

## **Saudi Arabia's Smooth Succession: The King is Dead, Long Live the King**

**Anthony H. Cordesman**

Once again, Saudi Arabia has managed its succession without problems, delay, or any signs of serious divisions within the royal family. One of its most competent and impressive kings has died, but the Crown Prince – Prince Salman – officially became king virtually at the time King Abdullah's death was announced. Moreover, Prince Muqrin immediately became the full Crown Prince, ensuring that one of the youngest sons of Ibn Saud would become king or de facto ruler if Prince Salman became incapacitated or died.

Within less than 24 hours, the new King also announced a whole list of new appointments that gave the next generation of princes more power and helped prepare for the succession after Prince Muqrin:

- Crown Prince Muqrin bin Abdulaziz Al Saud was also appointed Deputy Premier.
- Prince Mohammed bin Naif bin Abdulaziz Al Saud became Deputy Crown Prince, Second Deputy Premier, and Minister of Interior.
- Prince Mohammed bin Salman bin Abdulaziz Al Saud became the Minister of Defense, and was relieved of his position as Chief of the Crown Prince's Court and Advisor to the Crown Prince, while continuing as the Minister of the State and Member of the Cabinet at the rank of minister.
- Hamad bin Abdulaziz Al-Suwailem, Deputy Chief of the Crown Prince's Court, was relieved of his position and appointed the Chief of the Crown Prince's Court at the rank of minister.
- Khalid bin Abdulaziz Al-Tuwaijri, Chief of the Royal Court and Private Secretary of the Custodian of the Two Holy Mosques, was relieved of his position.
- Prince Mohammed bin Salman bin Abdulaziz Al Saud became the Chief of the Royal Court and Private Advisor of the Custodian of the Two Holy Mosques at the rank of the minister in addition to his current position, and ordered to submit his nominations for leading positions at the Royal Court.
- Khalid bin Abdulaziz Al-Tuwaijri, Chief of the Royal Guard, was relieved of his position, General Hamad bin Mohammed Al-Ohali became Chief of the Royal Guard.

The other current members of the cabinet were confirmed in their positions under King Salman's chairmanship, and ensuring the continuity of government and that key technocrats remained in office.

In spite of all the earlier articles and fears surrounding the succession, the Saudi royal family handled the succession without even a hint of crisis, and laid the ground work for the future, both in terms of the selection of a crown prince and the selection of a crown prince who will almost certainly be followed by a member of the next generation of princes – a proven group of competent leaders for the next decade.

It is important to stress the lesson that the United States and other outsiders should learn from this process. Every time a Saudi king gets seriously ill or dies, this triggers yet another media frenzy over a Saudi succession crisis. There is yet another round of speculation about major conflicts within the royal family, the destabilization of Saudi Arabia, and how the various tensions within the Kingdom could

somehow trigger a civil crisis or conflict. King Abdullah's illness is no exception. Anyone who has written on Saudi Arabia already has a flood of calls about what will happen upon his death, whether Saudi Arabia will have a massive political crisis, the royal family will self-destruct, or it will somehow be taken over by Jihadist extremists.

Some of this concern is natural. King Abdullah was an exceptional ruler, and one who led Saudi Arabia through a remarkably turbulent period in the Middle East. He first began to serve as de facto ruler when King Fahd had a stroke in 1995, and has been King since August 2005 – a period of nearly two decades. Throughout that period, a man who was sometimes reported to be anti-American and ultra-conservative before he took power was a strong ally and a major reformer.

### **Continuing Partnership and Progress After King Abdullah**

Outsiders can argue the pace of Saudi reforms during his reign, but King Abdullah presided over the steady modernization and liberalization of the Saudi economy. He also focused on the kind of reform that gets far too little attention in the West, but is more critical both in terms of Saudi stability and Saudi human needs. Unlike almost all the other Arab leaders, he reacted to the political upheavals in the Arab world by putting massive resources into supporting a younger generation that needed education, jobs, and the money for marriage and housing.

These are all areas that the new King, Salman bin Abd al-Aziz Al Saud, and new Crown Prince, Muqrin bin Abd al-Aziz Al Saud, fully understand and are virtually certain to continue. They are also priorities that the next generation of senior princes fully understands. Saudi Arabia's royal elite may not press for religious, education, human rights, and democratic reforms at the pace and in the ways the United States and the West may want, but there are no indications that any senior figure fails to understand the need for Saudi popular stability and for evolutionary reform.

Equally important, there is no indication that the new king or his successors will not have the continuing support of Saudi technocrats, Saudi Arabia's educated elite, and Saudi Arabia's business leaders. It is also worth pointing out that there has been no serious sign of popular unrest or disaffection in the Saudi security services.

### **A Continuing Strategic Partnership**

This is not Saudi Arabia at the time of Ibn Saud, Nasser, or the shocks caused by the first real wave of oil wealth in the 1970s. Saudi Arabia's continuing strategic partnership with the United States and other key Western states is a case in point. The Saudi government and its security services have been steadily modernized, preserving close ties to the United States at every level. The U.S. forces that came to Saudi Arabia to fight for the liberation of Kuwait finally did leave the Kingdom in the early 2000s, after the United States made several mistakes in not respecting Saudi sovereignty.

Saudi Arabia also opposed the U.S. invasion of Iraq – although Saudi fears this would end in causing massive regional instability and remove a critical counterbalance to Iran proved all too correct. Moreover, although the Saudis officially said they would not support U.S. forces, they allowed covert U.S. operations to be based in Ar Ar and de facto U.S. use of Saudi air space for recovery and limited missions.

Since that time, the United States, United Kingdom, France, and Saudi Arabia have steadily improved their strategic partnership, along with other key Southern Gulf states. Saudi Arabia has ordered well over \$40 billion in U.S. arms, and added a major U.S. advisory mission to its Ministry of Interior to the ones that already supported its regular armed forces and National Guard. It was also Saudi Arabia and King Abdullah who led the Arab world in proposing a broader peace with Israel.

Saudi Arabia's counterterrorism activities have become steadily more effective, and have worked as close partners to those of the US ever since Saudi Arabia was first challenged by Al Qaida in the Arabia Peninsula in 2003. The tensions in the U.S.-Saudi alliance have not focused on fundamental priorities, even in cases like Egypt, Iraq, and Syria, have focused on how best to deal with Iran, Iraq, Syria, Bahrain, Yemen, and Islamic extremism. The issues have never been over the need to cooperate, they have been over how best to address the problems involved, and there are no signs that anyone in the Saudi royal elite does not see the need for Saudi Arabia's strategic partnership with the West to continue.

It is also important to note from a selfish outside view, that the Kingdom's role in leading the other Southern Arab states in the Gulf Cooperation Council, in working with Jordan and Morocco, in providing aid to Egypt and other Arab states, and advocating the Arab peace plan has played a key global strategic role in ensuring the stable flow of petroleum exports to the world economy ever since the late 1970s, during the Iran-Iraq War from 1980-1988, and during the Gulf War to liberate Kuwait in 1990-1991.

Saudi Arabia has been critical to preserving some degree of regional stability in the face of a growing Iranian threat, during the rise of Islamic extremism that followed the U.S. invasions of Afghanistan and Iraq, and during the new wave of upheavals that began in the spring of 2011.

### **Progress in Saudi Governance and Civil Development**

Saudi governance has steadily improved in ways that have aided Saudi stability. King Abdullah sharply reduced corruption and limited the privileges of members of the royal family. Saudi budgets and five-year plans steadily budgeted for the diversification of the economy, better infrastructure, health and education. Unlike most of the Arab world, Saudi Arabia made major new investments in areas like education, job creation for Saudi youth, improved housing, and the other critical economic and social needs that create so much instability in the Arab world after 2011.

The Saudi government quietly controlled the more extreme elements of the Saudi clergy, limited the role of the religious police, and moved toward evolutionary reform – an evolution that reflected the fact that the Saudi royal family is not a group of conservatives suppressing a more liberal population, but part of an elite that includes technocrats and business leaders and that has steadily modernized a conservative population ever since the days of Ibn Saud.

Saudi education is still scarcely modern, but Saudi Arabia now has modern private universities, a steadily growing number of young Saudis studying in the US, and more women graduating from secondary school and universities than men. It has universities that now concentrate on the job skills that young Saudis need and the talents the country needs to develop and diversify its economy.

Saudi Arabia modernized key aspects of the Saudi justice system under King Abdullah. It built up the role of legislative bodies like its Consultative Council or Majlis as-Shura, and even experimented with elections in 2005 and 2011 – with King Abdullah granting women the right to vote and stand for office in the municipal elections due this year – although the result of the past two elections was so tribal and

conservative that it produced considerable caution about the pace of further reform.

### **Challenges After King Abdullah**

None of this means that Saudi Arabia does not face major problems and challenges under King Salman and his successors, that it should not move forward more quickly in many areas, and that it does not need to carry out a continuing stream of social, political, and economic reforms.

Saudi Arabia has faced, and will face, constant challenges in finding the pace of modernization and reform that pushes forward as fast as possible while retaining Saudi popular support, meeting Saudi Arabia's unique religious and cultural needs, and ensuring that evolution will not turn into either regression or revolution. As events in other parts of the region since 2011 have shown all too clearly, it is easy to get things terribly wrong and very hard to keep them going right.

### **Key Areas of Reform and Further Progress**

The role of women clearly must change so Saudi Arabia can use their talent and skills more productively. The Shi'ite minority needs more rights and equality. Education needs to be modernized as fast as Saudi society will permit. The scope and power of legislative and elected bodies needs to increase.

Saudi Arabia needs to go beyond counterterrorism and make more progress in religious reform. This does not mean abandoning its religious character, but it does mean broadening its focus on diversity and tolerance, and making this a key part of preaching and education. It means more open dialogue with other faiths, more respect for its Shi'ites, doing more to end abuses by its religious police, and further reform of text books.

It means going beyond having leading clerics denounce violent Jihadist extremism, and using all of the media and social networking tools being used by extremist movements like Al Qaeda in the Arabian Peninsula to reject and defeat its message. It means actually polling and surveying the views of its youth and population to make sure it understands their needs and grievances, rather than simply relying on traditional method like petitions, open meeting a majlises, and consulting senior figures.

### **Dealing with the Pressures from the Saudi "Youth Bulge"**

Above all, the Saudi government needs to ensure that its rapidly growing population will have meaningful jobs and futures. It is almost impossible for outsiders to really understand the demographic dynamics involved, and estimates do differ sharply according to source. However, the U.S. Census Bureau estimates that the Saudi population grew from 3.86 million in 1950 to 7.2 million in 1975, 21.3 million in 2000, and 27.8 million in 2015, and will grow to 31.9 million in 2025, and 40.3 million in 2050 – in spite of the fact its annual population growth rate dropped from 2.9% in 1975 to 1.5% in 2015, and is projected to drop to 0.7% in 2050.

For all of the Kingdom's progress, it is also important to note that the CIA estimates that some 261,000 males, and a total of at least 506,000 men and women will reach job age in 2015 – and enter a market-driven labor force of 8.4 million, only about 1.7 million of which is now Saudi. This is an incredible challenge in terms of internal stability.

While Saudi Arabia has largely met the challenge of dealing with this “youth bulge” under King Abdullah, it is important to note that its oil wealth was relative even in a period when petroleum prices were far higher than they are today. Again estimates differ, but the CIA and U.S. Energy Information Agency estimate that the Saudi per capita income was \$31,300 in 2013, and the Saudi petroleum income per capita was \$8,939.

To put this in perspective, the United States has a per capita income of \$52,800. A truly oil wealthy state like Qatar had a per capita income of \$102,100 in 2013, and a petroleum income per capita of \$40,943, although a seemingly wealthier UAE had a per capita income of only \$29,900 in 2013, and a petroleum income per capita of \$9,736.

Saudi Arabia must also use its limited funds to deal with far poorer and fractious neighbors whose problems pose a threat. Iran had a per capita income of \$12,800 in 2013. Iraq had a per capita income of \$7,100 in 2013, and a petroleum income per capita of \$2,700. Yemen, whose oil income is negligible in per capita terms, had a total per capita income of only \$2,500. There are many reasons why Saudi Arabia has some of the highest national security expenditures in the world. The Kingdom faces very real threats and has very real enemies – many of which are non-state actors that constantly threaten both terrorist violence and its legitimacy as custodian of Islam’s most important holy places.

### **The Impact of Lower Oil Prices**

At the same time, one needs to be careful about the challenge posed by any short term cut in oil prices and Saudi petroleum export revenues. Saudi Arabia has a major share of such exports and far higher profit margins on what it exports at current price than most exporters. An analysis by Jadwa Investment, one of the most competent analysts of the Saudi economy, also indicates that Saudi Arabia was already prepared to use its massive cash reserves to preserve growth and stability before King Abdullah’s death.

In a forecast it made in January 2015, it predicted that the Saudi economy would, “continue performing strongly in 2015, albeit at a slower pace than in the previous few years. Lower oil production will drag down overall GDP growth while the non-oil private sector will continue to record robust growth. The decline in oil prices will mean a narrowing current account surplus and a larger-than-budgeted fiscal deficit.”

The Jadwa forecast still calls for 2.5% economic growth in 2015 versus 3.7% percent in 2014. This is based on a contraction in the oil sector of -0.6 % percent, and a limited decline in oil production. However, Jadwa predicts 10% growth in oil refining, “the fastest growing sector in the Kingdom in 2015” because of major additions to refining capacity. It also believe the non-oil private sector will benefit from higher government spending, corporate lending and solid domestic consumption.

Most important, Saudi Arabia has pursued counter cyclical polices that give it the savings to keep building its economy. The Kingdom’s budget calls for a record high of SR860 billion, and its first for its first fiscal deficit since 2011. This will amount to SR145 billion in 2015, and Jadwa forecasts that it will amount to 6% percent of GDP. This will force that government to draw down on its foreign assets, and it involves spending that the Kingdom can scarcely sustain forever. At the same time, the Kingdom is scarcely the only country that will suffer from a sustained lack of global growth and it can afford to sustain such spending for at least the first few years of King Salman’s reign.

## **Succession Means Continuity and Stability**

Saudi Arabia is simply too important to the United States, Europe, Asia, and the world for anyone to take an event like King Abdullah's death for granted. American and other outsiders do have reason to be concerned about the challenges and threats Saudi Arabia will face after King Abdullah. At the same time, these concerns should focus on how best to assist and encourage Saudi Arabia to develop and evolve.

Once again, succession has proven to be a passing issue, and it is far from clear why this should change in the future.

First, it is important to ask what senior member of the royal family, or any of King Salman's new appointees, would slow King Abdullah's pace of reform, weaken Saudi Arabia's security partnership with the United States or other members of the Gulf Cooperation Council, or make any other important and negative shift in Saudi Arabia's policies? It is all very well to talk about royal power struggles, and royal politics are certainly very real – although one should remember that the United States has divisive politics of its own and faces the threat of a popular coup every four years. However, royal politics do not seem to have any key divisions over the most critical aspects of the Kingdom's policies.

The royal family's dissenters are marginal at best, and more reform oriented – not ultraconservative. Moreover, Saudi Arabia has not faced a serious internal political battle since King Faisal rescued the government from an inept and wasteful King Saud during 1962-1964 – in the middle of a crisis over the rising influence of Nasser. That was also a time when the formal structure of Saudi Arabia government was still relatively weak and primitive, its budget badly and arbitrarily managed, its security forces having uncertain loyalty, and its overall continuity of government was tenuous at best. None of these conditions exist today.

Second, Saudi Arabia is scarcely an absolute monarchy. It does not wait for a succession for key members of its royal family, its senior ministers, and other leading policy voices to debate virtually every issue – with considerable help from its Majlis and media. It is not a democracy, but merit as much as birth is the key to influence. Moreover, virtually every key issue is debated internally and resolved with some degree of consensus. The choice of king really does matter, but so does the rest of Saudi Arabia's senior leadership.

Third, the Saudi government has a large and stable structure. There is no exact way to measure the number of key figures in the government, but there are some 33-35 critical ministries and other senior appointments. A total of eleven are held by members of the royal family, and eight by senior princes that are the grandsons, rather sons of Ibn Saud. Some 23 are technocrats. They will play a critical role in preserving the continuity of power during the succession, and most will remain in office regardless of how the succession progresses.

Fourth, King Abdullah did more than create a natural line of succession in Prince Salman and Prince Muqrin. He also prepared for his succession by reshuffling several key positions in his cabinet on December 7, 2014, including culture, telecommunications, transportation, agriculture and appointing younger ministers who could provide both continuity and a new level of energy and effort. He appointed a new Minister of Education, Prince Faisal bin Abdullah Muhammed Al-Saud to succeed H.E. Dr. Abdullah Ibn Saleh Bin-Obaid, and a woman, Noura Fayeze to the new post of Deputy Minister of Women's Education. He named Dr. Abdullah Al-Rabeeah as the new Minister of Health, and Mohammed

ibn Abdul Kareem Al-Issa as the new Minister of Justice.

He appointed Muhammad Al-Jasser as Governor of the Saudi Arabian Monetary Agency (SAMA), Saudi Arabia's central bank and a critical part of the government's effort to manage and develop an economy. He replaced Islamic Affairs Minister Sheikh Saleh bin Abdulaziz al-Ashaikh – a descendent of Muhammad al-Wahab – with a new Minister that was not a member of the Al-Ashaikh family. All of these appointments seem to have been designed ensure that Saudi Arabia would increase the pace of modernization, not simply preserve continuity of his existing programs.

It is in this context, that one should look at the line of succession that will follow his death. Saudi Arabia is reaching the point where the choice of the next may be far less important than the one that brings the next generation of senior princes to the throne. The sons of Saudi Arabia's modern founder – Ibn Saud – are all reaching an age where this change is becoming inevitable.

The new King Salman bin Abd al-Aziz Al Saud – who is also Deputy Prime Minister and Minister of Defense—is at least 78 years old and is sometimes reported to be seriously ill. Such reports differ sharply over just how ill King Salman really is – and medical reports on the illnesses of the Saudi Royal family have often proved grossly inaccurate.

Moreover, King Abdullah did appoint Prince Muqrin bin Abd al-Aziz to the new post of Deputy Crown Prince in March 2014, and had appointed him as Deputy Prime Minister in February 2014. Prince Muqrin has been closely linked to Abdullah and his policies of modernization and reform, and is the youngest surviving son of Ibn Saud, having been born in 1945. In spite of all kinds of speculation that he might not become Crown Prince after Prince Salman became King. So far, fears that Saudi Arabia might have a preemptive succession crisis have proved to be no more real than fears about the immediate impact of King Abdullah's death.

King Abdullah also shook up several senior Saudi security appointments during 2014, and the extent of King Salman's illness seems unlikely to affect Saudi security. Prince Saud al-Faysal bin Abd al-Aziz Al Saud is Foreign Minister and has played a key role in shaping Saudi Arabia's foreign policy and partnership with the US for decades.

King Salman's son, Mohammed bin Salman, is a Minister of State and chief of his father's court, and is reported to play a role in defense policy and the Minister of Defense. King Abdullah's son Prince Mitib bin Abdallah bin Abd al-Aziz Al Saud is now Minister of the National Guard, Prince Muhammed bin Nayif bin Abd al-Aziz Al Saud is Minister of the Interior, and Prince Khaled bin Bandar bin Abdalaziz Al Saud, the Head of Saudi Arabia's General Intelligence Presidency. This is a strong and proven national security team, and one that has worked closely with the United States.

There is uncertainty as to what will happen after Crown Prince Muqrin becomes king or if he should die. At the same time, King Abdullah created an Allegiance Council in an effort to establish a formal body to choose the succession and replace a King if one becomes ill and unable to perform his duties. Yet, when it comes to King Salman's illness – serious or not -- one needs to remember Gulf monarchies are reluctant to replace any living King. Prince Abdullah once served as de facto ruler for years during King Fahd's illness and decline. Crown Prince Muqrin might perform the same role.

Americans might also want to reflect on their own succession issues – as well as Europeans. None of these uncertainties in the Saudi succession seem likely to present anything like the uncertainties that will

come in the 2016 U.S. presidential election or any major European election contest.

Like every nation in the world, the Kingdom faces major internal and outside challenges, has many areas where its future is unpredictable, and always has some form of disastrous worst case as a possible scenario. As succession crises go, however, the choice of the next Saudi king is likely to be a non-crisis. The Kingdom has come a long way since the struggle that brought Ibn Saud to power. It is now a modern state by most standards, and its royal politics – while both interesting and uncertain – seem unlikely to be a serious source of instability or lead to serious shifts in its strategic role and partnership with the United States.

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