

INSS Insight No. 1100, October 23, 2018

The Khashoggi Affair:
Challenging US-Saudi Relations and the Stability of the Kingdom
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The Khashoggi affair, which is far from over, poses the most significant challenge to US-Saudi relations since the 9/11 terrorist attacks in the United States. Thus far, the administration's response reflects uncertainty and ambivalence, given its understanding that Riyadh's conduct demands a response, versus its hope that it will not be forced to acknowledge the failure of its Middle East policy, which assigns Saudi Arabia a critical role, particularly in the efforts to contain Iran. The recent events have intensified the internal unrest that has marked the kingdom for some time, against the background of the confrontational conduct of Crown Prince Mohammad bin Salman. It is important to prepare for a period of instability in the kingdom, and more important, for possible shocks to US-Saudi relations. Both these developments can be expected to impact directly and negatively on Israel's interests, and on Israel's ability to view Saudi Arabia as a viable partner in pursuing common goals.

The Saudi statement that journalist Jamal Khashoggi died in the course of an altercation inside the Saudi consulate in Istanbul, and that the officials responsible, including senior Saudi officials, have been arrested and removed from their posts, was met with a positive initial reaction from US President Donald Trump. The White House, however, like other state leaderships around the world, has emphasized that the picture is not complete, and that the Saudis bear the burden of continuing the investigation and providing answers to many outstanding questions. Demands are also increasing for an independent international investigation of the matter. Parties in the West, including the US Secretary of Treasury, the Finance Ministers of Britain, Germany, and France, and the head of the International Monetary Fund, have refrained from taking part in the conference "The Future Investment Initiative", which opened on October 23, 2018 under the auspices of the Crown Prince himself.

The responses of President Trump and other US administration officials since the beginning of the incident have reflected their sense of being torn between an understanding that the Saudi conduct demands a response, and the hope that it will not be necessary to acknowledge the failure of the policy the US has pursued thus far vis-à-vis the kingdom, including the decision to place its hopes in Crown Prince Mohammad bin

Salman (MBS); this could well endanger interests that the President has defined as essential interests. They include:

- **The President's Image:** On the one hand, concern is mounting that the incident will cast a dark shadow over the president's judgment. Newspaper reports have noted that behind closed doors, President Trump has stressed that the close relations between his son-in-law, Jared Kushner, and the Saudi Crown Prince are a burden on US policy. The President and his administration understand that they are already taken for granted by the Saudi leadership, based on the assessment that Riyadh has them in its pocket, and that their response will help the kingdom overcome the impact of the incident. On the other hand, Trump has no interest in being perceived as a weak and hesitant leader.
- **Economic Issues:** President Trump has repeatedly emphasized the price of harming Saudi investments in the United States, particularly in light of promises to purchase \$110 billion in weapons (although there are doubts whether the deals in question will actually be implemented in full). The importance he assigns to this issue, and to the possible risks that would stem from imposing sanctions on Saudi Arabia, also figure in the context of the US mid-term elections (November 2018) and the desire to take advantage of the improved economic conditions in the United States as leverage to improve Republican candidates' chances of being elected. With regard to the Saudi issue - as opposed to the issue of Supreme Court Justice Brett Kavanaugh - significant gaps exist between President Trump and leading Republican lawmakers considered close to the President, who are demanding a strong United States response to the Saudi actions.
- **Regional Policy:** Even prior to the Khashoggi incident, questions emerged regarding Saudi Arabia's ability to fulfill the central role the Trump administration had designated for it in advancing its efforts to contain and restrain Iran in the Middle East. In the United States, as in Israel, great hopes were pinned on Mohammad bin Salman, whom they regarded as a partner in the struggle against Iran and in the regional peace process. However, many in the United States now harbor far more limited expectations, particularly in light of their annoyance with Riyadh's conduct in the war in Yemen, in the crisis vis-à-vis Qatar, and the temporary arrest of Lebanese Prime Minister Saad Hariri in the Saudi capital.

Thus the incident continues to reverberate in the United States and the international arena, even after the Saudi version on the altercation in the consulate. Many parties, including in the regional arena (Turkey, Iran, and Qatar), have no interest in allowing the incident to disappear from the headlines. Presumably the American administration, perhaps for lack of an alternative, has yet to announce it feels the matter is closed. It is doubtful whether President Trump's attempt to distinguish in the public mindset between the failings of the Saudi leadership on the one hand, and the role assigned to the kingdom of an important and credible strategic partner on the other hand, will succeed enough to reduce the pressure on him to issue a severe response.

The Khashoggi affair, which is still far from over, poses the most significant challenge to US-Saudi relations since the 9/11 terrorist attacks in the United States. At least in one sense it is even more serious, as it challenges Saudi Arabia's internal stability. At the time of the 2001 attacks in the United States, the royal family was unified and mobilized to preserve their common interests. The royal family that confronts the current incident, however, is not unified, and MBS has many opponents in the religious establishment, as well as among his half-brothers and uncles. Under the collective rule of the Ibn Saud family, which created checks and balances and resulted in a cautious and well thought-out policy that was consistent with Saudi capabilities and interests, MBS has instituted a centralized autonomous rule that employs violent methods to silence opponents.

The monarchy was surprised by the severity of the responses to the Khashoggi affair in the international community, and as in other cases, appears to have been unprepared to deal with the fallout. Khaled bin Salman, the Saudi ambassador in Washington who is a brother of MBS and from this point on may be designated to play a more central role in the decision making process (that thus far has lacked thought and planning), has been summoned hastily to Riyadh. From a policy perspective, it appears that the King understands that his son the Crown Prince went too far, must be restrained, and must embrace a more thoughtful and cautious policy that will not result in unnecessary criticism at home or abroad. However, the King himself is elderly and ill, and the extent to which he is capable of controlling events is not entirely clear. As a result, concern exists regarding the stability of the kingdom.

Both Washington and Jerusalem have an interest in stability of the kingdom. Consequently, Riyadh can leverage this asset, and in an effort to distance itself from some of the negative impacts of the Khashoggi affair, may suggest increasing its efforts in the struggle against Iran. It may also attempt to convince the US that there is no alternative to the current leadership regarding the necessary internal reforms, despite a worsening in the major economic parameters since the appointment of MBS as Crown Prince: in 2017 the scope of foreign investments in the kingdom (FDI) was at a 14 year low of \$1.4 billion, given the fear of foreign investors and the fact that wealthy Saudis are pulling their money out of the kingdom at an unprecedented rate.

Against this background, there is clear concern within the US administration that a possible deterioration in relations between the two countries will illustrate that President Trump's gamble on the Saudi leadership as the backbone of his policy in the Middle East was mistaken. In practice, as the threat to the kingdom's internal stability continues to rise on the eve of the imposition of a significant round of sanctions on Iran, there are new questions regarding the validity of the United States strategy, which aims to contain Iran

in the region by means of a Saudi-led Arab coalition that constitutes the “foot on the ground” that sets in motion operative measures to curb Iran.

Many in the US and in Israel, motivated by various interests, praised MBS despite the warning signs that began to emerge some time ago. The uncertainty in the kingdom is considerable, and the sensitivity will only increase as the king’s succession draws near. Not only is this first time that the crown is passed to a grandson of the founder of the kingdom (as opposed to a son), but the Crown Prince has acquired many opponents and has yet to stabilize his role. A period of instability in Saudi Arabia and shocks to US-Saudi relations could have a direct and detrimental impact on Israeli interests and Israel’s ability to view Saudi Arabia as a partner in its efforts to pursue common goals.