in Iraq; weakening the US appetite for intervention in the Middle East; providing an opportunity for Iran to gain in influence; and, in the minds of many in the region, associating US democracy rhetoric with violent regime change. While Saudi Arabia was opposed to the regime change in Iraq, its ruling establishment still broadly favours the US maintaining its traditional role as policeman of the region. Indeed, Saudi Arabia would have preferred the US to intervene militarily in Syria after 2011. The combination of the Iraq war (from which Iran broadly benefitted), the lack of direct military intervention in Syria, and the recent US nuclear deal with Iran, have all led key Saudi elites to think that the US is too accommodating of Iran.

Relatedly, and secondly, the changes in the US energy market (as domestic oil production makes the US less dependent on imported oil), and the rising role of China as a key oil importer, are raising questions in Saudi Arabia about the extent to which the US will be committed to their own security in future.

The US is currently the main guarantor of Gulf security, but analysts there are debating how long-term and how advantageous this role is. As a result, Saudi officials – such as former national security chief, Prince Bandar bin Sultan bin Abdul-Aziz Al Saud – have said that the country needs to diversify its security relationships away from the US. However, it is not clear who these alternative allies would be.

This then relates to the third long-term trend: the rising interest that Saudi Arabia has in its relations with Asian countries, especially China, given that China is expected to overtake the US as the world's largest oil producer. The country has pursued a "look east" policy for some time: King Abdullah's first state visit as king was to Asia, in 2005, and China is now a major destination for Saudi non-oil exports (like petrochemicals and plastics), and even for Saudi students. But so far the relations are largely economic. China has not shown any interest in becoming involved in Gulf security in the foreseeable future. Nor is it clear if the US would want to cede that role to China. Several years ago, China may have looked a more attractive partner, because it disagreed with the US on policies that Saudi Arabia also objected to: firstly the invasion of Iraq, and then public support for democracy movements in the Arab world. But today, Saudi Arabia's main complaints with the US are that the US has signed an agreement with Iran, and has failed to stop the massacres in Syria. On these issues, China does not offer any alternative. Nonetheless, the existence of significant Saudi-China and Saudi-Russia ties leads some European governments to argue that

if they do not provide armaments to Saudi Arabia, Russia and China will step in with even fewer constraints on end-use.

Fourthly, the role of Iran has changed dramatically since the 2003 invasion of Iraq. It has tried to expand its influence in the Middle East both by backing key allies and proxies in a variety of specific countries, and by reaching out to wider popular opinion in the Arab world, through positioning itself as the “resistance” to the US and Israel. But since the 2011 uprising in Syria, Iran has lost popularity in the Arab world, because of its support for Assad’s violent repression of the uprising. Instead, the “resistance” movements backed by Iran’s Revolutionary Guards have become more embroiled in political and sectarian conflicts within the Middle East, while Iran’s relations with the US have begun to thaw. In 2015, the nuclear agreement between the P5+1 and Iran has been a new, game-changing development for the region—causing profound concerns for Saudi Arabia, despite the country’s polite statements that appear to welcome the deal. The Saudi preoccupation with Iran is so great that it has helped to drive a low-profile rapprochement with Israel, as both countries perceive Iran as the chief source of threats to them.

Fifthly, within the region, complex and evolving dynamics were unleashed by the Arab uprisings of 2011. The phenomenon of mass movements for political change were generally seen by Saudi elites as a threat to stability. Within Saudi Arabia, the security forces and pro-government clerics were all mobilised to dampen down any similar movements at home, while the National Guard was deployed to Bahrain to provide the ruling family with military and political backing as it put down mass protests just 25km from Saudi Arabia’s eastern border. Today Saudi Arabia probably feels vindicated in its opposition to the “Arab spring”. So far, only in Tunisia has democratisation process moved ahead. Fiercely contested transition processes have ushered in – or speeded up – processes of state failure in Syria, Libya, and Yemen. In Egypt, the election of the Muslim Brotherhood, followed by what appears to have been a popularly supported military coup just one year later, has left the Mubarak-era military “deep state” largely intact against a backdrop of social divisions and violence. The collapse of the traditional centres of political authority in these countries has left space for greater foreign influence and competition between different regional powers.

However, Saudi Arabia has not just been an observer of these trends; it has been involved in backing different sides in various disputed transitions, as have other Gulf states. Saudi Arabia supported the uprising in Syria, and is one of the main backers of the armed opposition, because of their animosity to the Assad regime and its alliance with Iran. In Yemen, along with other GCC states, it ensured immunity for the former president, Saleh—who ended up as a key force behind the Houthi coup that Saudi Arabia is now fighting. In Egypt, Saudi Arabia (with the UAE and Kuwait) gave financial and moral support to the Egyptian military as it carried out its coup, and continued to provide billions of aid despite the shootings of hundreds of civilians. Despite opposing the Muslim Brotherhood in Egypt, Saudi Arabia has nonetheless worked with a Syrian opposition that includes Islamists of various stripes, and appears to be aligning itself with the Muslim Brotherhood branch in Yemen, Al Islah.

The increasing activism of Saudi foreign policy also reflects the dynamics of Saudi relations with other Gulf countries, which always involve a mixture of co-operation and competition. In particular, Qatar and UAE, where younger-generation leaders came to the fore at an earlier stage, have both taken a much more activist and interventionist role in regional politics in recent years.

2.4 Future prospects

As yet, it is unclear whether the large-scale intervention in Yemen is a temporary reaction to a period of foreign-policy caution or a more permanent change. Much will depend on the outcome not only of the current military campaign, but of the political follow-up. The intervention has exposed some of the limitations of Saudi military strength, and seems to be losing some of its initial domestic popularity now that budget cuts are beginning to bite. But there remains a possibility that Saudi Arabia could become

more engaged in some form in the civil conflicts in Syria or in Libya. For now, Gulf states are talking about providing anti-aircraft missiles to Syrian rebels.

Against the backdrop of the other trends already listed – the consequences of the Iraq war and weakening of US interest in intervening in the Middle East, the changes in the US energy market, the rise of China, the Arab uprisings and the collapse of traditional centres of political authority – Saudi Arabia fears that there is a vacuum of authority and order in its neighbourhood. In particular, it fears that Iran will expand its influence to fill this vacuum, given its role in Iraq and in Syria, where pro-Iranian governments have been so much in need of Iranian assistance that they have given up some of their independence and sovereignty, as well as its role in Lebanon. Given these experiences, Saudi Arabia has overestimated the influence that Iran also wields in Yemen and in Bahrain. It has approached these specific political disputes largely through the prism of a wider regional struggle with Iran. This will probably remain confined to a series of proxy wars rather than a direct, hot conflict, but all scenarios should be considered by European member states evaluating the future prospects for defence ties with Saudi Arabia.

PART III: DISCUSSION

Ms Bodil VALERO drew attention to a scandal that had arisen with the revelation that Swedish manufacturers had been surreptitiously helping Saudi Arabia build up its weapons industry. After the partnership had become known, public pressure had been such that the memorandum of understanding established between the two countries had not been renewed. While relations in other areas remained largely intact, Swedish arms exports to Riyadh had ceased. Areas such as human rights, however, remained a source of concern, especially regarding the rights of women. There was not enough interest in women's rights to entirely stop exports to Saudi Arabia, as had been attempted through a mooted parliamentary resolution which had sought to establish an embargo in response to Saudi blogger Raif Badawi's imprisonment. Ms Valero wished to know the extent to which such motions influenced the Saudi leadership — could the fact that women could stand for the recent municipal elections be due to Western pressure?

Mr Antonio LÓPEZ-ISTÚRIZ WHITE wanted to know what would happen, should a significant Saudi-Russian rapprochement occur, as had been attempted between Riyadh and Cairo.

Ms Anna Elżbieta FOTYGA asked to what degree sectarianism could be said to be at the heart of the current turmoil racking the Middle East.

Ms Agnès LEVALLOIS turned to the second question, explaining that there was a genuine willingness on the part of Egypt's leadership to strengthen bilateral ties. As for Russia, we were currently witnessing Moscow's engagement in a bid to re-establish its position across the region. The question was how should Europe react? An increased Russian presence complicated things, directly threatening a cowed, reluctant US which had given Moscow the opportunity to make considerable inroads. Another question regarded the degree to which Russia could be seen as a partner in the region.

An important development revolved around the increasing role of regional powers. Western powers used to be the ones 'leading the dance', and this was no longer the case. While actors in such theatres as Syria remained linked to their international 'parents', local powers were more willing to impose themselves in their near abroad. Europe would have to decide how to grapple with this recent change.

Ms Levallois also answered Ms Fotyga's question, contending that the Sunni-Shiite aspect of Middle Eastern politics was often overstressed; far from being of an exclusively religious nature, the instability we were witnessing today was primarily political. While religion played a certain role, regional rivalries remained the primary determinants of State behaviour.

Answering Ms Valero's point regarding women's rights, Ms Levallois drew on her recent experience in Saudi Arabia, where she had witnessed a marked dynamism within Saudi civil society. While societally active women were largely found within the more educated parts of society, with social pressures forcing them to keep a low profile, the royal family was beginning to consider a certain number of their concerns.

Ms Jane KINNINMONT also answered Ms Valero's point, saying that it was difficult to evaluate whether a certain development (such as women standing in the Saudi municipal elections) could be considered to be the result of social pressure. It could however be said that, usually, human rights issues could only be pursued effectively in the presence of a domestic constituency which also wished to advance those rights.

Some of the Member States close to Riyadh used the argument that providing weapons provided leverage. While human rights concerns would never constitute the driving force behind such exchanges, primarily driven by the pursuit of financial gain, the argument remained that a country providing arms might also require oversight in terms of international humanitarian law, providing for the creation of systems to investigate reports of such abuses. Such an approach might work up to a point, but was dependent on there being a constituency in the Saudi establishment which was convinced that civilian casualties came

with a strategic cost. Conversely, Riyadh might see such constraints as unnecessary and hypocritical, sensing that they were more readily being accused of human rights violations than the US or Israel. For supplier countries, there was the risk that the more involved they became in terms of oversight and systems, the more they became part of the conflict. For instance, far from being perceived as a bystander, the UK was increasingly being seen by many Yemenis as just another party to the conflict.

Ms Kinninmont turned to Ms Fotyga's query, agreeing with Ms Levallois that Sunni-Shiite tensions were driven primarily by geopolitics. It was important to note that, historically, the two groups had not been at each other's throats. What was worrying was that, with most people in Iran or Saudi Arabia under the age of 30, a whole generation had spent the entirety of their politically conscious lives watching news dominated by talk of a sectarian conflict. Consequently, sectarianism was now perceived as much more important than had been the case in past generations.

As for Russia and Egypt, Ms Kinninmont believed that Egypt had been using its relationship with Russia to send a message to the US. The country's rapprochement with China, on the other hand, was just for investment, not weapons. This dynamic harboured a new trend in a more multipolar Middle East, with regional powers trying to play international actors off against each other.

Ms LEVALLOIS added that, with Turkish, Chinese, Russian, British and French media outlets all broadcasting in Arabic, international actors were jockeying to dominate the airwaves. Russia had proven particularly active in this field. Overall, we were currently witnessing a period of shifting alliances, with changing perceptions regarding security issues.

Ms KINNINMONT explained that Russia had been trying to develop an anti-imperialist narrative, claiming that the US was trying to take over the Middle East despite its own heavy military presence in the region. The various powers were mired in media warfare against one another. Moreover, a big gap existed between the discourse in Europe and the reality — while there had been many warm words said regarding Iran, relations were far from having defrosted, even when viewed from a purely economic perspective. Iran was very far from being engaged in any form of international defence cooperation. Lastly, a misconception persisted in Saudi Arabia that Iran was being treated with an excessive degree of leniency. Europeans trying to put pressure on Saudi Arabia must understand this view, taking pains to clarify that Riyadh was not being held to standards that were different from those that applied to other countries.

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