by opting to leave the EU altogether but, rather, the possibility of ‘mini referendums’, of snap votes called by various European politicians whenever they decide that they don’t like something about their EU membership. An example of that — albeit one generated by the electorate’s pressure — has already occurred in the Netherlands, where voters decisively rejected a free trade deal with Ukraine. Another example is pending in the autumn in Hungary, where local voters will be asked whether they approve of the European Commission’s proposal to allocate refugees throughout Europe, a ballot in which there are no prizes as to what the final outcome would be.

The EU is, therefore, not facing immediate disintegration, but the threat of an agonising fight against national temptations to discard obligations which, for one reason or another, are considered onerous or objectionable.

No immediate solution to such problems exists, but there are ways of mitigating them. First, all EU governments should accept that, although Britain’s decision was tragic and self-defeating to Britain’s own national interests, what happened in the UK carries a very serious warning for the rest of the continent; in one way or another, the question of vast migratory flows has to be addressed. Second, governments will be well-advised to accept that the age of the ‘grands projets’ — of the fantastic schemes of EU expansion and federalisation — is over, if only because the age of the Jean-Claude Junckers of this world is over: politicians can no longer decide to do what they want and avoid asking the electorate for an opinion because they fear the answer. And, finally, that despite all the frustration and despite all the stupidities of Britain’s behaviour in Europe, the continent would be poorer without the UK, and the EU should do everything possible to ensure that Britain slides as little as possible out of the continent. That will require a different British attitude. But it will also require a different EU.

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Saudi Arabia’s Quiet Revolution

Gerald Butt

A shift in power to a younger generation and a recognition of the need for more transparency will have a long-lasting impact on Saudi Arabia’s foreign policy, its economy and its politics.

When Crown Prince Salman bin Abdulaziz succeeded the late King Abdullah bin Abdulaziz in January 2015, Saudis were relieved that the transition of power was a smooth and peaceful one. They had no inkling of the changes that the Kingdom was about to witness. In the context of the most conservative country in the Arab world, where the emphasis has traditionally been on quiet continuity, the developments over the past year and a half constitute a quiet revolution.

The first surprise was the unprecedented removal of the man chosen by King Abdullah as his heir, his brother Prince Muqrin bin Abdulaziz, and the choice of two princes from the younger generation, Mohammed bin Naif (Salman’s nephew) and Mohammed bin Salman (Salman’s youngest son), as crown prince and deputy crown prince respectively. For the first time since the creation of Saudi Arabia in 1932, power is set to move from sons of the founder, Ibn Saud, to his grandsons. This shift is dramatic in a country where old age and leadership have traditionally been linked: the crown prince is 56 and the deputy crown prince is only 31.

The new leadership team, without delay, set about streamlining the country’s administrative and decision-making apparatus, dissolving ineffective state institutions and consolidating power in two supreme councils — one for political issues, the other for economic affairs. Young ministers with private sector experience were appointed to slimmed-down ministries, answering directly to the king and his two heirs. Overnight the practice of protracted private consultations among princes before decisions were taken was abandoned.

The next key change was in foreign policy. King Salman, as did his predecessor, views Iran as the biggest threat to the status quo and stability in the Middle East, accusing it of seeking to spread and consolidate its influence in Iraq, Lebanon, Syria and Yemen, and of encouraging unrest among Shia communities in Arab states. But in a surprising break with the past, the new leadership in Saudi Arabia decided to co-ordinate opposition among Sunni Arab states to Iranian expansionism. As Prince Turki Al-Faisal bin Abdulaziz, a
former Saudi intelligence chief, said in an address to RUSI in May, the Kingdom ‘has seized the mantle of security as the West recedes from the region’.

As part of this new strategy, Saudi Arabia increased aid to groups in Syria, aiming to topple the Iranian-supported regime of President Bashar Al-Assad. Then, in the most radical change of strategy, in March 2015 the Kingdom abandoned its traditional practice of quiet diplomacy and led a direct military campaign to counter an uprising in neighbouring Yemen, which had seen Iran-backed Shia Houthis, allied with army units loyal to former president Ali Abdullah Saleh, driving the internationally recognised government out of power and occupying large areas of the country.

At the same time, as global oil prices collapsed, Saudi Arabia broke with another tradition by refusing to act as swing producer in OPEC. The Kingdom insisted that it would cut production to boost oil prices only if all major producers, including Iran and Russia, agreed to do the same.

With oil prices remaining low, in early 2015 Deputy Crown Prince Mohammed bin Salman unveiled a further revolutionary idea: break Saudi Arabia’s total dependence on oil revenue. This would be achieved by privatising up to 5% of the giant state oil company, Aramco, and setting up a $2 trillion sovereign wealth fund to generate revenue from global investment. Also, public spending would be cut and subsidies on basic goods and services selectively lifted. Some of the main goals to be achieved by 2030 included: developing a military equipment industry to supply half of local needs; rising from 19th to 15th in the league of world economies; and increasing the private sector’s contribution to the economy from 40% to 60% of GDP.

In early June the government published a National Transformation Programme (NTP) detailing targets in the so-called ‘Saudi Vision 2030’ strategy to be achieved by 2020. For example, non-oil revenue in the next four years is expected to rise from $43 billion to $141 billion, and public debt to decrease from 7.7% of economic output to 3%. But the programme, in the eyes of some Saudi commentators, still remains vague about how specific goals are to be achieved and what the various projects will cost. Furthermore, several key targets have been published while baseline figures, according to the NTP document, are still being assessed, thus undermining public confidence in some of the data.

**Vision 2030 will set the Kingdom on a path towards economic diversification that is long overdue**

In general, however, public response to Vision 2030 and to the new and energetic style of leadership has been positive, especially among the younger generation, who have been frustrated at the slow pace of change. A move away from oil dependency is regarded as a positive step, but it is widely recognised that achieving all the targets will prove difficult because some are overly ambitious and the initiative will face opposition.

For example, a basic need is a better qualified workforce to take over some of the jobs being carried out by the 10 million expatriates, but education is controlled by the conservative Wahhabi religious establishment. In the past they have blocked reform attempts and are likely to do so again. When the government recently curbed the powers of the religious police, Prince Mohammed bin Salman spent hours seeking to placate the Islamic hierarchy.

Then there is the challenge of persuading Saudis to take jobs in the private sector and enforcing a stronger work ethic within the vast and inflexible civil service. ‘Dealing with the new breed of ministers and their deputies is now easy’, a German businessman in Riyadh said. ‘You communicate with SMS and WhatsApp. But when it comes to ministry employees you’re back in the old world of missing faxes and unanswered phones’.

While Vision 2030 is unlikely to deliver all it promises, it will at least set the Kingdom on a path towards economic diversification that is long overdue. Also, the manner in which the initiative was launched has invigorated the atmosphere in Saudi Arabia. To the surprise of Saudis, in April Deputy Crown Prince Mohammed gave a long and unscripted television interview to the Al Arabiya news channel during which he was challenged about aspects of
his initiative. Hoda Al-Helaissi, a member of the advisory Shoura Council, said that ‘this was the first time we had seen any of our leaders appear on television without a script. Here was a young prince talking directly to the young generation, not talking down to them’.

Two other remarks by the deputy crown prince were significant. Speaking about the plan to sell Aramco shares, he said the move would force the company to open up its books for the first time. ‘People in the past’, he continued, ‘were unpleased with the fact that Aramco’s files and data are undeclared, unclear and non-transparent. Today, it will become transparent’.

Later in the interview, he expanded on this theme. ‘We are living in a society’, he said, ‘where it is difficult not to be transparent, and it is difficult to hide a secret from society in the modern age’. In the view of Saudi sociologist Ali Alkheshaiban this amounted to recognition on the part of the Saudi leadership that they were taking seriously social media criticism of the opaqueness surrounding the distribution of public funds among members of the ruling family and state bodies. ‘You can’t pretend anymore’, he said, ‘that you can’t hear the comments’. That concept, too, is something close to revolutionary in Saudi Arabia.

With the focus on the huge task of changing the economic direction of the Kingdom at a time when revenue from oil is relatively low, Saudi leaders have started to reassess aspects of their regional policies. Saudis accept that Russian military support for President Assad and the close Russian–US diplomatic co-ordination mean that the rules have changed. The fate of Syria will be decided by Moscow and Washington rather than by any of the other diplomatic players. As a result, Saudi Arabia is starting to back away from its earlier deep involvement in the Syria crisis. While still funding opposition groups and keeping military aircraft and personnel based in Turkey, the Kingdom is no longer talking of its own military engagement in Syria.

As much as Saudi Arabia wants to back away from Syria, it also wants to extricate itself from Yemen, where all sides in the war are bogged down. While UN-brokered peace talks in Kuwait are making slow progress, Saudi Arabia seems determined to make them succeed. The Saudi leadership has been preparing the public for an end to the war by saying that the goal of stopping a Houthi (and by extension Iranian) takeover of Yemen has been achieved.

The gradual Saudi shift away from direct engagement in the Syrian and Yemeni crises does not herald a softening of attitudes towards Iran. Rather, the focus is moving towards bolstering the security and stability, through generous financial support, of key Sunni Muslim states (Egypt, Jordan and Turkey) in order to shore up a regional alliance with Arab Gulf states to stand firm against Iran. In this respect, Saudi Arabia appears to be reverting to its more traditional diplomatic role in the Middle East.

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How to Deal with Iraq’s Shia Militias

Ranj Alaaldin

Militias must be forced to choose between an institutionalisation process that acknowledges their existence, rights and legitimacy, or an armed confrontation that, in the long run, they cannot win.

Popular demonstrations in Iraq at the end of April led to the storming and occupation of parliament after Iraq’s radical anti-West cleric, Muqtada Al-Sadr, mobilised hundreds of thousands of his followers against a political system that is widely bemoaned as corrupt, sectarian and dysfunctional. At one point, the protestors forced parliamentarians and other officials to run for safety, in some cases out of Baghdad and the country entirely.

However, popular demonstrations will have little positive impact unless Iraq’s Shia militias are reined in, and that includes those controlled by Al-Sadr, who is not the solution but part of the problem.

Al-Sadr’s Peace Brigades militias (a re-branded version of his Mahdi Army), like Iraq’s other Shia militia groups, have been complicit in sectarian atrocities, they are heavily armed and they continue to challenge the state. They create the space in which Daesh and other militias can flourish: without a strong state or political representation, and faced with the threat of sectarian Shia militias, Iraq’s Sunnis are left to protect themselves in a militarised environment by joining Daesh or other militant groups.