Saudi Reforms and the Future of Mohammed bin Salman

On April 22, as was already customary in the era of King Salman and his son, Prince Mohammed, a series of royal decrees were unexpectedly adopted and immediately published. The essence of these decrees is twofold: on the one hand, the level of salaries and bonuses for state employees will be restored, after having been canceled in September 2016, and they, respectively, will be increased by twenty percent. In addition, two salaries are paid at once to servicemen fighting in Yemen. On the other hand, a number of resignations and new appointments have been announced, which can also be divided into two parts - the appointment of new ministers and new governors. Rather significant figures have been dismissed from the group of appointees of Mohammed bin Salman himself, such as the Minister of Information and Culture, and technocrats, mostly not from the royal family, are listed in their place; whereas the posts of provincial governors and their deputies everywhere are taken up primarily by young princes of royal blood. The most notable appointment is the new ambassador to the United States - another son of King Khaled bin Salman. Yet another son, Abdelaziz bin Salman, changed from the Deputy Minister of Oil and Mineral Resources to State Minister for Energy (the post is more honorary than influential).

Behind all these decisions is the iron logic of power. If we speak about raising salaries and paying benefits, then the emergence of this decree is dictated by the need to calm the maturing opposition in the Saudi society and the frustration that is flaring up in social media. They accuse the young prince, who is responsible for the economic, defense and foreign policy of the country, of living wastefully against the backdrop of the misfortunes of the Saudi population (although those are quite relative compared with other countries), which has begun to live significantly worse, given the fall in oil prices and measures to reduce the budget deficit, which amounted to a record $75 billion in 2016. Muhammad bin Salman is also accused of inept, ill-conceived reforms that do not produce proper results, and of delaying the costly military campaign in Yemen, which has not yet yielded any results. In this context, the increase in salaries and the payment of bonuses were absolutely necessary to strengthen the young prince's shaky positions. The royal finances now provide some opportunities for this because of the stabilization of oil prices at $52-55 per barrel, although they are not enough to solve the problems of a budget deficit - for this the price for oil would need to soar to $78 per barrel, which so far looks unrealistic.

With regard to appointments, if you do not take into account the technical appointment of ministers, all other posts have been given to princes of royal blood. The appointment of another one of King Salman's sons - Khaled - as ambassador to Washington should be considered crucial. Sending this experienced pilot of the Royal Air Force to the US capital (he had already worked there before in the embassy) is another step taken by the king to strengthen his family's position in the top-down governance and personal success of Muhammad bin Salman in confronting his cousin and Crown Prince Mohammed bin Nayef. The Minister of Internal Affairs’ trump card has always been a special relationship with Washington, which in December 2014 "approved" him as the most acceptable candidate for the United States for the post of future king. Now the benefit of privileged ties with the White House is being adopted by Salman himself, controlling them through his two sons.

Moreover, Muhammad bin Salman has already managed to visit Washington this year (March 13-15) and, in the framework of his program of diversifying the Saudi economy, 'Vision 2030', is offering contracts to American companies, according to knowledgeable people, in the shape of a fantastical $3 trillion (!!!). And this in addition to the previously negotiated defense contracts totaling $200 billion - the largest in the history of mankind.
As for the appointment of young princes of royal blood as governors and deputy governors of several provinces, the desire of the king to strengthen his power is also evident here. In the royal family, too, the opposition had been growing for a long time, fueled by Mohammed bin Nayef, because of too much of a concentration of power in the hands of Mohammed bin Salman. Now this "skewedness" seems to have been eliminated. The governors are appointed princes from different royal clans (children and grandchildren of the kings of Saud, Khaled and Faisal), which maintains a semblance of balance in the royal family. However, it is clear that this concession to the princes' ambitions is only intended to muffle their discontent with the immense power of Mohammed bin Salman, and as a way to not give them some key powers. The governors, of course, play an important but subordinate role in the system of power of the kingdom. The main decisions are taken by the Cabinet, which is completely controlled by Mohammed bin Salman, and made up of his own planted protégées.

At the same time, it is clear that, although the changes that have taken place should be regarded as another victory of Muhammad bin Salman in the struggle for power, it cannot be considered complete and final. Much depends on how long King Salman will live and whether he, together with his sons, will be able to strengthen the position of the informal leader of their clan, Muhammad bin Salman, so that after the death of his father, if he is not already king, he becomes crown prince.

Behind Muhammad bin Nayef, apart from the post of Crown Prince, there is a powerful force in the person of the Minister of Internal Affairs, whose weight only grows in the face of increased terrorist threats from "Islamic State", which has created a network of cells throughout the country and periodically makes itself felt with so far small, but fairly regular terrorist attacks. Another factor of his strength is the tribes that always stood on his father's side, and now support Mohammed bin Nayef himself. The third force is the clerics, who are terrified of Mohammed bin Salman's secularly oriented reforms, but are still silent so as not to undermine the power of the king. They are especially concerned about the program for creating "small entertainment towns" which will be reminiscent of Disneyland and Las Vegas in one, only without the alcohol. They have repeatedly criticized the head of the Entertainment Department, Ahmad Khatib, who is close to Muhammad bin Salman, for trying to open cinemas, theaters and propagandizing secular art exhibitions and museums. But if they feel that the sphere of entertainment is oriented, according to A. Khatib, towards "people's happiness" and takes the faithful out of the mosques, they can organize protests with the support of the tribes that will hurt the image of the king and the Kingdom.

Another challenge for Muhammad bin Salman is the war in Yemen. It has gone on now for two years with no end in sight. The recent victims of the Saudis in this country are 12 officers killed as a result of an army helicopter crash, which only highlighted once again the complete absurdity and futility of this military campaign, started as a blitzkrieg in the name of strengthening the monopolical ambitions of the young prince. The absence of visible victories (except for the liberation of Aden from the rebels) is a delayed-action mine. The war is depleting the country's economy, what with low oil prices, and is intensifying criticism of the leadership. The latest measures for paying additional salaries to servicemen temporarily relieve discontent, but are unlikely to have a lasting effect. The young defense minister faces an unenviable choice - either to go on to the end, to seize the port on the Red Sea - Al-Hudaydah (through which 90% of humanitarian supplies go) with the chance of a military victory, but with the risk of a subsequent major humanitarian disaster, or decide on a very politically painful compromise with Houthis and Salehists. So far the choice is made in favor of the military route, despite extremely dangerous consequences...

And, finally, Mohammed bin Salman should in the near future achieve visible success in the implementation of the "Vision 2030" program - the chief and most beloved of his offspring. It is through this goal that he is now shuffling the team of young reformers recruited from the business community. But things are still tough. Although the prince himself is a workaholic, and around him there are many qualified specialists, the quality of the bureaucratic apparatus leaves much to be desired. The deadline for the publication on the IPO of the "Saudi Aramco" - the main diamond in the crown of the Saudi kingdom's economy - is also moving forward. At first, 2017 was forecast, now it is said that this will happen in 2018. But international experts are skeptical - so far the company has published too little data to be able to talk about its transparency, and hence attractiveness for future investors...

In other words, one of the rounds in the fight for power has been won by King Mohammed bin Salman, thanks to his recent decrees, but the scales in the battle for the throne still waver...

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