

May 2019

You never listen to me The European-Saudi relationship after Khashoggi

By Beth Oppenheim



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- ★ The murder of journalist Jamal Khashoggi in October 2018 is proving a test for the European Union, its member-states and other Western powers. When Muhammad bin Salman (MbS) became Crown Prince of Saudi Arabia in 2017, he promised reform and raised hopes of modernisation and moderation. But Saudi aggression in Yemen, repressive domestic policies and human rights abuses have deflated hopes of positive change.
- ★ Saudi Arabia has historically been viewed by Western governments as a pillar of stability. However, the Kingdom's bellicose rhetoric against Iran, engagement in bloody proxy conflicts in the Middle East and continued promotion of a *Wahhabi* religious doctrine suggest this assessment needs revision.
- ★ A close relationship is in the interests of both Saudi Arabia and the EU. But the relationship in its current form is unbalanced and unproductive for the EU. European governments turn a blind eye to Saudi violations, afraid of losing security ties and energy supplies. But the dependency is mutual: Saudi Arabia is reliant upon Europe for arms supplies and for investment in its ambitious economic diversification programme; and it will continue to need Europe as an oil export market.
- ★ The EU has struggled to articulate a common policy towards Saudi Arabia. Member-states, particularly the UK and France, dominate the relationship. They conduct competing bilateral policies, driven by national interests.
- ★ Europe is failing to respond as a bloc to MbS's assertive and repressive policies. By following short-term economic and strategic incentives, the EU has drifted far from its values.
- ★ The EU needs to take a decisive and co-ordinated approach if it wants to promote stability in the region and progress inside Saudi Arabia. Otherwise Saudi Arabia will continue to threaten domestic and international critics, and use its economic muscle to deter international organisations from holding it to account for its poor human rights record.
- ★ For now, there are already steps that the EU and its member-states can take, such as reaching agreement on restricting arms exports to the Saudi-led coalition in Yemen; deeper dialogue with the Saudis on regional issues; continued support for a full UN-led investigation into the Khashoggi killing; speaking out against the detention – and in some cases torture and killing – of Saudi dissidents; and increasing support for education programmes and cultural initiatives aimed at Saudis.

When the 31-year old Muhammad bin Salman (known colloquially as MbS) became Crown Prince of Saudi Arabia in 2017, he promised reform and modernisation. The EU and US bought into his narrative, believing that MbS was serious about providing his subjects with more social rights. Both powers have always preferred to influence Saudi behaviour via dialogue rather than sanctioning the kingdom for its violations. European governments describe the relationship as a 'strategic partnership', given Europe's important economic ties with Saudi Arabia and the need for security co-operation between the two sides to counter Islamist violence and Iran's regional expansionism.

But the Saudi state's aggression in Yemen, its persecution of journalists and its human rights abuses are challenging the West's approach to the kingdom and undermining Western goals in the broader region. The recent murder of Saudi journalist Jamal Khashoggi in Istanbul, and the likely involvement of the Crown Prince himself, illustrates that – despite MbS's promises of modernisation – the apparatus of Saudi state repression is alive and well. On the foreign policy front, MbS's aggressive, erratic and counter-productive behaviour has serious consequences for Europe's own security and promotion of regional stability.

Each Saudi transgression forces Western governments at least to make a show of re-evaluating the relationship, even if little changes in practice. The Khashoggi affair has further tested European willingness to turn a blind eye to Saudi behaviour, at home and abroad.

"You never listen to me", Macron lamented during an exchange with the Crown Prince on the fringes of the G20 summit in December 2018. This intransigence from the Saudis is unsurprising. EU policy towards Saudi Arabia is weak and inhibited by national interests; this undermines the EU's credibility and its foreign policy objectives in the

region. The EU needs to take a decisive and co-ordinated approach if it wants to promote stability in the Middle East and preserve its credibility.

This policy brief argues that EU policy should respond to the destabilising effect of MbS's adventurism and the ultra-conservative Saudi *Wahhabi* doctrine, rather than restate traditional arguments about the benefits of trade and security co-operation. It sets out Saudi Arabia's domestic and regional situation, establishing the motivations behind the kingdom's repressive domestic policy and aggressive foreign policy. The brief maps the state of European-Saudi relations, arguing that the relationship is skewed in favour of Saudi Arabia, despite the kingdom's significant dependencies on Europe. It shows the dominance of the member-states and the weak role played by the EU institutions. The brief then lays out the steps that the EU and its member-states should take to create a coherent strategy towards Saudi Arabia: by achieving more convergence on European arms export policy for the kingdom, engaging in deeper dialogue on regional issues, supporting a UN-led investigation into the murder of Jamal Khashoggi and increasing support for Saudi activists, as well as for cultural and education projects.

Repression not reform: Inside Saudi Arabia

The Saudi monarch possesses absolute executive, legislative and judicial power, and appoints the Consultative Council, an advisory body. There are no general elections, only municipal ones. For two generations the kingdom was ruled by royal coalitions, with princes seeking consensus between themselves, resulting in a degree of checks and balances on decision-making, as well as ensuring a degree of continuity and predictability. But in June 2017, King Salman appointed MbS as Crown Prince and defence minister. The Crown Prince set about consolidating his power, replacing the tradition of royal consensus with a more personalised form of autocracy. A few months after his appointment, MbS began a crackdown on 'corruption'. This involved the arrest and detention of over 200 business figures and princes in the Riyadh Ritz Carlton Hotel and others without charge and using force in some cases, extracting £72 billion from those held.¹

¹: BBC, 'Riyadh Ritz-Carlton corruption purge: Saudi hotel reopens', February 11th 2018.

Upon his appointment, MbS immediately embarked on a public relations drive in the US, Europe and Asia. As part of this attempt to alter the kingdom's reputation, he introduced and promoted social reforms, under the guidance of several US consultancy firms such as McKinsey. In June 2018, women were granted the right to drive; the power of the *mutawa'a* (the Saudi religious police) has been reduced; and live music concerts have been authorised for the first time in 25 years.

But incremental social reforms have been coupled with a closing down of the political space. The Saudi government has yet to release women's rights activists who campaigned for the lifting of the driving ban. Meanwhile, the male guardianship system – whereby women require the approval of a male relative to travel, marry or study – remains in place.

In October 2018, Jamal Khashoggi, a *Washington Post* journalist and Saudi dissident, was strangled and then dismembered using a bone-saw at the Saudi consulate in Istanbul. New evidence suggests his remains were burned in an oven at the Saudi consul's home. Khashoggi's brutal murder focused international attention on the regime's continued human rights abuses, including the harassment, imprisonment and torture of activists, journalists, and religious scholars; extensive use of the

death penalty; and persecution of the Shia minority.² US intelligence reports suggest that Khashoggi's murder was part of a broader crackdown on dissent abroad: a rapid 'intervention' team appears to have completed over a dozen missions since 2017 in which Saudi dissidents were put under surveillance, detained, tortured and forcibly repatriated to Saudi Arabia from other Arab countries. The team was authorised by MbS and a senior aide, and a Saudi intelligence officer led field operations.³

Regional rivalries: Saudi Arabia and Iran

Since the Iranian revolution in 1979 and the foundation of a Shia Islamic Republic, Iran has been locked in confrontation with Saudi Arabia, a Sunni monarchy. Iran threatens Saudi Arabia's status as leader of the Muslim world. The rivalry is ethnic (Persian versus Arab), sectarian (Shia versus Sunni) and ideological (republic versus monarchy). The two countries have poured arms, money and proxy forces into conflicts across the region to assert dominance. Iran is winning: by creating forces along sectarian lines, it has achieved a path of unbroken territorial control through Lebanon, Syria and Iraq.

“Iran is winning the regional rivalry, it has achieved a path of unbroken territorial control.”

Syria became a theatre for the rivalry in 2015. The country descended into a full-blown civil war in 2011 after President Bashar al-Assad brutally cracked down on pro-democracy protesters. Iran had long been an ally of Syria, since it offered a route between Iran and its strongest proxy force – the militant group Hezbollah in Lebanon. In 2015, when Assad was on the verge of being deposed, foreign powers stepped into the conflict. Iran backed Assad, sending in Islamist Shia militia, from Hezbollah in Lebanon, and from Afghanistan and Pakistan, as well as officers from its own Quds force to choreograph the war and train the Syrian military.⁴ Saudi Arabia backed the Syrian rebels, sending arms and money to Sunni Islamist fighters and radical Sunni groups. The intervention from Iran (with help from Russia) saved Assad. Now it is Iran, Russia and Turkey that take decisions on the ground in Syria – not the Saudis.

In 2015, MbS launched a military intervention in Yemen. The Houthis, a Shiite tribal group, had taken control of the country's capital, Sana'a, and forced the resignation of President Abdrabbuh Mansour Hadi and his government – which had been backed by the Saudis. Saudi Arabia presented the incursion as necessary to control Iranian influence on the Arabian Peninsula, exaggerating the extent of Iranian support for the Houthis.⁵ The Saudis formed a coalition of nine other Sunni Arab countries: the UAE, Bahrain, Kuwait, Qatar, Jordan, Sudan, Egypt, Morocco and Senegal.⁶ The coalition wants to restore the Hadi government, and to this end the countries provide financial and military support to the Yemeni army and proxy armed groups (although there are divergences in aims: the UAE is more focused on supporting southern secessionist forces, for example). The coalition receives external support from the US, UK and France, which provide arms, military equipment and training. Countries in the Horn of Africa have also lent support to the coalition. Eritrea, Somalia and Djibouti have allowed the coalition to use their infrastructure – airspace, airports and ports – and there are reports that Eritrea and Somalia may have deployed troops.⁷

The Saudi-backed coalition is the main cause of civilian casualties in Yemen.⁸ Three quarters of all Yemenis, 22 million people, need humanitarian aid or protection from the violence. Around 2 million people are displaced.⁹ The country is facing the world's worst cholera outbreak. The last available UN casualty figures were 10,000 civilians killed and 40,000 wounded as of January 2017,¹⁰ though the Armed Conflict Location and Event Data Project (ACLED) now puts the death toll at 67,600.¹¹ The lawfulness of Saudi activity in Yemen is discussed in the final section of this paper.

2: Amnesty International, 'Country report: Saudi Arabia 2017/2018'.

3: Mark Mazzetti and Ben Hubbard, 'It wasn't just Khashoggi: a Saudi prince's brutal drive to crush dissent', *The New York Times*, March 17th 2019.

4: Christopher Phillips, 'Sectarianism as Plan B: Saudi-Iranian identity politics in the Syria Conflict', 'Saudi Arabia and Iran: The Struggle to Shape the Middle East', Foreign Policy Centre, November 2018.

5: A UN Security Council report from January 2017 concluded there was insufficient evidence to confirm large-scale supply of arms from the Iranian government to the Houthi rebels, only finding evidence of Iranian-manufactured anti-tank guided weapons. See UN Security Council, Letter from the Panel of Experts on Yemen addressed to the President of the Security Council, S/2017/81, January 31st 2017.

6: Qatar's membership was suspended in 2017 following the GCC diplomatic crisis. Morocco left the coalition in February 2019 after increasing tension between Rabat and Riyadh.

7: Magnus Taylor, 'Horn of Africa states follow Gulf into the Yemen war', International Crisis Group, January 25th 2016.

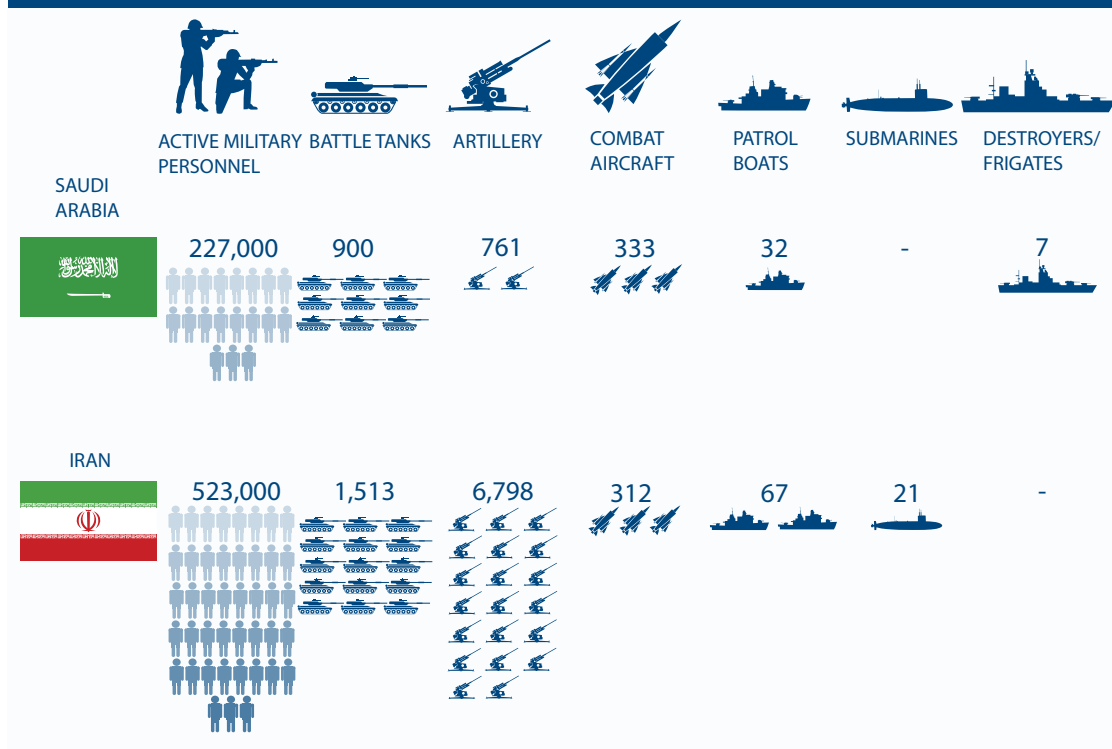
8: Amnesty International, 'Country report: Yemen 2017/2018'.

9: International Organisation for Migration, Yemen report, July 22nd 2018.

10: Alia Chughtai, 'Yemen: The human cost of war', Al Jazeera, September 26th 2018.

11: Armed Conflict Location and Event Data Project, 'Press release', March 20th 2019.

Chart 1: Saudi and Iranian military capabilities¹²



Source: *The Military Balance, IISS, 2019.*

Like Syria, Yemen has been a strategic failure for the Saudis. Before 2015, Saudi Arabia had hardly ever intervened militarily beyond its borders, preferring to give financial backing to local proxies. MbS has used the conflict in Yemen to forge a sense of militarised nationalism in Saudi Arabia.¹³ Now, Saudi Arabia finds itself consumed by an expensive war, costing it over \$100 billion so far,¹⁴ with its international reputation tarnished. The kingdom is a long way from eradicating Iranian influence in Yemen. Adversity has only strengthened the Houthis and created new openings for Iran to increase its influence at minimal cost: the Houthis' missile technology has improved with the help of Iran, and its militias launch rockets into Saudi territory and at Saudi oil tankers in the Bab el-Mandeb Strait almost daily. This security threat, combined with the high rhetorical stakes, makes it difficult for MbS to withdraw. So Saudi Arabia still clings to hope of a military victory, despite all evidence that it is out of reach.

Saudi Arabia is the dominant member of the Gulf Co-operation Council (GCC), a political and economic partnership of six countries in the Arabian Peninsula.¹⁵

The GCC was set up in 1981, partly at least in response to the Iranian revolution and a Shia rebellion in Saudi Arabia in 1979-1980.¹⁶ But it is paralysed due to internal splits. In 2017, Saudi Arabia, the United Arab Emirates and Bahrain, as well as non-GCC member Egypt, began a land, air and sea blockade of Qatar, in response to its alleged leniency towards Iran and its alliances with Islamists in the region. Member countries downgraded their representation at the GCC summit in Kuwait in 2017, sending ministers rather than heads of state. Attempts by EU member-states to revive meetings with the GCC have failed: the Saudis and Emiratis did not show up.

Saudi Arabia has instead side-stepped the Council and strengthened bilateral ties with the UAE. The UAE and in particular the Crown Prince of Abu Dhabi, Muhammad bin Zayed (known as MbZ), have been important in shaping MbS's regional policy, particularly vis-à-vis Iran. In December 2017, the UAE and Saudi Arabia signed a trade and defence agreement, the 'Strategy of Resolve'. However, after the Khashoggi affair, the UAE has attempted to distance itself from MbS.

12: Although Iran has more military equipment, Saudi equipment is far superior: it is much better-maintained and more modern.

13: Madawi Al-Rasheed speaking at 'Salman's Legacy: The dilemmas of a new era in Saudi Arabia', LSE, March 7th 2018.

14: Yoel Guzansky and Ari Heistein, 'Saudi Arabia's War in Yemen has been a disaster', *The National Interest*, March 25th 2018.

15: The member countries of the GCC are Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates.

16: Rouhollah Ramazani and Joseph Kechichian, 'The Gulf Co-operation Council: Record and analysis', Charlottesville, 1988.

Exporting extremism: Saudi Arabia in the world

Sunni Islam is the bedrock of the Saudi state: *sharia* law is the legal system, and leaders follow the religious advice of clerics. The king has a dual role as the monarch of Saudi Arabia and as the Custodian of the Two Holy Mosques in Mecca and Medina. The state religion follows the ultra-conservative *Wahhabi* doctrine, which calls for a return to the austere practices of the *Salaf*, the first three generations of Muslims, in the 7th century. *Wahhabism* is puritanical and ascetic, in contrast to other versions of Sunni Islam: the movement rejects popular Islamic practices like the celebration of the Prophet's birthday, and is harshly intolerant of Shia Islam or other religions like Judaism and Christianity.

“Saudi Wahhabi jihadists have orchestrated high-profile acts of terrorism. Fifteen of the 19 September 11th hijackers were Saudis.”

Saudi Arabia has been a powerful exporter of *Wahhabism* since the 1960s, enabled by its immense oil wealth. After the Iranian revolution, both states competed to export their respective brands of Islam, and to dominate the Islamic world.

The waging of violent *jihad* is not inherent in *Wahhabism* or *Salafism*,¹⁷ and jihadists comprise a tiny minority among *Wahhabis* and *Salafis*.¹⁸ But Saudi *Wahhabi* jihadists have orchestrated high-profile acts of terrorism. Fifteen of the 19 hijackers that carried out the September 11th 2001 attacks were Saudi nationals. After the 2003 invasion of Iraq, more Saudi suicide bombers went to Iraq from Saudi Arabia than from any other country; and more Saudi jihadist fighters (2,500) joined ISIS in Syria than from any other country except Tunisia. ISIS adopted official Saudi textbooks at its schools until its own books were published in 2015.¹⁹

Wahhabi influence flows from Saudi Arabia into sub-Saharan Africa, south and south-east Asia, and Europe in the form of donations, the construction of mosques and schools, religious literature, and preachers. Eighty per cent of students at Medina University are foreign.²⁰ The Saudi presence is strongest in the Horn of Africa, West Africa, South and South East Asia, and the Balkans.²¹

17: The term 'Salafism' is often used interchangeably with 'Wahhabism'. Salafism refers to the earliest followers of Prophet Mohammad (*al-salaf al-salih*). Wahhabism is the later reformist movement, led by Muhammad Ibn Abd al-Wahhab in the 18th century.

18: Christopher M. Blanchard, 'The Islamic Traditions of Wahhabism and Salafiyya', Congressional Research Service, 2008.

19: Scott Shane, 'Saudis and Extremism: "Both the arsonists and the firefighters"', *The New York Times*, August 25th 2016.

20: Ummid News Network, '2,500 students from 131 countries enrolled at Madinah', September 6th 2018.

21: Hakim El Karoui, 'The Islamist Factory', Institut Montaigne, September 2018.

Europe is an export destination for Saudi *Wahhabism*.²² From 1964 to 2004, Saudi Arabia built 1359 mosques, 210 Islamic centres, 202 colleges and 2000 schools in non-Muslim-majority countries. Saudi donations totalling "many billions" of riyals financed 16 American mosques, four Canadian, and some in London, Madrid, Brussels and Geneva.²³

Belgium is home to 600,000 Moroccan and Turkish immigrants, who come from more tolerant Islamic traditions. From the 1970s onwards, Saudi Arabia has shifted the dominant Islamic culture in Belgium towards *Wahhabism* via donations and the influence of its preachers. The Grand Mosque in Brussels was built with Saudi money and staffed with Saudi imams. In 2012, a Saudi preacher was dismissed after complaints that he had branded himself a "true *Salafi*". A Belgian parliamentary committee found that nine registered jihadists had attended a course at the mosque. Following these findings, the Belgian government announced it would end the rent-free lease of the mosque to Saudi Arabia.

Per capita, more Belgians left to fight for ISIS than citizens of any other European member-state. In November 2015, a group of Belgian, French and Iraqi citizens affiliated with ISIS carried out a series of terrorist attacks in Paris.²⁴ In March 2016, that same group carried out three co-ordinated attacks across Belgium.

Saudi-exported *Wahhabism* is just one of many factors that have contributed to Islamic terrorist activity in Europe: others include ISIS propaganda, repressive governments in the Muslim world and anger over Western foreign policy. The experience of people with a North African background in Belgium and France is also an important factor: too many are poor, have too little education and are discriminated against and alienated from broader society.

The Saudi regime is aware of the damage to its international reputation and its own security, so has turned towards at least a semblance of moderation. From 2003 onwards, when Saudi Arabia suffered internal attacks by Al-Qaeda, King Salman stopped funding for organisations with links to terrorism, and began

22: Tom Wilson, 'Foreign Funded Islamist Extremism in the UK', Henry Jackson Society, July 2017; Patrick Wintour, 'Saudi Arabia boosting extremism in Europe, says former ambassador', *The Guardian*, July 13th 2017; Georg Mascolo, 'Saudis support German Salafist scene' (translated), *Süddeutsche Zeitung*, December 12th 2016.

23: Scott Shane, 'Saudis and Extremism: "Both the arsonists and the firefighters"', *The New York Times*, August 25th 2016.

24: The International Centre for the Study of Radicalisation and Political Violence via BBC, 'Paris attacks: The Belgian connection', November 16th 2015.

co-operating with Western intelligence agencies. In 2010, Saudi intelligence prevented an al-Qaeda plot to blow up two American cargo planes. Between 2004 and 2012, 3,500 imams in Saudi Arabia were fired for refusing to renounce extremism, and 20,000 were retrained.²⁵ Saudi Arabia has also enacted effective de-radicalisation programmes – the kingdom’s counselling programme had a 90 per cent success rate in 2007.²⁶ MbS has intensified the public relations exercise. He recognises the continued threat to Saudi security posed by jihadist attacks, despite de-radicalisation successes: there were 34 inside the kingdom in 2016.²⁷ At a conference for international investors in 2017, MbS vowed to “destroy

... extremist thoughts”, claiming the kingdom adopts “a moderate Islam open to the world and all religions”.²⁸

European leaders often cite close counter-terrorism co-operation with Saudi Arabia as an argument for preserving the relationship. But it is unclear whether the threat of terrorism against Western countries has been lessened or merely driven underground. An investigation commissioned by the government of David Cameron into the foreign funding of British *jihadi* groups has been suppressed by Theresa May’s government, and has yet to be published.²⁹

Passivity and tolerance: The EU and Saudi Arabia

In search of a Middle East strategy

Europe’s security is intimately bound up with that of the Middle East and North Africa (MENA) because of its proximity. The region is in crisis, with conflicts in Syria, Libya, Yemen and Iraq. Stability in the MENA region is important to the EU, to protect its energy security, prevent future migration crises, contain extremism and stop the proliferation of nuclear and chemical weapons.

However, the EU lacks a coherent strategy for the region. Policy is broken into different instruments and channels, like the European Neighbourhood Policy, the agreement with the GCC, or co-operation with the League of Arab States – with unclear and overlapping mandates. And all too often, the EU has been passive in the Middle East.

“The relationship between Saudi Arabia and the EU is weak. There is no formal bilateral relationship.”

The relationship between Saudi Arabia and the EU is weak. There is no formal bilateral relationship. The EU’s interactions are channelled via the GCC, which is paralysed. Saudi Arabia is one of few G20 states that has almost no contractual relationship with the EU. It has no strategic partnership, no free trade agreement, and no political declaration. Saudi Arabia only opened its mission to the EU in Brussels in 2018, four decades after China and Russia, while the EU delegation to the GCC in Riyadh was established in 2004.

The EU and GCC signed a Co-operation Agreement in 1988, committing themselves to enter negotiations for a free trade agreement, and setting up a Joint Council

for foreign ministers. Trade negotiations have foundered repeatedly. In 2008, the GCC unilaterally suspended the negotiations after objecting to the EU’s standard human rights clause, included in all its trade agreements (which requires both parties to respect human rights and democratic principles). But concerns about human rights have been used by both sides to conceal unease about other things: the GCC worries about deeper liberalisation of services and investment and the EU’s demand that states cut subsidies to citizens, while the EU’s members do not want to cut import duty on Gulf petrochemicals.³⁰

In 2010, the two parties signed a Joint Action Programme to implement a co-operation agreement, promising bilateral co-operation in 14 areas, including the economy, trade and tourism. This has resulted in little more than expert consultations and vague joint statements.

This failing relationship can be traced back to structural obstacles and divisions within both blocs. The GCC secretariat is unable to negotiate on behalf of member countries on many trade matters, such as services, investment and procurement. Both the EU and GCC suffer from divisions, with member countries operating their own, conflicting foreign policies.

An unbalanced relationship

EU-Saudi co-operation is in both parties’ interests. However, the relationship in its current form is asymmetrical. Though Saudi Arabia often acts as though it is the partner with more leverage, the kingdom needs Europe: it is dependent on European arms and investment, and on Europe as an oil export destination. European governments, on the other hand, act as though they are the weaker powers. They respond to Saudi abuses with critical rhetoric (if that) and no action.

25: Scott Shane, ‘Saudis and Extremism: “Both the arsonists and the firefighters”’, *The New York Times*, August 25th 2016.

26: Andreas Casptack, ‘Deradicalization programs in Saudi Arabia: A case study’, Middle East Institute, June 10th 2015.

27: United States Department of State, ‘Country reports on terrorism 2016 – Saudi Arabia’, July 19th 2017.

28: Martin Chulov, ‘I will return Saudi Arabia to moderate Islam, says crown prince’, *The Guardian*, October 24th 2017.

29: Jessica Elgot, ‘Theresa May sitting on report on foreign funding of UK extremists’, *The Guardian*, July 3rd 2017.

30: Richard Youngs, ‘Impasse in Euro-Gulf Relations’, FRIDE, 2009.

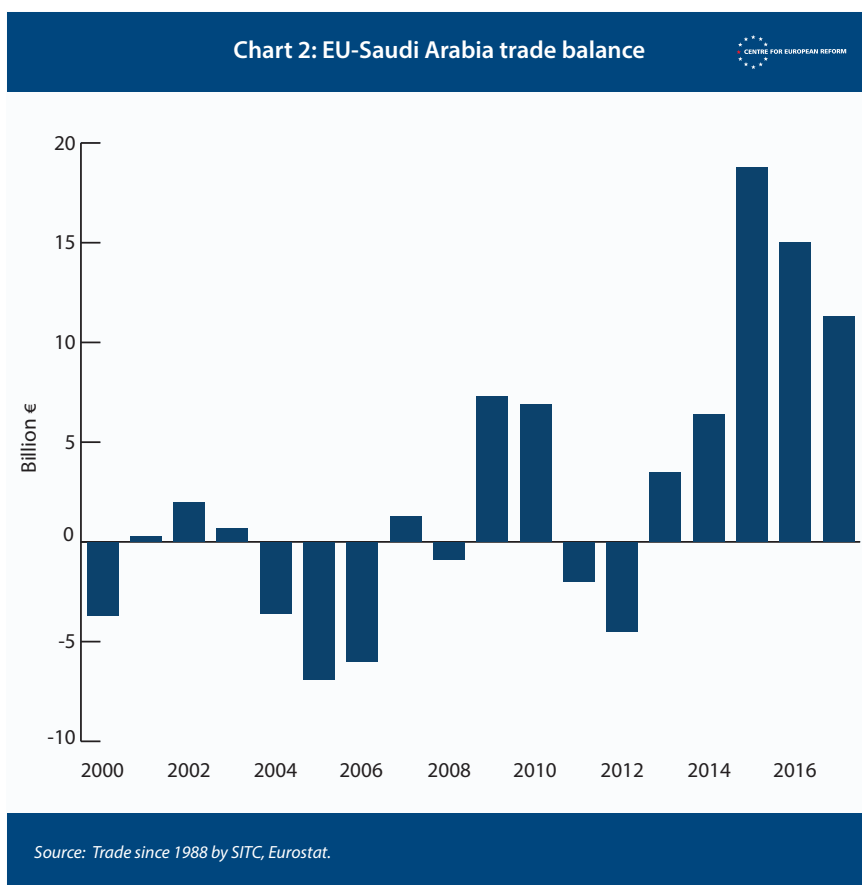
The need for stability and the maintenance of a balance of power between Iran and the Sunni states gives European leaders a political justification for tolerating Saudi misbehaviour. European governments believe that sustaining the status quo is preferable to risking further chaos in the region, which would come at a vast human cost and endanger EU interests. The US invasion of Iraq in 2003 and the overthrow of Saddam Hussein created a power vacuum that Iran filled. Ever since, the US and EU have viewed Saudi Arabia as the only other regional power capable of counterbalancing the Iranians – and preventing further expansion by them and their proxies. If the balance of power shifted significantly, the entire region could be further engulfed in sectarian warfare. Iran could spur Saudi Arabia's Shia minority (10 to 15 per cent of the population) into a violent uprising, or Saudi Arabia could precipitate unrest among Iran's Sunni minority (around 9 per cent of the population).³¹

But in tolerating Saudi violations, the EU could become an unwitting handmaiden of new threats. MBS's adventurism poses a serious danger to the stability of the region, and could fuel extremism and migration pressures for the EU. Conflicts in Iraq, Syria and Yemen have caused mass displacements of people, with millions

fleeing violence. Most refugees and asylum-seekers remain in the region, particularly in Jordan and Lebanon, but many have tried fleeing towards Europe. In 2015, over one million refugees and asylum seekers reached Europe by sea, an increase of 370 per cent from the previous year (though the number of arrivals has fallen very significantly since).³² The majority came from Syria, Afghanistan and Iraq. The current power vacuum in Yemen and the dire humanitarian situation have bred instability, allowing extremist organisations like al-Qaeda to flourish. The possibility of spill-over from the conflict also concerns the EU, which has invested heavily in Egypt, Iran, Syria, maritime security in the Gulf of Aden, and in the Horn of Africa.

Economic co-operation

There are sizeable economic interdependencies between Saudi Arabia and the EU, but trade is unbalanced. The EU runs a trade surplus with Saudi Arabia of €11 billion,³³ and a quarter of Saudi Arabia's imports come from the EU.³⁴ And while the EU is an important destination for Saudi goods, taking 11 per cent of the kingdom's non-oil exports,³⁵ Saudi Arabia is the EU's thirteenth-largest trade partner in goods, equivalent to just 1.5 per cent of total trade.³⁶



31: Population data from Adam Coogler, 'Saudi Arabia's "War on Terror" is now targeting Saudi Shiites', Foreign Policy, August 23rd 2017; Human Rights Watch, 'Iran: Lift Restrictions on Sunni Worship', November 9th 2013.

32: UNHCR, 'Mediterranean Situation', Operational Portal: Refugee Situations, November 6th 2018, data analysis by author, and UNHCR Tracks, '2015: The year of Europe's refugee crisis', December 8th 2015.

33: Eurostat, 'Trade balance: Extra-EU trade by partner', 2017.

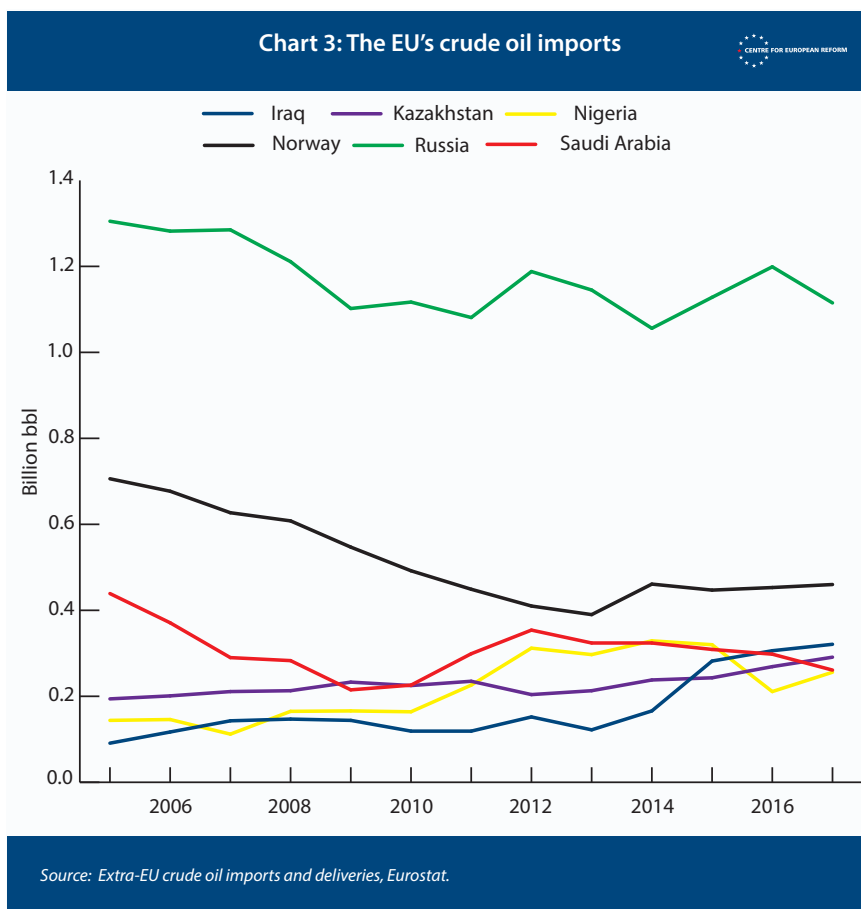
34: Saudi General Authority for Statistics, 'Imports by group of countries', 'Merchandise exports and imports of Saudi Arabia', 2017.

35: Saudi General Authority for Statistics, 'Non-oil exports by group of countries', 'Merchandise exports and imports of Saudi Arabia', 2017.

36: European Commission, 'Client and supplier countries of the EU28 in merchandise', 2017.

While the EU runs a large surplus in goods, the Union is a net importer of energy products, and Saudi Arabia is an important supplier. From 2006 to 2016, EU imports of Saudi crude oil stayed relatively stable, accounting for an

average of 5 per cent of total oil imports.³⁷ However, EU imports of crude oil overall are in gradual decline, in line with reduced consumption of fossil fuels and increased reliance on sustainable sources (see charts 3 and 4).



As de facto leader of the Organisation of the Petroleum Exporting Countries (OPEC) cartel, Saudi Arabia is pivotal to any attempt to push prices up through cutting output. For example, in December 2018, the kingdom responded to a growing surplus in global oil supplies by orchestrating an OPEC cut in oil production of 1.2 million barrels per day.

Riyadh faces some challenges to its domination of international oil markets. Global demand is falling, internal demand is rising and other regional players have increased their output. Prior to the recent upsurge in fighting, Libya had been able to increase its output due to an exemption from OPEC cuts in oil production. US shale oil production has also reduced US dependency on Gulf oil – total crude oil imports have fallen by a third

over the last twelve years – and made it harder for OPEC to manage the oil price.³⁸

Despite these difficulties, Saudi Arabia is still an important swing producer, with the power to influence prices. Following the Khashoggi affair, the Saudi press agency issued a veiled threat to use its ‘oil weapon’ – reducing its oil production.³⁹ That was an implicit warning to oil importing countries like the US, as a global shortage of oil would hit the American economy by raising prices. Eight days later, Khalid Al-Falih, the Saudi minister for energy, said the government had “no intention” of using the oil weapon: “Saudi Arabia is a very responsible country, for decades we have used our oil policy as a responsible economic tool and isolated it from politics”.⁴⁰

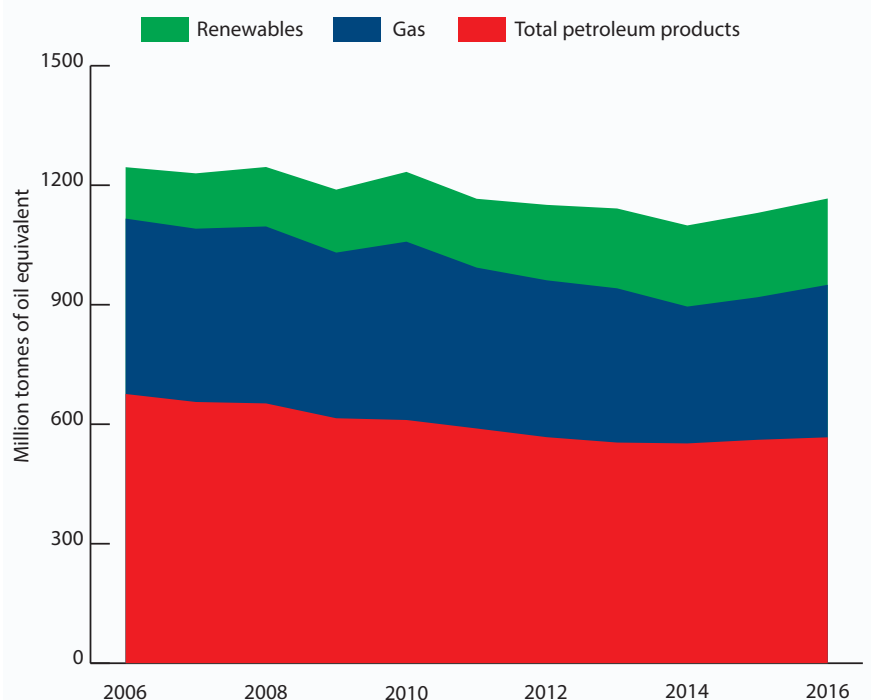
37: Author’s analysis from Eurostat, ‘Imports of oil and petroleum products by partner country’.

38: Anjali Raval, ‘US reliance on OPEC endures despite shale boom’, *Financial Times*, June 29th 2018.

39: A statement from the Saudi Ministry of Media said: “The Kingdom ... affirms that if it receives any action”, including “economic sanctions, using political pressures or repeating false accusations”, “it will respond with greater reaction”. The statement emphasised the Kingdom’s “influential and vital role in the global economy”. Ministry of Media in Saudi Arabia, Statement, Twitter, October 14th 2018.

40: Maxim Filimonov and Iuliia Khazagaeva, Interview with Khalid Al-Falih, *TASS*, October 22nd 2018.

Chart 4: EU energy sources



Source: Simplified energy balances, Eurostat.

Vision 2030, MbS's economic diversification strategy promised to "create an environment attractive to both local and foreign investors, and earn their confidence."⁴¹ The Saudi government is reliant on foreign investment for ambitious infrastructure projects like Neom, the \$500 billion 'mega-city' it plans to build on the coast. Vision 2030 was designed around what was supposed to be the biggest initial public offering (IPO) in history. MbS had planned to place 5 per cent of the state-owned Saudi oil company, Aramco, on the stock market for the first time. But MbS's insistence on overvaluing Aramco (at \$2 trillion), plus concerns around litigation (listing on the New York Stock Exchange could have opened the kingdom to lawsuits relating to 9/11), led to the IPO being shelved.

European foreign direct investment in Saudi Arabia is significantly higher than vice versa. But MbS's adventurism has badly shaken investor confidence. Foreign investors do not want a risky, unpredictable business environment; or one where the state tortures investors and extorts their assets from them. After the Ritz purge in 2017, the flow of foreign investment into Saudi Arabia fell by 81 per cent, and investment from the EU fell by 78 per cent over one year.⁴² Following

41: Kingdom of Saudi Arabia, 'Vision 2030', April 2016.

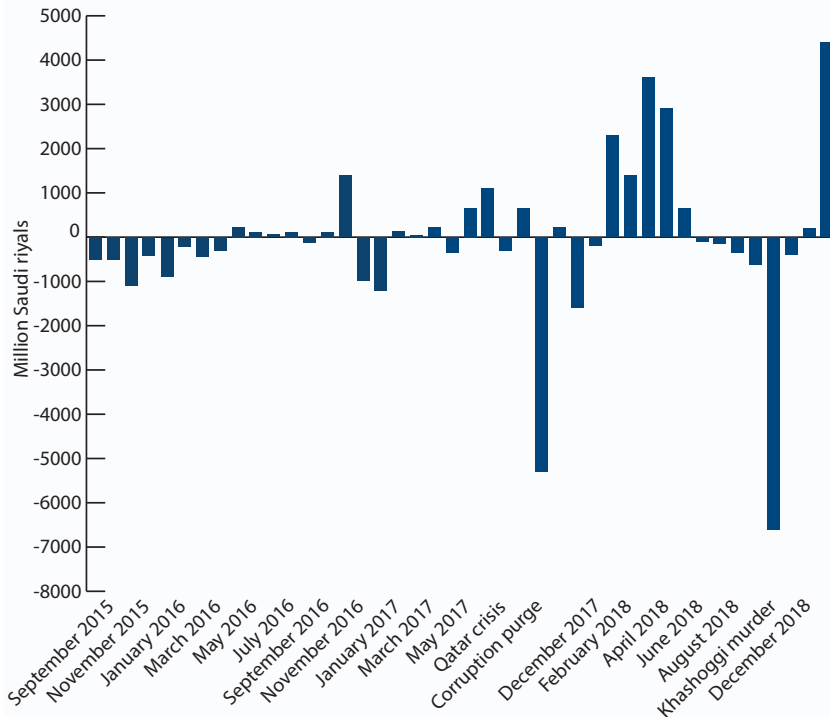
42: Author's calculation from Vivian Nereim, Matthew Martin and Glen Carey, 'Ritz-Carlton Crackdown Still Haunts the New Saudi Arabia', *Bloomberg*, June 15th 2018; and author's calculation from Eurostat, 'EU direct investment flows, breakdown by partner country and economic activity'.

Khashoggi's murder, at least five board members pulled out of Neom (the mega-city), the Virgin Group halted talks with the Saudi Public Investment Fund over a \$1 billion investment in space technology, and a \$200 billion solar project with Softbank was scaled back.⁴³ Saudi Arabia's sovereign wealth fund has recently taken steps to repair investor confidence, hiring a New York communications company to enhance its image and help to separate business from politics.

Saudi Arabia's reputation as an investment destination was further damaged in February 2019 when the European Commission proposed adding Saudi Arabia (among 23 others) to a blacklist of countries with weak anti-money laundering and counter-terrorist financing regimes. The list was rejected unanimously by the Council, but Saudi Arabia's performance will come under scrutiny again when the Commission comes back with a revised proposal. The blacklisting would have meant more stringent checks by EU member-states on payments involving Saudi Arabia. After the draft list was announced, Saudi Arabia lobbied European countries and threatened to terminate large contracts. The UK, which has the largest foreign banking presence in Saudi Arabia, pushed its partners to exclude the kingdom from the list.

43: Simon Kerr and Anjali Raval, 'Saudi prince's flagship plan beset by doubts after Khashoggi death', *Financial Times*, December 12th 2018.

Chart 5: Net purchases of Saudi shares by foreign investors (million Saudi riyals)



Source: Tawadul / Bloomberg.

Defence and security co-operation

Saudi Arabia has the biggest defence budget in the region and the third biggest in the world.⁴⁴ But Riyadh still outsources much of its defence and security capability to the West, primarily the US, and then Europe.

“Saudi Arabia has the biggest defence budget in the region. But Riyadh still outsources much of its security to the West.”

Washington supplies hard power, a security guarantee and arms to Riyadh. The US established a military training mission in Riyadh in the 1950s, which implements American military sales. Hundreds of US military personnel oversee a joint office (set up in 1973) between the US army and the Saudi national guard, which provides training and equipment. In 2008, the two countries signed a technical co-operation agreement, establishing a US-staffed advisory mission in Riyadh which helps to enhance the kingdom’s border protection, civil defence and maritime capabilities. And the US is the top supplier

of arms to the kingdom. The US also provides refuelling support to the Saudi air force in Yemen.

Europe plays a lesser role in shoring up Saudi security, though its arms exports are significant. Some EU member-states have signed defence and security agreements with Saudi Arabia, including the UK and France. In 2017, European member-states issued €4.1 billion worth of potential arms export licenses to the Saudis, with the majority coming from France and the UK, with Spain in third place.⁴⁵ The macro-economic significance of arms sales for Europe can be overstated. In 2014, 500,000 people were directly employed in the defence industry across the EU and 1.2 million were indirectly employed, accounting for just 0.2 and 0.5 per cent of all EU jobs respectively.⁴⁶ But arms exports are much more significant to certain European companies, and governments recognise the strategic value of a strong arms industry in projecting power abroad and in ensuring the viability of defence firms that are vital to national armed forces. European defence companies supply Saudi Arabia with attack aircraft, bombs, rockets, missiles, torpedoes, armoured vehicles, naval vessels, small arms and light weapons and small component parts.⁴⁷

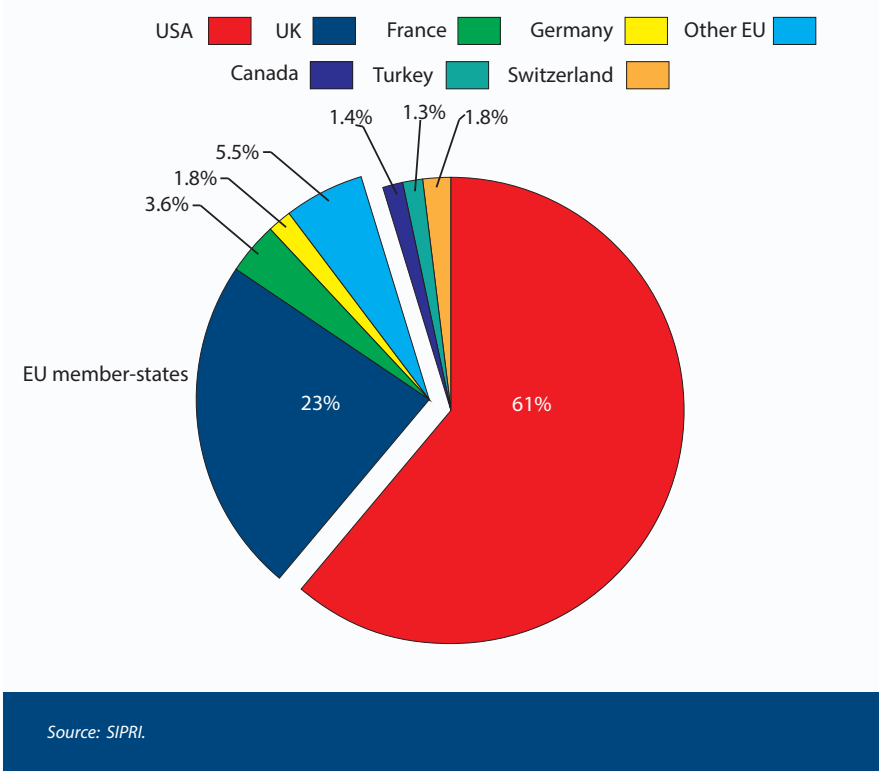
44: IISS, ‘The Military Balance’, 2019.

45: Official Journal of the European Union Annual report on the European Union Code of Conduct on ‘Arms Exports’, 2017. All French arms export data in this paper is the value of arms actually exported, rather than those licensed for export. This is because the data on French export licences is exaggeratedly high, due to a change in French export licensing procedures.

46: Author’s calculation. Defence employment data from European Commission, ‘Defence industry’, 2019, and employment data from Eurostat, ‘Labour market and Labour force survey (LFS) statistics’.

47: Office of the United Nations High Commissioner for Human Rights (OHCHR), ‘The impact of arms transfers on human rights’, A/HRC/35/8, May 3rd 2017.

Chart 6: Saudi arms imports, 2013-2017



Source: SIPRI.

Vision 2030 laid out steps for greater Saudi defence autonomy, aiming to spend 50 per cent of its defence budget on domestic defence companies by 2030, up from 2 per cent.⁴⁸ But this is an unrealistic goal, and

would require the Saudis to invest extensively in defence manufacturing capacity, as well as seeking further education from European countries or the US for Saudi engineers and other specialists.

Fragmentation: The member-states and Saudi Arabia

Europe’s policy towards Saudi Arabia is weak and inhibited by conflicting national interests. Member-states, rather than the EU’s External Action Service, dominate the relationship. Their bilateral policies, particularly on trade in arms and oil, often compete with one another. The UK has the closest relationship, followed by France: both European countries and Saudi Arabia itself have been reluctant to allow the EU to carve out a dominant role, partly due to a desire to maintain their arms sales.

UK interests

The UK has a deep security relationship with Saudi Arabia. Half of the Saudi Royal Air Force is made up of military aircraft supplied by the UK.⁴⁹ The British government has sent British military advisers to Riyadh control rooms, and seconded RAF personnel to provide training and engineering support to Saudi pilots.⁵⁰ More than 40 Saudi cadets have been trained at British military institutions like Sandhurst and the Britannia Royal Naval College since the Saudi intervention in Yemen in 2015.

48: Kingdom of Saudi Arabia, ‘Vision 2030’, April 2016.

49: David Wearing, ‘UK ties with Saudi Arabia: costs and alternatives’, IPPR, July 4th 2018.

50: Owen Bowcott, ‘UK military officers give targeting training to Saudi military’, *The Guardian*, April 15th 2016.

“Our strategic partnership with Saudi Arabia helps us to keep the UK safe,” tweeted foreign secretary Jeremy Hunt, “to make progress on diplomatic priorities like Yemen, and to discuss frankly issues of concern.”⁵¹ But evidence of British influence on Saudi Arabia or in resolving the Yemen conflict is thin.⁵²

Brexit – and Britain’s absence from EU foreign policy-making – may allow for some recalibration of EU policy towards Saudi Arabia, and a stronger response to Saudi violations of human rights and international humanitarian law. That could lead to the Saudi relationship with the UK growing even closer. Even if the Gulf Cooperation Council is barely functioning, it is significant that the GCC intends to prioritise a free trade agreement with the UK over one with the EU, according to a senior GCC official.

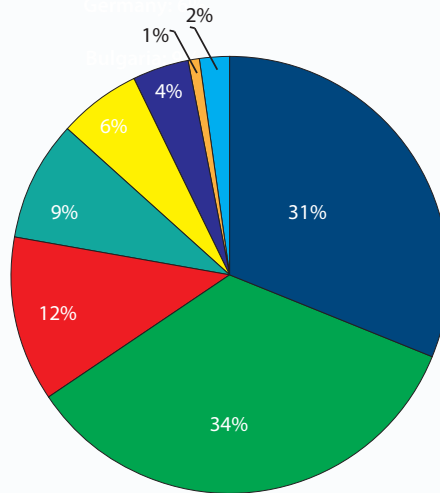
51: Jeremy Hunt, Tweet, March 2nd 2019.

52: Armida van Rij and Benedict Wilkinson, ‘Security cooperation with Saudi Arabia: Is it worth it for the UK?’, King’s College London, September 3rd 2018.

Chart 7: Export licenses issued by EU member-states to Saudi Arabia in 2017



UK France* Spain Bulgaria Germany
Belgium Italy Other member-states



Source: Official Journal of the European Union annual report on the European Union Code of Conduct on Arms Exports, 2017.

* See footnote 45 on French data. The value of arms exports licenses reached €14.6 billion, or 14 per cent.

Chart 8: E3 arms export licenses to Saudi Arabia in 2017



| | Value of arms exports licenses to KSA (€bn)* | Value of total arms exports licenses everywhere (€bn) | Arms exports to KSA as % of total |
|---------|--|---|-----------------------------------|
| UK | 1.3 | 7.5 | 17 |
| France | 1.4 | 6.6 | 21 |
| Germany | 0.3 | 6.2 | 4 |

Source: Official Journal of the European Union annual report on the European Union Code of Conduct on Arms Exports, 2017.

* See footnote 45 on French data. The value of arms exports licenses reached €14.6 billion, or 14 per cent.

French interests

French President Emmanuel Macron has publically cultivated a close personal relationship with MbS, and been particularly supportive of the Saudi coalition in Yemen.

Defence dominates the Franco-Saudi relationship. Saudi Arabia was the second biggest purchaser of French arms in 2017, after Egypt, receiving €1.4 billion worth (see chart 8). Despite the government's rebukes over Khashoggi, the French defence ministry remains committed to arms sales to the Saudis.

Saudi Arabia has invested in key French strategic priorities, for instance in the EU-led counter-terrorism initiative in the five Sahel countries (G5),⁵³ which France

53: The G5 countries are: Burkina Faso, Chad, Mali, Mauritania, and Niger.

has been vocal in supporting. The Saudi government has promised €100 million towards this programme, supplementing the EU's €800 million and the French government's €500 million. In addition, the kingdom will contribute €50 million towards the G5 anti-jihadist force. This is part of Saudi Arabia's attempt to brand itself as a global leader in counter-terrorism efforts, and a reaction to increased Iranian influence in the Sahel.

German interests

Germany is the largest European exporter to Saudi Arabia, and the third largest supplier of Saudi imports. But arms exports to the Saudis comprise a small proportion (less than five per cent), and are significantly lower than British and French ones.⁵⁴ In March 2018, the Christian Democratic Union and the Social Democratic Party signed

54: Author's calculation from Official Journal of the European Union annual report on the European Union Code of Conduct on Arms Exports, 2017 and Eurostat, 2017.

a coalition agreement which included a clause preventing new sales of weapons to the warring parties in Yemen. Germany recently extended its ban to include component parts – which is holding up shipments of Eurofighter Typhoon jets (manufactured by British company BAE) as well as Meteor air-to-air missiles (provided by MBDA which is owned by French, British and Italian defence companies). France and the UK are lobbying Germany to retract its embargo.

“The short-term interests of the E3 are driving European-Saudi relations, rather than any co-ordinated of EU policy.”

The short-term interests of the E3 (UK, France and Germany) are driving European-Saudi relations, rather than any co-ordinated EU policy. The EU’s initial response to the Khashoggi killing was remarkably unified, but has since disintegrated. The UK, France and Germany issued a

joint statement calling for a credible investigation, which was followed by a joint statement by the foreign ministers of the G7 and the EU’s foreign policy chief, Federica Mogherini. In a speech at the European Parliament, Mogherini promised a co-ordinated and appropriate reaction from member-states. This co-ordination has not materialised, as demonstrated by Germany’s unilateral arms embargo. One bright spot was the joint statement on Saudi Arabia signed by all 28 member-states at the UN Human Rights Council (at which Saudi Arabia has a seat) in March 2019, rebuking the regime for its detention of women’s rights activists.

As outlined earlier, a common European policy is the only way to protect Europe’s long-term interests in the region – energy security, preventing future migration crises, extremism, and the proliferation of nuclear and chemical weapons. Repeating the maxim that “Gulf security is our security” (as the UK’s prime minister and defence secretary have done) is no use when Muhammad bin Salman’s behaviour is so far from promoting European, and even Saudi, interests.⁵⁵

Now is the time for recalibration

“We don’t know each other well. We need to build confidence. Only then can you start proposing ideas”, said one EU official of the relationship with Saudi Arabia.⁵⁶ The EU line is that Saudi behaviour can be best influenced via continued dialogue. The feeling in the External Action Service is that the Union is a relative newcomer to the region; that it should approach the issue with modesty, taking into account its limitations as a global actor.

Yet there is little evidence that dialogue alone will achieve results. The EU has long “condemned” and “expressed grave concern” over Saudi actions in Yemen and called for a ceasefire – to no effect.⁵⁷

Europe is failing to respond adequately to MbS’s assertive and repressive policies. France and the UK are continuing with a strategy that predates MbS and takes little account of how he has changed Saudi policy, both internally and internationally. Europe’s failure to recalibrate its policy harms the EU’s credibility and influence as a global actor. The Lisbon Treaty sets out that EU foreign policy should promote European values, including democracy and human rights.⁵⁸ And the 2016 EU Global Strategy outlined the need for a foreign policy that “preserves our interests and upholds our values”. This is a delicate balancing act. How can the EU both support Saudi Arabia as an effective regional counter-balance to Iran, and oppose the kingdom’s human rights violations?

The only way for Europe to affect Saudi behaviour is for the EU to play a more prominent role than any individual member-state, and to make the partnership between European states and Riyadh conditional upon changes to Saudi behaviour. The top priority should be to end activities that are damaging regional stability. The EU should be willing to use its leverage and its political relationships with senior Saudis to encourage changes in Saudi behaviour. The Union should lend support to reconciliation between Doha and Riyadh. It should respond more strongly to Saudi activity in Yemen, including naming and shaming military commanders or civilian leaders responsible for causing civilian casualties, to push Saudi Arabia to agree to a ceasefire and humanitarian access. And it should keep up the pressure for domestic political reforms, including by providing support for civil society and lobbying MbS to end the persecution of activists, while recognising that change will take a long time. The EU may have to accept that the Kingdom also has leverage: Saudi Arabia could buy fewer arms from European countries and more from Russia, though such a shift from NATO compatible systems would have a high short-term cost for Saudi Arabia in terms of the effectiveness of its armed forces.

Support for civic space

Saudi civil society is severely repressed. Organisations cannot engage in political activity and are extensively

55: UK Defence Secretary Gavin Williamson affirmed this in his first visit to the UAE and Oman in April 2018, and Prime Minister Theresa May used the same phrase at the GCC Summit in December 2016. Ministry of Defence, ‘Security in the Gulf is vital to keeping Britain safe’, press release, April 12th 2018. “Gulf security is our security,” British PM tells GCC summit, *Arab News*, December 8th 2016.

56: Private interview, March 2018.

57: Council of the European Union, ‘Council Conclusions on Yemen’, 10369/18, June 25th 2018.

58: Article 23 of the Treaty on European Union (TEU).

monitored. They require government permission to act internationally or receive international funding; and international organisations are banned from operating in the kingdom. Despite this official disapproval, however, Saudi society “is relatively pluralist and has many access points for discussion, research, and exchange”, for instance foundations run by liberal princes.⁵⁹ In 2017, there were 852 NGOs in operation in the kingdom, an increase of 30 per cent since 2014.⁶⁰ There are three known human rights NGOs operating in the kingdom, though just one has a licence. However, these are under increasing threat. This leaves few local partners for the EU to work with at present. But the EU could try to encourage some modest opening of civic space, offering financial and human resources to civil society groups where possible, particularly to those involving women and young people. Offering support should be carefully weighed against the risks. The women activists who campaigned for the right to drive are currently in prison for alleged terrorism offences including “suspicious contact with foreign entities to support their activities”.⁶¹

“The EU could try to encourage some modest opening of civic space. Offering support should be carefully weighed against the risks.”

The EU should also strengthen education and cultural initiatives, which could help to export liberal and democratic values to Saudi Arabia. The EU has been indecisive about supporting educational exchanges. The Saudis took the initiative in 2005 when King Abdullah introduced a scholarship, sending 200,000 young Saudis to Western universities in over 30 countries.⁶² There are around 30,000 Saudi students in the EU.⁶³ The EU could expand GCC (and therefore Saudi) participation in the EU’s education and youth programme Erasmus+. Currently, Gulf citizens’ mobility and participation in the programme is limited.

The EU should also continue to exert pressure on the Saudis to release civil rights activists. When the Canadian foreign minister called for the release of a Saudi women’s rights activist, Samar Badawi, in August 2018, the Saudi government responded aggressively. It disposed of Canadian assets; froze trade and investments; expelled the country’s ambassador; recalled 10,000 Saudi students studying in Canada; and halted Saudi airlines flights into Canada. King Salman appears to have commissioned an internal review of political prisoners, which was leaked

in part to the *Guardian*, and details their severe physical abuse – including malnourishment, burning and bruising. The report recommends a pardon for those prisoners surveyed.⁶⁴ The initiative taken by the King suggests that this is a viable area for compromise, but applying pressure on Riyadh will require courage and a united front from the EU and other Western powers.

As far as possible, the EU should continue to observe legal proceedings in Saudi Arabia. Riyadh recently granted the EU delegation permission for its diplomats to attend public trials. The delegation has since observed several court hearings, alongside representatives from member-states’ embassies.

Saudi Arabia has crushed civic and democratic developments beyond its borders. In 2011, the Saudis sent armed forces into Bahrain to stamp out protests by the Shiite majority against the Sunni monarchy – insisting that the hand of Tehran was behind the popular uprising. Riyadh sent in 1,200 troops and the Emiratis 800, at the request of the Bahraini leadership. How did Europe respond? In early March, the UK sent a trade mission to Riyadh, and in July, Germany relaxed its export rules and sold 200 tanks to Saudi Arabia.⁶⁵ In 2013, the Saudi regime supported the military coup against the elected Muslim Brotherhood government in Egypt, and provided financial and military backing to offset EU and US sanctions. European governments failed to criticise or punish the Saudis for their role in the coup. Future Saudi interference should be met with a much stronger EU response.

Investigation and sanctions

UN Secretary-General António Guterres has not established a full UN-led independent investigation into the murder of Khashoggi, stating that he could not do so without a mandate from the Security Council or the General Assembly.⁶⁶ But there are precedents for secretary-generals doing so: Ban Ki-Moon, for instance, established an international inquiry in October 2009 to investigate a violent crackdown on protesters in Guinea. Guterres is reluctant to act, as Saudi Arabia has threatened the UN in the past when facing criticism. In 2016, the UN placed the kingdom on a blacklist of states and armed groups that infringe children’s rights in armed conflict. Riyadh said it would issue a *fatwa* against the UN and suspend all funding to UN programmes, including support to Palestinian refugees; so the UN reversed its decision.

The UN’s special rapporteur on extrajudicial, summary or arbitrary executions, Agnès Callamard, launched an

59: Bertelsmann Stiftung, ‘BTI Country Report: Saudi Arabia’, 2018.

60: Saudi Ministry of Labour and Social Affairs, 2017.

61: Reuters, ‘Rights groups condemn Saudi women activists’ arrests’, May 19th 2018.

62: Saudi Arabian Cultural Bureau for Canada, ‘KASP scholarship program’, 2014.

63: ‘Saudi Arabia opens second embassy in Brussels to boost ties with EU’, Kuwait News Agency, January 12th 2018.

64: Nick Hopkins, Stephanie Kirchgassner and Kareem Shaheen, ‘Leaked reports reveal severe abuse of Saudi political prisoners’, *The Guardian*, March 31st 2019.

65: Richard Youngs, ‘Europe in the New Middle East: Opportunity or exclusion?’, 2014.

66: Press Conference by Secretary-General António Guterres at United Nations Headquarters, January 18th 2019.

independent human rights inquiry into the Khashoggi murder in late January 2019. After collecting evidence in Turkey, Callamard stated that Khashoggi's murder was a "planned and perpetrated by officials of the State of Saudi Arabia".⁶⁷ But Callamard's investigation will be limited in scope: it has no institutional support or dedicated budget, and Saudi Arabia has been obstructing the process. This makes it unlikely that Callamard will be able to produce sufficient information to attribute responsibility to individuals. She will present her report to the UN Human Rights Council in June, with recommendations, probably including a full UN investigation. If Turkey formally asks the Secretary-General to conduct an investigation, it will be difficult for him to refuse. EU members of the UN Human Rights Council should also call for an UN commission of inquiry.

“Western governments have been unwilling to take punitive measures against the Saudis in response to Khashoggi.”

The Saudi and Turkish authorities are carrying out their own investigations into the murder. The 'P5' (China, Russia, the US, France and the UK) have been asked to observe the trial in Riyadh – France and the UK should accept the offer.

Western governments have been unwilling to take punitive measures against the Saudis in response to Khashoggi, hiding behind the fact that there has not been an international investigation. The US Senate triggered the Global Magnitsky Act, imposing sanctions on 17 Saudis for their involvement in the murder.⁶⁸ France, Germany and the UK took national measures (not EU-level sanctions) against Saudi individuals to alleviate the pressure for more far-reaching EU-wide sanctions. France and Germany issued travel bans against 18 Saudi nationals who were implicated in the murder, preventing them from travelling to the Schengen area. Prime Minister Theresa May said the UK would revoke any British visas issued to these individuals.

A full UN investigation could provide the basis for a consensus on targeted sanctions in the EU. If the Crown Prince's culpability is established, then individuals close to him could be targeted, though the EU probably would not go so far as to sanction MbS himself. Measures could include visa bans and asset freezes for all those

implicated in either ordering, carrying out or covering up the murder; restrictions on co-operation with Saudi intelligence (though European intelligence agencies would object, because of the possible negative impact on counter-terrorism co-operation); and moves against known Saudi intelligence operations targeting Saudi dissidents in Europe.

European co-operation with Saudi Arabia on cyber technology should be re-evaluated. In the case of Khashoggi, Israeli cyber-technology may have played a pivotal role. European and American companies have exported surveillance technology to a number of repressive Arab governments, including Saudi Arabia.⁶⁹ A proposal to tighten the regulation of cyber surveillance technology, which would prevent member-states from exporting 'dual-use' items that could be used to violate human rights, is currently stuck in the Council.⁷⁰ The Commission should continue work on its proposal, refining it to allay concerns. In the meantime, member-states should be mindful of the need to protect dissidents, including by making it easier for them to obtain residence in the EU.

Defence

The question of whether arms exports to the Saudi-led coalition in Yemen are lawful is highly contested. Do they break international, EU or national laws?

All parties to the conflict in Yemen, including the Saudi-led coalition, are bound by international humanitarian law, which governs armed conflicts. The fundamental documents of international humanitarian law are the 1949 Geneva Conventions; they have been supplemented by a number of subsequent more specific agreements. In this context, coalition forces must abide by the principles of distinction (between combatants and civilians), proportionality and precaution (taking continual care to protect civilians) when conducting hostilities.⁷¹ But a report by UN experts in August 2018 raised serious concerns about all parties' respect for the principles of distinction, proportionality and precaution. The authors cite the targeting of civilian sites by the coalition using precision-guided munitions; severe aerial and naval restrictions on humanitarian access; and arbitrary detention and torture by coalition forces. The experts conclude that they have "reasonable grounds to believe that the Governments of Yemen, the UAE and Saudi Arabia are responsible for human rights violations" and "have committed a substantial

67: UN Office of the High Commissioner for Human Rights, 'Turkey: UN expert delivers early findings in Khashoggi probe', February 7th 2019.

68: The Global Magnitsky Act authorises the US State and Treasury Departments to sanction human rights violators or corrupt individuals anywhere in the world, adopting travel bans or asset freezes.

69: Machiko Kanetake, 'The EU's export control of cyber surveillance technology: Human rights approaches', Business and Human Rights Journal, October 2018.

70: In January 2018, a working paper of objections to the proposal was put forward by eleven member-states, including France, Germany, Italy and Spain. See Council of the European Union, 'Working Paper: EU Export Control – Recast of Regulation 428/2009', January 29th 2018. In May 2018, a further working paper was put forward by a different (but overlapping) group of nine member-states, including the UK. See Council of the European Union, 'Working Paper: For adoption of an improved EU export control regulation 428/2009', May 15th 2018.

71: UN Human Rights Council, 'Situation of human rights in Yemen, including violations and abuses since September 2014', August 17th 2018.

number of violations of international humanitarian law”, subject to a determination by an independent and competent court. Individuals in the Yemeni, Emirati and Saudi governments may “have committed acts that may amount to war crimes”⁷²

“Member-states exporting arms to Saudi Arabia could themselves be in breach of international humanitarian law.”

Third states that are not involved in a conflict also have obligations under international humanitarian law. Under Common Article 1 of the Geneva Convention, third states are obliged not to encourage, aid or assist international humanitarian law violations; further still, third states are obliged to do everything reasonably in their power to prevent and end such violations.⁷³ These obligations are confirmed in numerous resolutions by the UN International Court of Justice, the Security Council and the General Assembly.⁷⁴ Secondary rules set out the conditions under which a state is responsible for the violation of a primary rule of international law. These rules are set out in the Articles on the Responsibility of States for internationally wrongful acts, adopted by the UN General Assembly. The EU acknowledged its international obligations when it adopted guidelines on promoting compliance with international humanitarian law in 2009, establishing “the commitment of the EU and its Member States to IHL [international humanitarian law] and aim to address compliance with IHL by third States”⁷⁵

European member-states are such third states in the case of the Yemen conflict. This means that countries have an obligation to take all possible steps to ensure respect for international humanitarian law by the warring parties in Yemen. “As soon as a state knows ... that the state benefiting from the arms transfer systematically commits violations of international humanitarian law with certain weapons, the aiding state has to deny further transfers thereof, even if those weapons could also be used lawfully”⁷⁶ Member-states exporting arms to Saudi Arabia, in the knowledge that there is a substantial risk that the equipment could be used to violate international

humanitarian law, could themselves be in breach of international humanitarian law.⁷⁷

Third states have a stronger obligation to ensure compliance with international humanitarian law when they have some influence over the warring parties.⁷⁸ The International Committee of the Red Cross notes that the political dynamics and the intricacy of international relations “do not diminish the validity of this obligation”, rather “the opposite is true: a State with close political, economic and/or military ties ... to one of the belligerents has a stronger obligation to ensure respect for international humanitarian law by its ally.”⁷⁹ This imposes a stronger obligation on countries like France and the UK which have close military ties.

EU member-states have agreed to predicate arms exports upon respect for international humanitarian law in the destination country. This is established at the international and EU level in the international Arms Trade Treaty (adopted by the UN General Assembly in 2013) and the EU Common Position on Arms Export Controls (2008). The Common Position sets out eight criteria for licensing arms exports. The second criterion is respect for human rights and international humanitarian law in the destination country. The Common Position is legally binding upon member-states, which must then transpose its provisions into their own national legal frameworks. In the UK case, for example, this takes the form of the ‘Consolidated EU and National Arms Export Licensing Criteria’, which include respect for human rights and compliance with international humanitarian law.

A leaked report from the French Directorate of Military Intelligence states that both the Saudis and the Emiratis have used French military hardware for a variety of purposes in Yemen, including using warships supplied by France to enforce the naval blockade.⁸⁰ In the light of the UN Yemen report, which concluded that “there are reasonable grounds to believe that ... naval and air restrictions are imposed in violation of international human rights law and international humanitarian law”⁸¹ the lawfulness of such exports becomes uncertain.

A UK House of Lords committee concluded this year that British arms exports to the coalition “are highly likely to

72: UN Human Rights Council, ‘Situation of human rights in Yemen, including violations and abuses since September 2014’, August 17th 2018.

73: Knut Dormann and Jose Serralvo, ‘Common Article 1 to the Geneva Conventions and the obligation to prevent international humanitarian law violations’, International Committee of the Red Cross, September 21st 2015.

74: Laurence Boisson de Chazournes and Luigi Condorelli, ‘Common Article 1 of the Geneva Conventions revisited: Protecting collective interests’, International Review of the Red Cross, No. 837, March 31st 2000.

75: ‘Updated European Union guidelines on promoting compliance with international humanitarian law (IHL)’, 2009/C 303/06.

76: Théo Boutruche and Marco Sassòli, ‘Expert opinion on third states’ obligations vis-à-vis IHL violations under international law’, Norwegian Refugee Council, November 2016.

77: International Commission of Jurists, ‘Bearing the brunt of war in Yemen: International law violations and their impact on the civilian population’, July 2018.

78: International Committee of the Red Cross, ‘Arms transfer decisions: Applying international humanitarian law criteria’, June 2007.

79: Knut Dormann and Jose Serralvo, ‘Common Article 1 to the Geneva Conventions and the obligation to prevent international humanitarian law violations’, International Committee of the Red Cross, September 21st 2015.

80: Direction du renseignement militaire, ‘Yemen: Security Situation’, September 25th 2018.

81: UN Human Rights Council, ‘Situation of human rights in Yemen, including violations and abuses since September 2014’, August 17th 2018.

be the cause of significant civilian casualties in Yemen, risking the contravention of international humanitarian law." The committee concluded that the UK government was "narrowly on the wrong side of international humanitarian law", and called for the suspension of some key arms exports to the coalition.⁸² But a legal challenge to the Secretary of State for International Trade's decision to continue exports to Saudi Arabia was rejected in 2017. Campaign Against Arms Trade argued that the decision breached UK law, specifically 2(c) of the 'Consolidated Criteria', which calls for respect for international humanitarian law. The High Court rejected the claim, concluding that the coalition were not deliberately targeting civilians, that Saudi Arabia is committed to international humanitarian law, and that there was no "clear risk" that UK arms sales would be used for serious violations of international humanitarian law. There has been much legal controversy around the judgment, particularly because of the use of closed evidence, and an appeal is ongoing.⁸³

“The war in Yemen is being sustained by the international arms trade. An EU arms embargo would constrain the coalition.”

In the European Parliament's view, member-states that supply weapons to the Saudi-led coalition are "in violation" of the Common Position on Arms Exports, but its opinion has no legal weight.⁸⁴ The Common Position, adopted under the EU's Common Foreign and Security Policy (CFSP), is legally binding, but member-states are free to decide how they implement it. The European Commission cannot take a member-state to the European court for non-compliance with CFSP measures. Arms licences are granted on a 'case-by-case' basis, whereby authorities assess whether that specific weapons system or component directly violates the eight criteria. If those specific weapons are not going to exacerbate the situation, then the export licence can be granted. Some export licensing authorities avoid considering the broader context, such as a regime violating international humanitarian law, because the risk of that specific export being used in abuses is deemed to be low.

What is clear is that the war in Yemen is being sustained by the international arms trade, and predominantly by the US, UK and France. An EU arms embargo might not wind down the Yemen conflict, but it would significantly curtail the coalition's efforts. European politicians make the argument that that there will always be other providers and that it is better that Western powers supply

the coalition: "It's not as easy as saying cut off arms sales. If we don't ... sell them munitions that are precision-targeted ... with our rigour and standards ... the situation could get a whole lot worse".⁸⁵ Saudi Arabia has at times threatened to shift its arms procurement eastwards, towards Russia or China. But if the EU placed an embargo on arms sales, Saudi Arabia would be unable to switch suppliers at short notice, and would have problems with arms maintenance.

Mogherini is unwilling to put an arms embargo on the agenda without a good chance of success. It would require unanimous agreement within the Council, but would meet opposition from the UK and France. However, there are signs that the political climate in Europe could become more favourable to an arms embargo. Moves in the US Congress towards restricting exports could also precipitate a shift: Congress has been more outspoken in its criticism of Saudi Arabia than any European parliament. However, President Donald Trump recently vetoed a resolution passed by both the House of Representatives and Senate to end American military support to Saudi efforts in Yemen – it remains to be seen whether Congress will be able to over-ride his veto.

Public opposition to arms sales to Saudi Arabia has grown across Europe since the start of operations in Yemen in 2015. Governments came under further pressure following the Khashoggi murder, despite this being a distinct issue from Yemen. So far, Finland, Denmark, Norway, Germany, the Walloon region in Belgium, and the Netherlands have stopped licensing exports, and Italy has announced plans to do so.⁸⁶ Sweden refused to renew its military cooperation with Saudi Arabia in 2015, and the Flemish parliament in Belgium rejected a request for military supplies in 2016. The number of EU arms export licence denials is rising, increasing from 7 to 18 for Saudi Arabia from 2015-16, and from 9 to 17 for the UAE in the same period.⁸⁷ Countries often cited human rights or international humanitarian law when denying licences.

Reaching agreement on an embargo may be too difficult, but the Council should arrive at common guidelines on the application of the Common Position to exports to the Saudi-led coalition in Yemen, and should consider restricting exports that could be used in the Yemen conflict.

Deeper regional involvement

Whatever the tensions between Saudi Arabia and the EU, it would be worth trying to engage the Saudis on regional security issues, both in their neighbourhood and more broadly. The EU4 (France, Germany, UK and Italy) and Mogherini have engaged in four rounds of

82: House of Lords Select Committee on International Relations, 'Yemen: Giving peace a chance', February 16th 2019.

83: See Campaign Against Arms Trade, 'Saudi Arabia - legal challenge', April 8th 2019.

84: European Parliament resolution of 4 October 2018 on the situation in Yemen.

85: Johnny Mercer, 'Peston's Politics', ITV, October 25th 2018.

86: On November 19th 2018, Germany broadened its arms ban from new deals with Saudi Arabia to include pre-approved contracts.

87: Mark Bromley and Giovanna Maletta, 'The conflict in Yemen and the EU's arms export controls: Highlighting the flaws in the current regime', SIPRI, March 16th 2018.

consultations with Iran on regional issues, including on Yemen in December 2018. Saudi Arabia was absent, as the kingdom refused to sit at the same table as Iran. Nonetheless, the Saudis reacted badly to these talks happening. European leaders should urge the Saudis to reconsider. The EU should complement the UN's efforts to get regional players to come together to agree a roadmap for final peace talks on Yemen. Reaching out to the UAE will be important, given its influence on Saudi regional policy and on the ground in Yemen. It is unclear whether there is appetite for such discussions among regional governments, including Egypt, but international actors should offer a forum to test if there is sufficient will.

“The EU should complement the UN's efforts to get regional players to agree a roadmap for final peace talks on Yemen.”

The EU could help to organise back-channel talks between the Saudis and the Houthis. Currently, Houthi decision-makers are isolated by the Saudi-led coalition's aerial and naval blockade. The EU could provide security guarantees to extract decision-makers from Sana'a, take them to a safe meeting place on neutral ground, and return them. A joint French-Swedish initiative might be one way to provide the needed balance and trust, as the French have the closest relationship with the Hadi government, and the Swedes have links with the Houthis. The EU should help to facilitate the exchange of assurances between the Houthis and the Saudis. The Houthis want reassurance from the Saudis that there would be no further attacks or persecution. In return, they might be willing to renounce their ties with Iran. Indeed, the Houthis have already curbed ties with Iran after realising that the assistance being offered was minimal.⁸⁸

An important objective for the EU is the preservation of the Joint and Comprehensive Plan of Action (JCPOA), the

international agreement to end Iran's nuclear weapons programme. At the same time, the EU shares the concerns of GCC countries (as well as Israel and the US) about Iran's destabilising regional role and its continuing missile development programme. Without giving Iran a free pass for its behaviour, the EU should work to reduce tension between Tehran and Riyadh (and its allies). As outlined in the EU Global Strategy, the Union should encourage dialogue between Iran and the GCC countries on regional conflicts, human rights and counter-terrorism. The EU should facilitate confidence-building measures between Saudi Arabia and Iran. Measures could include joint tourism promotion; creating joint task forces on issues like nuclear safety or pollution; pre-notification of military exercises; and reducing military expenditures; with the eventual aim of establishing a new security architecture in the Gulf that includes Iran and Iraq.⁸⁹

A divided and inactive GCC does not serve EU regional interests, so the EU should be much more pro-active in trying to mend internal GCC divisions. The EU could also explore how Oman and Kuwait, with their 'neutral' foreign policies and co-operation with Saudi Arabia and Iran, could mediate between Iran and Saudi Arabia, and between GCC members. However, increasing pressure from the Saudis on the smaller GCC states to lessen political and economic ties with Tehran makes this task difficult. The EU should do what it can to defend the political independence of Oman and Kuwait.

There is insufficient co-ordination among Europeans on the issues that concern the Saudis, such as the Sahel, Libya and the Horn of Africa.⁹⁰ The French engagement with the Saudis on Libya and the Sahel are appreciated by Riyadh: France hosted the Libya peace summit in May 2018, and provides French investment for the G5 Sahel. European powers should better co-ordinate their efforts: the Libya summit showed the extent of EU discord on these critical issues, with France and Italy backing different factions in the Libyan conflict.⁹¹

Conclusion

MBS's autocratic behaviour in the kingdom and abroad should dispel European hopes that the Crown Prince is ushering in an era of moderation. The EU has so far avoided confronting the kingdom on its violations of human rights and international humanitarian law to preserve intelligence co-operation and economic ties. But in tolerating the regime's abuses, the EU is storing up trouble for its future: instability in its neighbourhood, a culture of impunity where belligerence and repression is overlooked, and weakened credibility.

A more co-ordinated and values-based policy will be imperative in future. Member-states should present a united front to minimise the risks of destabilising Saudi behaviour. Countries that are impeding a co-ordinated policy should recognise that security is not narrowly national. European security is their security. Continuing with the status quo could sow instability in Europe's neighbourhood; but with the right mixture of incentives and pressure some positive change in Saudi Arabia is still possible.

88: 'Saving Yemen's political process', ECFR private roundtable, March 19th 2019.

89: Mohammad Javad Zarif, 'Iran can set a post-Isis security policy for the region', *Financial Times*, January 21st 2018.

90: Camille Lons, ECFR, Interview, January 9th 2018.

91: Luigi Scazzieri, 'Premature elections won't stabilise Libya', CER insight, October 10th 2018.

Acknowledgements

The author is grateful to all those interviewed for their sharing their expertise and insights. Thanks go to Kristina Kausch, Hugh Lovatt, Sebastian Sons, David Wearing and Richard Youngs. Any errors remain the author's responsibility.

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May 2019