

December 4, 2017

Moving Fast and Breaking Things: Mohammad bin Salman, Part II

Two weeks ago, we introduced this report and covered the mass arrests that took place in Saudi Arabia over the weekend of November 4, when several princes and notable figures were detained. The official reason given for the arrests was corruption, but many have speculated that the move was a cover for Mohammad bin Salman (MbS) to consolidate power and purge elements of a potential coup. And, just before that weekend, there was a crackdown on the religious establishment of the Kingdom of Saudi Arabia (KSA). This week, we will discuss the other three events that occurred that weekend: the resignation of Saad Hariri, the missile attack on Riyadh and the crackdown on the clerics.

The Long Weekend: The Resignation

The arrests discussed in [Part I](#) would have been enough for a full weekend, but that was not all that occurred. Saad Hariri, the prime minister of Lebanon and the son of the late Lebanese political leader Rafic, was summoned to Riyadh by King Salman on Thursday night, November 2. He was asked to meet with MbS on Saturday. The Hariri family has close ties to the KSA so the request was not unusual. However, when he arrived at the palace on Saturday morning, he was made to wait four hours and then presented with a resignation speech to read on television. In the speech, he cited an assassination attempt by Hezbollah and Iranian interference for his decision to resign. It appears Hariri was under house arrest in Saudi Arabia, although there are

conflicting reports on this allegation.¹ It seems that MbS has concluded that Hariri was too accommodating to Hezbollah and Iran, and wanted a new prime minister who would more strongly oppose Iran's actions in Lebanon.

Lebanon is a very complicated nation. It was a French colony following the fall of the Ottoman Empire after WWI. The country has three primary religious divisions and two denominations within Islam. The largest group is Islam, representing about 55% of the population, evenly split between Shiite and Sunni. Christians comprise 40%, with the largest denomination being Maronite Catholic (20% of the total population). The Druze are the third group, representing about 5%. As is common with European colonial powers, France chose one group to dominate, the Christians. After the war, it was thought that this group was the largest in the colony but, over time, Muslims became the majority. Independence occurred after WWII and the first constitution gave the Christians veto power. Tensions steadily rose between the religious groups until 1975, when a 14-year civil war broke out. After the war, where over 100k died and nearly the same number were wounded, a delicate arrangement was established. The president would be Christian, the prime minister Sunni and the speaker Shiite. The Druze usually align with Muslims even though their complicated

¹ <http://www.reuters.com/article/us-lebanon-politics-hariri-exclusive/exclusive-how-saudi-arabia-turned-on-lebanons-hariri-idUSKBN1DB0QL?feedType=RSS&feedName=worldNews>

theology includes elements of both Christianity and Islam.

Both Iran and the KSA saw Lebanon as a contested territory. When the civil war ended, both agreed that Syria would oversee Lebanon. That arrangement lasted until the assassination of Rafic Hariri in 2005. The Prime Minister of Lebanon at the time, he died when a large bomb exploded near his motorcade. Although there was strong evidence that Hezbollah and Syria were responsible for the assassination, the West was not willing to enforce any actions against either. However, strong anti-Syrian sentiment, expressed in the “Cedar Revolution,” sharply reduced Syrian influence in Lebanon. The collapse of Syria, which began in 2011 as part of the Arab Spring, mostly eliminated Syria as a factor in Lebanon.

Currently, the Shiites are the most powerful group in Lebanon because of Hezbollah. This Iranian-linked group is by far the most potent military force in the country; if Lebanon was attacked, Hezbollah would be the primary defender despite the existence of a Lebanese military. Although the post-civil war arrangement remains in place, in reality, any leader in Lebanon has to placate Hezbollah.

Apparently, the KSA has become displeased with Hezbollah’s (and essentially Iran’s) influence in Lebanon. With the collapse of Islamic State, Iran appears to have completed its “Shiite Arc” from Iran to the Mediterranean Sea. Essentially, Iran or its proxies control Iraq, what’s left of Syria and Lebanon.

Forcing Hariri out of office suggests that MbS is trying to contest Iran’s spreading dominance. However, in reality, the KSA has very little influence in the region; its

program of funding Sunni groups against Syria has been ineffective. Israel is the most potent force against Hezbollah; although both eye each other warily, neither appears inclined to engage in a war at this time, either. However, Hezbollah reportedly controls 130k medium- to long-range missiles that could overwhelm Israel’s famous “Iron Dome” anti-missile system.² At the same time, Hezbollah has expended significant resources fighting in Syria and does not want a war at this time. Thus, forcing Hariri out of office probably won’t change the situation on the ground and, in fact, might make it more dangerous.

The KSA and other GCC nations have called on their citizens to leave Lebanon. Sometimes, such warnings are a precursor to war. However, this was the fourth time in five years that the KSA has ordered its citizens out of Lebanon.³ Thus, this action is probably not a call to arms.

It is obvious that the Saudis are not pleased with Iran’s steady expansion of power and influence, and the removal of Hariri expresses that sentiment. However, it isn’t clear how that action would curtail Iran’s strength; in fact, it may increase its strength by making the leadership in the KSA appear impotent and rash. Hariri has since returned to Lebanon and “suspended” his resignation. The government in Lebanon has accepted the suspension for now but Hariri’s political capital has been seriously undermined by the events of November 4. Thus, the tenuous political balance in Lebanon will likely be upset by Hariri’s resignation and the potential for unrest has increased.

²https://d2071andvip0wj.cloudfront.net/10Nov%20A%20Huthi%20Missile%20a%20Saudi%20Purge%20and%20a%20Lebanese%20Resignation%20Shake%20the%20Middle%20East_0.pdf, pages 7-8.

³<https://www.nytimes.com/2017/11/09/world/middleeast/saudi-arabia-lebanon-war.html>

The Long Weekend: The Missile Attack

On November 4, a Burkan 2-H long-range ballistic missile⁴ was launched at Riyadh. Indications suggest it was originally manufactured in Iran.⁵ Fortunately for the Saudis, the missile was successfully intercepted by a Patriot missile. The KSA declared the attack an “act of war” and blamed the Houthis, a tribe in Yemen that is primarily Zaidi. The Zaidis are a sect of Shiite Islam. However, the KSA also blamed Hezbollah and Iran for the attack. By declaring this attack an act of war and blaming the Houthis as well as Iran and Hezbollah, the KSA could conceivably retaliate against all three. Such an act would lead to a regional war.

However, so far, the retaliation has been limited to Yemen. The Saudis have conducted extensive air attacks in Yemen and blockaded its ports. To date, the KSA has not taken any direct actions against Iran or Hezbollah.

Iran and Hezbollah do offer some support to the Houthis but there isn’t much evidence to suggest they are directing the war effort. We doubt that the Houthis have an indigenous ballistic missile. On the other hand, the war in Yemen does not appear to have any clear end and the KSA’s involvement there reduces its ability to project power elsewhere. Thus, we expect Iran and, to a lesser extent, Hezbollah, to continue to offer support to the Houthis. However, the conflict in Yemen has its own local issues⁶ that have nothing to do with the broader geopolitics of the region. Thus, we doubt that any outside power can actually direct the Houthis. Simply put, they would

⁴ This is a missile based on the SCUD.

https://en.wikipedia.org/wiki/Volcano_H-2

⁵ <https://usun.state.gov/remarks/8090>

⁶ For background, see WGR, 3/2/2015, [Yemen: A Land with a Rich Past and a Poor Present](#)

like the help but would probably shun being controlled by either Iran or Hezbollah.

The Long Weekend: The Religious Crackdown

The alliance between the Wahhabist movement in Sunni Islam and the al-Sauds began in the 18th century during the first Saudi Kingdom. The current state is actually the third iteration of the Saudi kingdom. Throughout Saudi Arabian history, the clerics have been an integral part of the state, giving the al-Sauds religious and political legitimacy. In return, the royal family has given the clerics a nearly free hand in shaping social conditions. For years, the clerics have insisted on keeping gender separation in public life; perhaps its most visible expression has been making it illegal for women to operate a vehicle. But, it goes beyond this; Sharia law is strictly enforced and delivers harsh punishments for those deemed to have committed violations.⁷ Infractions can include exposing Shiite beliefs. The clerics had their own police force, the *mutwwain*, who were given the power to arrest people they viewed as violating Sharia as interpreted by the Wahhabist clerics.

Just before the aforementioned arrests on Saturday, November 4, MbS changed the rules on the religious establishment, dramatically curbing their powers.⁸ He took away the power of the *mutwwain* to arrest people and detained dozens of hardline clerics who opposed the new measures. In September, the KSA moved to allow women to drive.⁹ MbS has called for a “moderate, balanced Islam that is open to the world and

⁷ See WGR, 1/11/2016, [The Saudi Executions](#)

⁸ <https://www.nytimes.com/2017/11/05/world/middleeast/saudi-arabia-wahhabism-salafism-mohammed-bin-salman.html>

⁹ <https://www.nytimes.com/2017/09/26/world/middleeast/saudi-arabia-women-drive.html>

to all religions and all traditions and peoples.”¹⁰ Such comments are an anathema to the Wahhabist strain of Islam, which views all those outside its sect as heretics.

It should be noted that the religious establishment has been undermined and co-opted over the years. For example, the clerics had to accept the basing of non-Islamic foreign troops in the KSA during the Gulf War. King Fahd’s decision to allow this basing was one of the factors that led Osama bin Laden to break away from the KSA and form al Qaeda, which became a direct threat to the KSA and had to be aggressively attacked by Saudi counterterrorism groups.

¹⁰ Op. cit., footnote 8.

The crackdown will be supported by the two primary constituencies noted in Part I. First, if MbS is going to woo foreign investors, moderating the impact of Wahhabi Islam on the KSA is probably required. Second, the religious police are very unpopular with the youth of Saudi Arabia. The *mutwain* strive to keep the genders separated, which is something that young people everywhere tend to oppose. Thus, this action is probably necessary to build support among the majority of Saudis and to encourage foreign investment.

Part III

Next week, we will complete this series with a discussion of how these recent events relate to the broader geopolitical context and conclude with market ramifications.

Bill O’Grady
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