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Saudi-Iran Conflict: Challenges Beyond Sunni-Shia Tensions

By Saleena Saleem

Synopsis

Saudi Arabia's latest moves that precipitated the recent escalation in Sunni-Shiite sectarian tension in the Middle East are indicative of its sense of vulnerability about its mounting challenges as Iran normalises relations with the international community.

Commentary

SAUDI ARABIA'S execution of Sheikh Nimr al-Nimr, a Saudi Shiite cleric has predictably sparked off a quick series of events that resulted in the kingdom severing its diplomatic and commercial ties with Iran. This openly hostile political stand-off between Saudi Arabia and Iran is, in a way, a culmination of decades of tacit rivalry for regional influence and dominance since Iran's 1979 revolution.

Saudi Arabia has enough reasons to not escalate Sunni-Shiite tensions. Its long-standing ally, the United States, is focused on neutralising the ISIS threat by pushing for regional consensus on Syria. The Saudis' latest moves complicate US efforts and risk its displeasure. Not only does Saudi Arabia face security issues from violent extremism, ISIS' Caliphate project with its alternate form of Islamic government threatens the legitimacy of Saudi rule.

Saudi Arabia's Challenges

Iran too has reason to minimise sectarian tension; the focus is on normalising relations with the international community and positioning itself as a reliable partner for regional stability. Iran also has upcoming domestic elections in February. With international criticism levelled at Saudi Arabia now, its moves may appear as a

miscalculation, especially in light of Iran's comparatively muted response that has been viewed as "responsible" in certain Western quarters. However, the heightened Sunni-Shia tension is likely an intended outcome of the Saudis' deliberate strategy aimed at containing Iran's growing influence.

Saudi Arabia faces several challenges in the economic, social and political spheres, which may impact its regional influence. The power vacuum created by the US withdrawal from Iraq, the Sunni-Shiite civil war in Iraq, and the bloody fall-outs from the Arab uprisings in Syria, Libya and Yemen have deepened the Saudi-Iran struggle for regional hegemony. Financing proxy wars have been costly for both countries with the steep decline in the oil prices amid a global economic slowdown – oil production accounts for 80% of Saudi's GDP compared to Iran at 23% – but it has impacted Saudi far more than Iran because Saudi spends more on arms acquisitions, domestic energy subsidies (13% of its GDP), aid to allies like Egypt and Pakistan, and funding of Muslim communities abroad.

The International Monetary Fund predicts that Riyadh will exhaust its foreign exchange reserves by 2020, unless spending is drastically reduced, or oil prices increase. In lieu of the latter happening, Saudi Arabia has already shelved domestic infrastructure projects and announced plans to cut domestic subsidies, implement taxes and privatise certain sectors. Much has been said about Riyadh's yet unaccomplished short-term strategy of maintaining high oil production as an effort to drive shale oil competitors from the market. However, in light of what we know now, the simplest motivation – to get needed money into the coffers now – is also plausible.

Riyadh's Youth-driven Pressure for Change

The second Saudi challenge is youth-driven societal change pressures. The majority of its population are young (70% are below 30 years) and dependent on state employment (two-thirds work in the public sector). Over the past decade, Saudi Arabia has funded students for overseas tertiary education, many of whom graduate and return with Western degrees. The Internet penetration rate in Saudi Arabia is now over 65%, and social media usage has substantially increased. These developments, coupled with the Arab Spring's underlying message of reform, have contributed to a push back against certain traditional Saudi norms; there is more internal debate than before.

The Saudi government has managed to check this youth-driven pressure for change with a mixture of harsh penalties (for example, arresting bloggers) and increasing religious appeal to the still largely conservative Saudi society. However, the government may face difficulties in managing the youthful populace, should its proposed subsidy cuts, new taxes and privatisation drive lead to increased competition for jobs and cost of living, with a consequent reduction in the quality of life young Saudis are accustomed to. The House of Saud's survival is contingent on retaining the support of this large segment of its populace.

In the political sphere, Riyadh has to contend with the potential that the US could now view Iran as a more beneficial ally. The US is already engaging with Iran in implicit ways: collaboration with Shia groups against ISIS; and supporting Iran's

participation in the peace talks on Syria. Additionally, the lifting of sanctions on Iran with the nuclear deal implementation, the unfreezing of overseas assets, and normalization of trade allows Iran to benefit at a time when Saudi Arabia is struggling economically.

Saudi Emphasis on Sunni Identity

Saudi Arabia has always viewed Shia Iran's ability to sway Arabs as a risk because Sunni-Shia religious differences are not inherently confrontational. Even recently, the Arab street took immense pride in Iranian-backed Shia Hezbollah's survival against Israel's military might during the 2006 Lebanon war, in contrast to Gulf leaders who were critical of Hezbollah. The ideological risk has been successfully managed by the House of Saud's association with the Wahhabi religious establishment, which is critical of Shia practices. Domestically, Wahhabi ulama (religious scholars) reign over the socio-religious sphere, which explains the Saudi public's support for al-Nimr's execution.

With its latest moves that heighten the Sunni-Shia divide, Saudi is rallying for political support by emphasising a common Sunni identity. The quick show of solidarity by Sunni-led regional countries, even by non-Arab Turkey, suggests that Saudi Arabia's framing of the threat posed by Iran's growing influence has traction. Can the Saudis achieve the same with the broader Sunni Muslim world? At the political level, there is hesitance, even from allies like Pakistan and Malaysia.

However, political hesitance may not be representative of the grassroots' mood. Majority of the non-Arab Muslims are Sunni, and the Saudi King is widely acknowledged as the Protector of the Two Holy Cities of Mecca and Medina. Should Saudi-Iran tensions exacerbate, can Saudi Arabia also count on its non-Arab Sunni supporters, banking on decades of soft power influence via its Wahhabi-funded educational and religious institutes around the Muslim world? An independent Malaysian pollster recently noted that 30-40% of Muslim survey respondents in Malaysia, and who are far removed from the upheavals in the Middle East, expressed support for fighting against Shias.

Seen in this light, Saudi Arabia's heightening of a common Sunni identity today is an implicit signal to the West that it cannot afford to ignore Saudi Arabia in any re-configuring of power in the Middle East.

Saleena Saleem is an Associate Research Fellow at the S. Rajaratnam School of International Studies (RSIS), Nanyang Technological University, Singapore.
