

# Security cooperation with Saudi Arabia: Is it worth it for the UK?

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# Executive summary

The UK is undergoing a period of profound soul-searching in the wake of the June 2016 vote to leave the European Union. While the implications of the vote are still being fiercely debated, Prime Minister Theresa May has been at pains to emphasise that it does not signal Britain's retreat from the international stage. However, aside from joint air strikes with the US and France against Bashar al-Assad's regime in Syria, much of the Prime Minister's case has been heavy on rhetoric and light on substance. Under the nebulous slogan 'Global Britain', her government is ostensibly seeking to (re-)establish and strengthen bilateral relationships across the globe, through the prospect of trade agreements and security partnerships.

The UK-Saudi Arabia relationship is a microcosm of all the difficult choices the UK is going to have to make once it has left the EU. There are serious, but as of yet, unanswered questions about the role the UK wants to pursue on the world stage, who it will seek to do this with and how it will financially account for this. More specifically, which military and diplomatic capabilities should the UK maintain, and which no longer bring added value in today's world? Clearly, these decisions have consequences in the UK: cutting certain military capabilities inevitably means job losses in some of the UK's higher unemployment regions. Should the UK prioritise its economic interests over adherence to international norms and law? Or is there an alternative, a way of making these choices complementary, rather than contradictory, of each other? These are important issues which need to be tackled by government, as decisions and trade-offs on foreign policy have consequences for relations with allies like Saudi Arabia.

This relationship is long-standing and heavily concentrated on security; a key pillar of the relationship is the flow of arms from the UK to Saudi Arabia. Yet the defence and security relationship between the UK and an autocratic country which continues to hold a poor human rights record, has repeatedly been the subject of controversy in the UK. Saudi Arabia's military operations in Yemen in particular have only served to fuel public and parliamentary scrutiny over the UK's relationship with Saudi Arabia, specifically the arms trade.

At the same time, Saudi Arabia has been changing. The new Saudi Crown Prince, Mohammad bin Salman, has been keen to demonstrate to allies that he is seeking to modernise his Kingdom, while simultaneously pursuing a more hawkish regional foreign policy, targeting, among other countries, Yemen.

This report assesses the costs and benefits to the UK of its defence and security relationship with Saudi Arabia, as well as the extent to which the UK is able to exert leverage and influence over Saudi Arabian foreign policy. It finds that:

- There is little evidence, based on publicly available information, that the UK exerts either influence or leverage over Saudi Arabia. In fact, there is greater evidence that Saudi Arabia exerts influence over the UK.
- There is a contradiction between the UK presenting itself as a progressive, liberal country and defender of the international rules-based order, while at the same time providing diplomatic cover for a regime, which, based on our analysis, is undermining that rules-based order.
- The UK appears to be incurring reputational costs as a result of its relationship with Saudi Arabia, while the economic benefits to the UK are questionable.

In light of this, we make the following recommendations:

- To give the Global Britain agenda credibility, the UK needs to **critically analyse its foreign policy** to make sure it upholds the values it is seeking to project abroad, so that it can ask others to do the same.
- The UK government should **limit and be more selective in the ways in which it chooses to engage with Saudi Arabia**. The choice of activities should be driven not only by political and economic considerations, but through a more nuanced understanding of the potential ramifications of engagement, such as damage to the UK's international reputation. This understanding should be based on an assessment of the costs and benefits to the UK.
- The UK needs to be **more transparent about its relationship with Saudi Arabia**. Without the ability to quantify how the UK can demonstrably exert influence on Saudi Arabia, efforts by the government to extol the importance of UK-Saudi Arabia security relations will be undercut.

# 1. 'Global Britain' and a new foreign policy future for the UK

The UK is setting itself up for a new era of engagement with its allies post-Brexit. Through its 'Global Britain' agenda, the UK government is redefining and redesigning the space it wishes to carve out for itself on the international stage. According to the government, Global Britain is about 'reinvesting in our relationships, championing the rules-based international order and demonstrating that the UK is open, outward-looking and confident on the world stage'.<sup>1</sup> Backing up these words with actions, however, will involve making a series of difficult choices and trade-offs.

These choices are particularly pressured and fractious when it comes to the defence and security relationship with Saudi Arabia. At a moment when the UK's foreign policy looks more open to change since the end of the Cold War, the relationship is being scrutinised. While some see it as central to the UK's influence in the Gulf, for others it is increasingly controversial, and potentially morally and ethically wrong, particularly in light of Saudi's recent activities in Yemen and its poor human rights record.

With tensions mounting on the global stage and the UK government's new vision for international engagement, it is an opportune moment to take a step back and review the UK-Saudi Arabia relationship.

There are important questions to answer: what is the UK seeking to gain from its relationship with Saudi Arabia? Is the relationship with Saudi as beneficial to the UK as is so often proclaimed? What are the benefits to the relationship, as well as the inevitable drawbacks? What would the UK look like if the relationship were diminished, or even ended? What are the potential risks to the UK if the deep partnership is continued in its current state?

This report offers answers to these questions, as well as asking whether the wider UK-Saudi Arabia defence and security relationship (including but not limited to arms exports) has provided the UK with leverage over Saudi foreign policy decisions, especially with regard to Saudi Arabian actions in Yemen. It also assesses the coherence of the relationship between the two countries in light of the UK's commitment to champion the international rules-based order.

The research which underpins this report had two distinct phases. The first involved mapping the UK government's stated objectives for the relationship with Saudi Arabia. To do so, we conducted a systematic search for all press releases and news stories published on the government's website across all departments since 2010. While the search term was the same for all departments – namely 'Saudi Arabia' – the inclusion and exclusion criteria

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<sup>1</sup> HMG, Foreign and Commonwealth Office, 'Global Britain: delivering on our international ambition'. Collection. 13 June 2018.

differed. This search produced a total of 758 results, of which 102 were relevant to the study and analysed in detail. The exercise was initiated and completed on 2 March 2018. While press releases and news stories published since then have been taken into account, they are not included in this analysis.

To complement the systematic search, we conducted five interviews with former senior UK government officials from the Ministry of Defence and the Foreign and Commonwealth Office, as well as a humanitarian organisation currently operating in Yemen.

The report begins by examining shifts in Saudi Arabian foreign policy in the Middle East, particularly in the context of the war in Yemen. In the next section, we discuss the UK-Saudi Arabia relationship, including its security dimension, joint counter-terrorism efforts and the UK's support for Saudi Arabia's military intervention in Yemen. In the fourth section, we provide a cost-benefit analysis of the UK's relationship with Saudi Arabia, focussing on economic costs and damage to the UK's international reputation. Finally, we conclude by suggesting a set of policy recommendations.



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## 2. Saudi Arabia's quest for regional dominance

In June 2017, Mohammad bin Salman (MBS) was appointed Crown Prince of Saudi Arabia, heralding for some a rejuvenated, and potentially more enlightened, direction for the country. However, in foreign policy terms, MBS's vision has seen Saudi Arabia become undeniably more militaristic and more interventionist.

As part of this, Saudi Arabia is seeking to strengthen its domestic defence industry, with plans to spend 50 per cent of its defence equipment budget on procuring from domestic defence companies by 2030 – a stark increase from 2 per cent in 2016.<sup>2</sup> And in May 2017, the Saudi Arabian Public Investment Fund created a national defence company, Saudi Arabian Military Industries, to further bolster these efforts.<sup>3</sup> The consequence of these developments will be to reduce the country's dependence on foreign arms sellers, including the UK.

Saudi Arabia's foreign policy under MBS is predominantly focused on the threat posed by Iran, itself seeking to expand its influence in the Middle East. Saudi Arabia views this as an existential threat, one that must be curbed by consolidating its position as a regional power, including in countries with Shia populations such as Lebanon, Iraq and, crucially, Yemen.<sup>4</sup>

Prior to these policy shifts, the 9/11 terrorist attacks on the United States made counter-terrorism increasingly central to the relationship between Saudi Arabia and its allies in Europe and North America. It also altered these nations' demands of Saudi Arabia. The fact that 15 of the 19 terrorists involved in 9/11 were Saudi citizens increased pressure from a number of countries, most notably the US and the UK, on Gulf states to tackle extremism and radicalisation in the region. In 2011, Saudi Arabia pledged \$110 million to help establish the UN Counter-Terrorism Centre,<sup>5</sup> and today, the UK and Saudi Arabia are both members of the US-led coalition against ISIS, although the two countries have diverging end goals, particularly with regard to Syria.

The challenge for Saudi Arabia's allies, however, has been that while the UK and other countries have urged Saudi Arabia to tackle terrorism in the region, Saudi Arabia's lead role in the war in Yemen, in which the Gulf state perceives itself to be tackling terrorism on its own border, has proven controversial.

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2 Stancati, M. 'Arab nations push to develop their own defense industries', *The Wall Street Journal*. 29 March 2018; 'Future of the Saudi Arabia defense industry – market attractiveness, competitive landscape and forecasts to 2022', *PR Newswire*. 10 August 2017).

3 *PR Newswire*, 2017.

4 Al-Rasheed, M. 'King Salman and his son: Winning the US, losing the rest', *Middle East Centre Blog*. London School of Economics. 18 September 2017. For further reading on the Saudi-Iranian rivalry see Ibish, H. 'What's at stake for the Gulf Arab States in Syria?', *The Arab Gulf States Institute in Washington*. 30 June 2016.

5 Kingdom of Saudi Arabia, *Saudi Arabia and counterterrorism*. April 2017.

**Figure 1:** Saudia Arabia's regional flashpoints



Saudi Arabia's ambitions have formed the basis for a more muscular foreign policy, evidenced by a number of diplomatic spats and incidents, as well as the fighting of proxy wars in Yemen and Syria.<sup>6</sup> Incidents have included a blockade of Qatar by Saudi Arabia, the UAE, Bahrain and Egypt, which ultimately backfired<sup>7</sup>; an odd two-week period in November 2017 when Saudi Arabia was holding the Lebanese Prime Minister, Saad Hariri, hostage in Riyadh and tried to force him to resign – which equally failed thanks to a deal for his release brokered by the US, France and Egypt; and alliance-building with the UAE for the conflict in Yemen, despite pursuing different tactical objectives on the ground.<sup>8</sup>

### Saudi Arabia and the conflict in Yemen

On the whole, then, MBS has had few foreign policy victories. Yet major effort has gone into the war on Yemen. MBS, alongside Abu Dhabi's Crown Prince, Mohammed bin Zayed, is the driver behind the war, which is currently being fought by a coalition of African and Middle Eastern countries, including Bahrain, Egypt, Kuwait and Sudan. The Saudi-led coalition launched

6 For more information see Ibish, H. 'What's at stake for the Gulf Arab States in Syria?', *The Arab Gulf States Institute in Washington*. 30 June 2016. p. 15 and Dickinson, E. 'Playing with fire: Why private Gulf financing for Syria's extremist rebels risks igniting sectarian conflict at home', *Brookings Institute*. Analysis paper No. 16. December 2013.

7 'The boycott of Qatar is hurting its enforcing', *The Economist*. 19 October 2017.

8 Cordesman, A. H. 'Military cooperation in MENA: Uncertainty in the face of changing threats', *Middle East Institute*. MEI Policy Paper. August 2016. P. 4.

its military campaign in Yemen in 2015, following the ousting of Yemeni President Abdrabbuh Mansur Hadi in 2014 by Iran-backed Houthis and the previous president, Ali Abdullah Saleh.

The war in Yemen has so far caused 5,295 civilian deaths,<sup>9</sup> put 20.7 million people – 75 per cent of Yemen’s population – in need of some form of humanitarian assistance or protection,<sup>10</sup> and led to the largest cholera outbreak in recent history.<sup>11</sup> The coalition has been accused of breaching international humanitarian law (IHL) and committing human rights abuses through its allegedly deliberate targeting of civilians and non-military targets, and by imposing a blockade of aid and essential goods to Yemen’s civilian population.

Saudi Arabia’s formal justification for the war in Yemen is two-fold: first, that it is in support of Yemen’s legitimate government, and has been requested by the recognised Yemeni president – and, crucially, that the war is therefore in



9 The United Nations Office at Geneva, 'Regular press briefing by the information service'. 7 November 2017.

10 United Nations Office for the Coordination of Humanitarian Affairs, 'About OCHA Yemen'. [Online] Available from: <http://www.unocha.org/yemen/about-ocha-yemen> (accessed 30 March 2018).

11 Thompson, R. 'Yemen's health crisis: How the world's largest cholera outbreak unfolded', *Chatham House*. 2 November 2017.



accordance with Article 51 of the UN Charter.<sup>12</sup> It is worth noting, however, that Hadi's term had expired by that point.<sup>13</sup> Second, Saudi Arabia argues that the war is preventing Iran from acquiring control over Yemen as a result of the power vacuum created by the instability that followed the Houthi coup, and in turn stopping a key regional enemy from establishing a puppet regime on the southern Saudi border.<sup>14</sup>

Saudi Arabia's fear is that the Houthis might consolidate their grasp on Yemen – and its access to sea routes – and use it to entrench themselves on the Arabian Peninsula and develop into something resembling another Iran-backed group, namely Hezbollah in Lebanon.

These justifications, in particular the second, are closely tied to Saudi Arabia's ambition to be the dominant regional power. According to Saudi thinking, this requires curbing Iranian influence in the Middle East, and in particular the Gulf, which Saudi considers its backyard at a time when the US is perceived to be retreating from the region.

However, as a consequence of Saudi Arabia's conduct in Yemen, Saudi Arabia is losing support from some Western countries. Germany, Norway and Belgium have now, to varying degrees, put a temporary end to arms transfers to the Kingdom due to the growing outcry over the human toll of the conflict.

MBS's only real foreign policy achievement so far has been to gain the support of US President Donald Trump – for now.<sup>15</sup> From MBS's perspective, the relationship between the US and Saudi Arabia has been central to the maintenance of the Saudi state since the 1950s, and today the US is viewed as the only ally able to secure Saudi Arabia's survival, given the extent of its military arsenal and willingness to engage in military intervention.<sup>16</sup> It is therefore unlikely that MBS will pay much attention to Saudi Arabia's traditional European allies, such as the UK and France. While the UK-Saudi Arabia relationship started flourishing in the 1980s with the notorious Al-Yamamah arms deals, it was not until 2001 and the involvement of Saudi citizens in the 9/11 attacks – which put an end to arms transfers with the US – that the country turned instead to the chief European arms exporters.<sup>17</sup> During the Obama administration, however, arms exports surged again, reaching their highest peak since the 1990s, with Saudi Arabia becoming the world's second largest arms importer.<sup>18</sup>

It is clear, then, that since MBS's rise to power, both as Defence Minister and as Crown Prince, Saudi Arabia has attempted to tighten its hold on regional geopolitics by pursuing a more aggressive foreign policy. The success of this shift remains to be seen.

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<sup>12</sup> HE Abel bin Ahmed Al-Jubeir, speech at Chatham House, London 7 September 2016.

<sup>13</sup> Mundy, M. 'What kind of war is the Yemen war?', *Middle East Research and Information*. 27 March 2018.

<sup>14</sup> Riedel, B. 'The man who would be king in Saudi Arabia', *Brookings Institute*. 10 May 2016.

<sup>15</sup> Al-Rasheed, 'King Salman and his son', 2017.

<sup>16</sup> *Ibid.*

<sup>17</sup> Al-Rasheed, M. 'Salman's son and Europe: Secondary partnerships', *Middle East Centre Blog*. London School of Economics. 20 September 2017.

<sup>18</sup> 'Asia and the Middle East lead rising trend in arms imports, US exports grow significantly, says SIPRI', *SIPRI*. 12 March 2018.

# 3. The extent of the UK-Saudi Arabia relationship

Saudi Arabia is perceived by the UK government to be a key – perhaps the key – ally in the Middle East, and economic and security cooperation the two central components of the alliance.

## Text box 1: Mapping the UK's objectives<sup>19</sup>

In order to map the UK government's aims for its relationship with Saudi Arabia, we created a 'typology of objectives'. The objectives fall broadly into three categories: 1) security, 2) economic, and 3) Global Britain.

### Theme 1: Security

Maintaining national security is the UK government's primary objective for its relationship with Saudi Arabia. Its belief that it can achieve this is in part based on the premise that Islamist-inspired terrorism forms a significant threat to both countries, and as such, that cooperation on combatting terrorism and radicalisation is necessary to keep the UK safe. A second assumption is that the UK's national security is linked directly to the security situation in Saudi Arabia, and the stability of the wider Gulf region: the phrase 'Gulf security is our security' is repeatedly used by British Prime Ministers and Foreign and Defence Secretaries.

### Theme 2: Economic

While certainly less of a cornerstone of the relationship than the security dimension, there is a significant focus on the perceived economic benefits that the trade relation with Saudi Arabia brings to the UK. With the onset of Vision 2030 in particular, there has been a clear objective for the UK government to create opportunities for British businesses to start or expand their operations in Saudi Arabia.

### Theme 3: Global Britain

Since the Brexit vote, a third category has emerged, whereby the objective is to seek to offset the implications of Brexit for the UK. In the wake of the referendum, the focus has been on using soft power to continue to foster close ties between the two countries.

## Deepening economic ties under Global Britain and Vision 2030

Saudi Arabia is, according to the rhetoric, a key trading partner for the UK. Trade exports in goods and services to Saudi Arabia totalled £6.2 billion in 2016, and imports from Saudi Arabia to the UK were worth £2 billion.<sup>20</sup> Over 6,000 UK firms export goods to Saudi Arabia.<sup>21</sup> The question of how significant this is for the UK's economy will be analysed in the next section, where we look at the consequences of the UK-Saudi Arabia relationship for

<sup>19</sup> The mapping process involved an analysis of all news stories and press releases concerning Saudi Arabia published from 2010 to 2 March 2018 across government departments, including the Ministry of Defence, the FCO, Number 10 and the Ministry of International Trade.

<sup>20</sup> Hay, G. 'Breakingviews – Anglo-Saudi trade love-in starts from low base', *Reuters*. 8 March 2018.

<sup>21</sup> HMG, Department for International Trade, 'Doing business in Saudi Arabia: Saudi Arabia trade and export guide'. Last updated 15 February 2016.

the UK. In this section, we assess the implications of new policy approaches for future UK-Saudi Arabia relations.

In 2016 Saudi Arabia announced 'Vision 2030', a programme of economic reform aimed at diversifying the country's economy and reducing its dependence on oil. As a result of this new vision, the UK government is seeking to create opportunities for British businesses to start or expand their operations in Saudi Arabia.

In November 2017, Prime Minister Theresa May stated that 'the UK will continue to work in close partnership with Saudi Arabia as it builds on this progress and delivers its ambitious programme of reform, Vision 2030'.<sup>22</sup> Then Foreign Secretary Boris Johnson also spoke about Vision 2030 during his visit to the country in January 2018, saying: '... as a world leader across a wide range of sectors, the UK is well-placed to help Saudi Arabia deliver these changes'.<sup>23</sup>

Additionally, since the EU referendum, the UK has indicated a greater desire to exercise soft power as part of the government's Global Britain agenda. The government's public statements have focused on seeking to continue fostering a close relationship with Saudi Arabia and wish to in part offset some of the effects of Brexit by increased trade between the two countries. For example, ahead of a visit to the region to meet with GCC leaders, Theresa May said:

The Gulf is already our largest investor and our second biggest non-European export market and I think there is huge potential to expand this relationship in the years ahead. As the UK leaves the EU, we should seize the opportunity to forge a new trade arrangement between the UK and the Gulf.<sup>24</sup>

A trend clearly noticeable since the 2016 referendum has been the increased interlinking of security objectives with other perceived advantages that the UK-Saudi relationship brings. Vision 2030 in particular is something that Theresa May has focused a lot of her attention on, reiterating as often as possible that the UK is well-placed to help Saudi Arabia deliver on this programme. This is clearly in keeping with the Global Britain agenda that the government is pursuing in an attempt to mitigate any negative impacts of Brexit and maximise any potential opportunities it produces.

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<sup>22</sup> HMG, Prime Minister's Office, 'PM statement on Saudi women gaining right to drive'. News story. 27 September 2017.

<sup>23</sup> HMG, Foreign and Commonwealth Office, 'Foreign Secretary travels to Oman and Saudi Arabia'. Press release. 24 January 2018.

<sup>24</sup> HMG, Prime Minister's Office, 'PM seeks to turbo-charge trade between the UK and the Gulf'. Press release. 5 December 2016.

## Text box 2: Explaining Vision 2030

Since MBS's rapid rise to power, Saudi Arabia has publicly committed itself to pursuing a range of social reforms. The Kingdom is increasingly looking to modernise and to improve its international and domestic image. The latest articulation of this desire, Vision 2030 seeks to reduce Saudi's dependence on oil and diversify the economy. As part of this, the Kingdom has announced a series of reforms and policies, such as rationing of fuel and electricity, collecting VAT for certain products, as well as social policies such as financial support for lower-income families through the Citizen's Account programme.<sup>25</sup>

Some commentators have argued that the current pace of reform in Saudi Arabia is unprecedented and signals the beginning of a new, modern era. In particular, the shifts in social policy and economic reform have come as a surprise to many, and a sign that positive change is occurring at the hands of MBS. Two reforms in particular have benefitted from much media attention: granting women the right to drive and the appointment of Tamader al-Rammah as Deputy Labour Minister for Social Affairs, making her the highest-ranking female official in the country.

However, on the other hand, the more critical Saudi watchers question to what extent these, in some cases drastic, shifts in policy will alter and improve outcomes for everyone in the Kingdom. While the reforms are aimed at fostering social change and demonstrating progressiveness, such a concentration of power in the hands of one individual is unprecedented since the founding of the modern Kingdom, and by its nature goes against liberal norms and values.<sup>26</sup>

While some of these reforms are indeed promising, they are nonetheless happening under an autocratic regime, which is inherently in conflict with liberal values as they are typically understood. Indeed, for all the talk of social progress, human rights abuses continue in Saudi Arabia in the form of jailing and oppressing those critical of the regime, and, most recently, the planned execution of a female activist for peaceful campaigning.<sup>27</sup>

## Security cooperation is the most important element of the UK-Saudi Arabia relationship

For the UK, the most important part of its relationship with Saudi Arabia is, arguably, the security dimension.. Having and maintaining current levels of security cooperation with Saudi Arabia seems to be an objective in and of itself.

Often the UK government has directly linked the UK's national security to the security situation in Saudi Arabia and stability in the wider region. Marking the signing of a new Military and Security Cooperation Agreement in 2016, then Defence Secretary Michael Fallon said:

The security of the GCC, of all Gulf Countries, is critical to UK security. I am delighted to have signed today with HRH the Crown Prince of Saudi Arabia a new Military and Security Cooperation Agreement between our two countries; this Agreement further cements the UK's long standing relationship with our key Gulf partner.<sup>28</sup>

25 Young, K. E., 'Saudi economic reform update: Saudization and expat exodus', *The Arab Gulf States Institute in Washington*. 28 February 2018.

26 Kerr, S. and Al Omran, A., 'Dramatic reshuffle reshapes Saudi Arabia's leadership', *Financial Times*. 21 June 2017.

27 'Saudi Arabia: Events of 2017', *Human Rights Watch*. 2017; Graham-Harrison, E. 'Saudi Arabia seeks death penalty against female human rights activist', *The Guardian*. 22 August 2018.

28 HMG, Ministry of Defence, 'New agreement strengthens UK-Saudi Arabia defence relationship'. News story. 19 September 2017.

This is further reinforced by the phrase ‘Gulf security is our security’, which is used repeatedly by British Prime Ministers and Foreign and Defence Secretaries, seemingly to send a dual message: on the one hand, to justify close UK-Saudi ties to the public at home, and on the other, to make the case for continued closer cooperation to Saudi counterparts.<sup>29</sup>

The UK has a long history of relations with Saudi Arabia, which stretches back to the early 20th century.<sup>30</sup> In the intervening years, the US began overtaking the UK as the key global power, and in doing so strengthened its links with the Gulf state, at Britain’s expense. However, new impetus was given to the UK-Saudi relationship through arms transfers, and since the 1960s deep military ties have evolved between the two countries, with the UK playing a considerable role in increasing Saudi military capability.<sup>31 32</sup>

In the 1980s, Prime Minister Margaret Thatcher was instrumental in delivering significant contracts for BA Systems (BAE systems today) known as the ‘Al Yamamah’ – or ‘white dove’ – deals, against a backdrop of allegations of corruption. The deals involved the sale of Tornado, Hawk and PC-9 aircrafts to the Royal Saudi Air Force. Since then, the project’s successor, the Al-Salam, has seen sales of £2.7bn for Eurofighter Typhoons, which, following MBS’s visit to the UK in March 2018, may be topped up by a further 48 Typhoons worth £10 billion.<sup>33</sup> These are government-to-government deals, whereby BAE Systems fulfils the UK’s obligations.<sup>34</sup> The total value of the Al Yamamah sales from 1985 to 2010 is estimated to be £43 billion, the UK’s largest ever arms deals.<sup>35</sup>

Today, there are currently around 100 British military personnel based in Saudi Arabia, according to the UK government. This includes personnel in the defence section at the British embassy in Riyadh and the military mission to the Saudi Arabian National Guard.<sup>36</sup> British staff fulfil liaison and mentoring roles, as well as providing advice to the National Guard, helping to acquire and support modern communication capabilities, supporting the Saudi Royal Air Force in the form of training, and providing guidance and advice on the correct application of IHL.<sup>37</sup>

Aside from civil servants and British Armed Forces personnel, part of the defence engagement relationship with Saudi Arabia includes activities carried out by BAE Systems, through the Ministry of Defence Saudi Armed Forces Projects (MODSAP). In this instance, the line between the government and the prime contractor, BAE, becomes blurred, and while MODSAP is part of the UK Ministry of Defence, it is staffed by both service and civilian personnel.<sup>38</sup> MODSAP is responsible for fulfilling the UK government’s

29 See for example HMG, Ministry of Defence, ‘Defence Secretary visits Middle East partners’. News story. 23 June 2014.

30 House of Commons, Foreign Affairs Committee, ‘The UK’s relations with Saudi Arabia and Bahrain: Volume I’, Fifth report of session 2013-2014. HC 88. 22 November 2013. P. 28.

31 Al-Rasheed, M., *A history of Saudi Arabia*. 2nd edition. Cambridge University Press, 2010. p. 113.

32 ‘Saudi-British relations’, *Middle East and North Africa Programme Summary*. Chatham House. 15-16 April 2014.

33 Watts, J. ‘Saudi Arabia moving towards purchase of 48 Typhoon fighter jets from UK after Crown Prince visit’, *Independent*. 9 March 2018.

34 Stavrianakis, A. ‘When “anxious scrutiny” of arms exports facilitates humanitarian disaster’, *The Political Quarterly*. 89:1. 5 October 2017.

35 Perlo-Freeman, S. ‘The Al Yamamah arms deals’, *World Peace Foundation*. 5 May 2017.

36 HMG, ‘Fourth report of the Foreign Affairs Committee Session 2016-17, the use of UK-manufactured arms in Yemen: Response of the Secretaries of State for International Trade, Defence, Foreign and Commonwealth Affairs, and International Development’. CM 9353. November 2016. P. 8.

37 *Ibid.*

38 ‘MODSAP: Fulfilling obligation under arrangements signed between the UK and Saudi Arabian governments’, BAE

obligations under the Saudi-British Defence Cooperation Programme and the Al-Salam project.<sup>39</sup> The government has stated that it provides 'routine engineering support for UK supplied aircraft and their systems under long-standing government-to government arrangements', and 'supports officer and aircrew training for student pilots and ground technicians'.<sup>40</sup>

The UK also provides training for Saudi Arabian military personnel and takes part in joint training exercises, and the two countries have a number of officer exchange programmes. In 2012, the UK signed an agreement to support the operations of the Royal Saudi Air Force, in the form of 22 BAE Systems Hawk Advanced Jet Trainers), 55 PC-21 advanced turboprop trainers, 25 primary training aircraft, and a variety of advanced aircrew training devices, upgraded training facilities, and initial spares support.<sup>41</sup>

In addition, three Saudi Arabian nationals were sent to the Royal Military Academy Sandhurst (at a cost of £54,000) in 2015-2016, the latest year for which there is publicly available data. Sandhurst generated £494,000 in income from Saudi officers enrolling there between 2007 to 2016. While this may be a significant amount in and of itself, it is much lower than that generated by nationals of the UAE (£2,766,000), Oman (£2,167,000), and Bahrain (£2,031,000).<sup>42</sup>

Former Defence Minister Lord Howe has said that there are multiple benefits of having foreign nationals attending Sandhurst:

These courses expose international partners to UK policy, and promote concepts of accountability, human rights and transparency. They are important in building skills which enable other countries to deal appropriately with their own internal problems, thereby contributing to regional security.<sup>43</sup>

The validity of this claim is difficult to assess, and even more difficult to take at face value against the backdrop of alleged IHL violations in Yemen by the Royal Saudi Air Force.

In addition to such co-optive military activities, the UK and Saudi Arabia have developed the hard elements of their security relationship. They have undertaken joint military training exercises on a regular basis, at times bilaterally, and at times as part of a contingent with other Gulf states.<sup>44</sup>

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*Systems*. [Online] Available from: <https://www.baesystems.com/en/our-company/our-businesses/bae-systems-saudi-arabia/our-partners/modsap> (accessed 30 March 2018).

39 'MODSAP: Fulfilling obligations under arrangements signed between the UK and Saudi Arabian Governments'.

40 HMG, 'Fourth report of the Foreign Affairs Committee Session 2016-17, the use of UK-manufactured arms in Yemen: Response of the Secretaries of State for International Trade, Defence, Foreign and Commonwealth Affairs, and International Development', 2016. P. 9

41 HMG, Ministry of Defence, 'UK and Saudi Arabia agree deal on officer and aircrew training'. News story. 23 May 2012.

42 House of Lords, 'Royal Military Academy: Written question – HL4953 asked by Baroness Jolly'. 21 January 2016.

43 *Ibid*.

44 See HMG, Ministry of Defence, 'Royal Navy on exercise in Middle East'. News story. 18 September 2013; and HMG, Ministry of Defence, 'HMS Somerset's marines train with Saudi Arabian troops'. News story. 13 February 2012.

## Successful joint counter-terrorism cooperation is a key justification for the relationship

In recent years a number of Gulf states, in particular Saudi Arabia, have felt that the US was beginning to turn its back on the idea of proactive assertiveness in the region, just as the UK did after the decline of the British empire.<sup>45</sup> As a result, states in the Gulf have been strongly encouraged to address terrorism in the region themselves, without relying on support from the US and UK. This has become an especially pressing issue since 9/11.

The security relationship between the UK and Saudi Arabia is based on the premise that Islamist-inspired terrorism forms a significant, if not existential, threat to both countries. As such, the stated justification for such close ties is predominantly based on combatting terrorism and radicalisation.<sup>46</sup> Saudi Arabia views security cooperation between the two countries as significant enough to receive a special section in its counter-terrorism strategy white paper.<sup>47</sup>

The UK, meanwhile, argues that its relationship with Saudi Arabia is essential to prevent attacks on British soil. Then Prime Minister David Cameron argued in 2015 that Saudi Arabia provides ‘important intelligence and security information that keeps us safe. The reason we have the relationship is our own national security’.<sup>48</sup> In an interview with ITN, former Defence Secretary Sir Malcolm Rifkind also said: ‘The intelligence relationship is crucial’.<sup>49</sup> The UK government claims that ‘intelligence sharing with Saudi Arabia and the other Gulf states has helped prevent terrorist attacks going ahead’, and Theresa May regularly identifies the 2010 cargo plane bomb plot, which was foiled in time largely due to Saudi intelligence, as proof of the advantages of these close security ties.<sup>50</sup> It would appear that the newly in post Foreign Secretary, Jeremy Hunt, has the same opinion; he said in a recent interview that work with Saudi Arabia ‘means that we stop bombs going off on the streets of Britain’.<sup>51</sup>

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45 ‘Saudi-British relations’, Chatham House, 2014.

46 HMG, Prime Minister’s Office, ‘Prime Minister’s speech to the Gulf Cooperation Council 2016’. Speech. 7 December 2016.

47 Kingdom of Saudi Arabia, 2017.

48 ‘David Cameron challenged over Saudi Arabian teenage’, *Channel 4 News*. 6 October 2015.

49 Omaar, R. ‘Why Yemen’s civil war puts UK in tricky position’, *ITV News*. 30 March 2016.

50 Borger, J. and McGreal C. ‘Cargo plane bomb plot: Saudi double agent “gave crucial alert”’, *The Guardian*. 1 November 2010.

51 ‘Jeremy Hunt defends UK-Saudi ties after Yemen bus deaths’, *BBC News*. 22 August 2018.

## There is a lack of clarity on the extent of the UK's military involvement in the war in Yemen

The UK has provided military advisors, intelligence, and continues to license arms for transfer to Saudi Arabia. However, there is a lack of clarity on the exact role of British military and civilian personnel in the command and control room, ie how closely involved they are in decision-making processes. This is despite public and parliamentary questions over the UK's role in Saudi Arabia and Yemen.

In response to public and parliamentary concern, the government remains opaque and contradictory in its statements. The Saudi Arabian Foreign Minister, Adel al-Jubeir, stated in January 2016 that:

We have British officials and American officials and officials from other countries in our command and control centre. They know what the target list is and they have a sense of what it is that we are doing and what we are not doing.<sup>52</sup>

And also said: 'We pick the targets, they don't'.<sup>53</sup>

In response to a question from Labour MP Hillary Benn on the type of assistance given to Saudi Arabia, then Foreign Secretary Philip Hammond said:

We do have a military presence in Saudi Arabia, and we are working with the Saudi Arabians to ensure the following of correct procedures to avoid breaches of international humanitarian law—to ensure that target sets are correctly identified and processes correctly followed and that only legitimate military targets are struck.<sup>54</sup>

This was followed by the claim that 'so far, in every case, our people on the ground have reported that there is no evidence of deliberate breaches of international humanitarian law'.<sup>55</sup>

In November 2016, the Secretaries of State for International Trade, Defence, Foreign Affairs, and International Development responded to the Foreign Affairs Committee's report on the use of UK manufactured arms in Yemen, in which they stated:

We have a very small number of staff working in Saudi headquarters in a liaison capacity only. These liaison officers are not embedded personnel taking part in the Saudi Arabian-led operations and are not involved in carrying out strikes, directing or conducting operations in Yemen or selecting targets, nor in the Saudi targeting decision-making process. All UK personnel remain under UK command and control. We do not discuss specific numbers for reasons of safeguarding operational security.<sup>56</sup>

52 Graham-Harrison, E. 'British and US military "in command room" for Saudi strikes on Yemen', *The Guardian*. 15 January 2016.

53 *Ibid.*

54 House of Commons, 'Oral Answers to questions: Foreign and Commonwealth Office'. 16 January 2016. Column 697.

55 *Ibid.*

56 HMG, 'Fourth report of the Foreign Affairs Committee Session 2016-17, the use of UK-manufactured arms in Yemen: Response of the Secretaries of State for International Trade, Defence, Foreign and Commonwealth Affairs, and International Development', 2016.



The government's responses have reflected a reticence to discuss sensitive issues about its relationship with Saudi Arabia. Crucial questions around, for example, the nature of UK assistance and the roles and responsibilities of British personnel in the command and control room therefore remain unanswered.

Moreover, the UK government has sought to manage questions around what it knows about alleged violations of IHL by issuing six corrections to the parliamentary record in July 2016.<sup>57</sup> For example, in response to questions about whether Saudi Arabia's actions have been in breach of IHL, Philip Hammond stated: 'we have assessed that there has not been a breach of IHL by the coalition'.<sup>58</sup> The correction, however, read: 'we have not assessed that there has been a breach of IHL by the coalition', thereby denying the existence of assessments which the government had been previously claimed existed.<sup>59</sup> In our view, this is deeply misleading.

In last year's parliamentary inquiry into the use of UK-manufactured weapons by Saudi Arabia in Yemen, Dr Robert Dover of Loughborough University and Professor Mark Phythian of the University of Leicester argued that 'the UK government has placed itself in an invidious position of fighting a proxy war in the Yemen alongside the Saudis, and thus has tied its own hands: it has virtually no choice but to supply military equipment into that theatre at ongoing reputational cost'.<sup>60</sup>



Copyright: Eurofighter Typhoon - Katsuhiko Tokunaga

<sup>57</sup> Stone, J. 'Government quietly admits it was wrong to say Saudi Arabia is not targeting civilians or committing war crimes', *Independent*. 22 July 2016.

<sup>58</sup> House of Commons, 'Yemen: Military intervention: Written question – 24771 asked by Hilary Benn'. 15 February 2016.

<sup>59</sup> House of Commons, 'Correction to Parliamentary questions and Westminster debates: Written statement – HCWS125, made by Tobias Ellwood, Foreign and Commonwealth Office'. 21 July 2016.

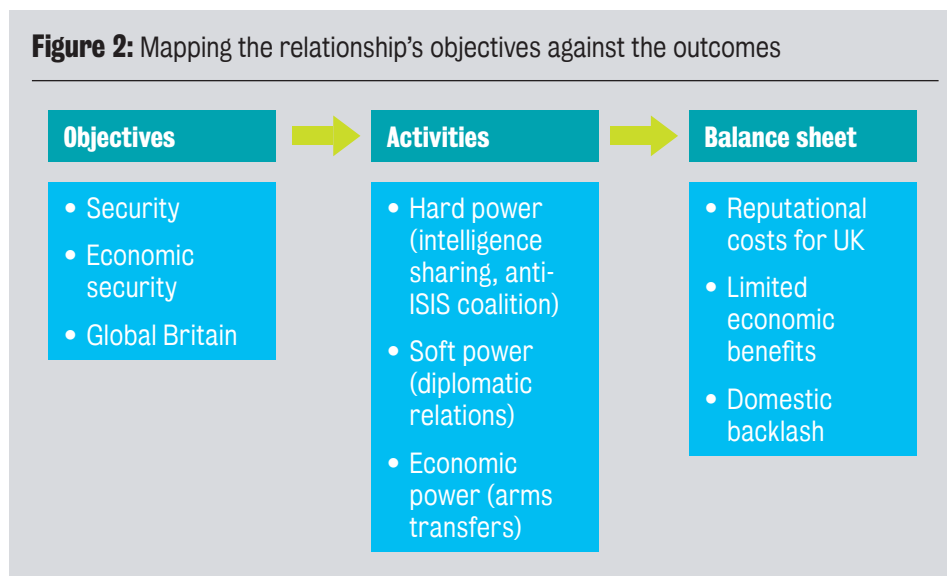
<sup>60</sup> Dover, R. and Phythian, M. 'Written evidence from the University of Leicester (UKY 01)', submitted as written evidence to the House of Commons, Business, Innovation and Skills and International Development Committees. 23 March 2016.

## 4. The balance sheet: what does the UK gain from its relationship with Saudi Arabia?

*'So as we reach out into the world and write this new chapter in our national history, the task of a Global Britain is clear. To defend the rules-based international order against irresponsible states that seek to erode it'.<sup>61</sup>*

– Prime Minister Theresa May,  
Speech to the Lord Mayor's Banquet, 13 November 2017

**Figure 2:** Mapping the relationship's objectives against the outcomes



The main question for this study is whether the wider UK-Saudi Arabia security relationship (including arms exports and transfers) has provided the UK with leverage over Saudi foreign policy decisions. This idea is based on the premise that arms exports provide a particular kind of benefit to the UK: influence and leverage on the policies of recipient states, whereby 'arms transfers provide an opportunity for the UK to employ the (implicit or explicit) threat of curtailing arms transfers if the recipient government fails to accommodate the UK's position'.<sup>62</sup>

Yet that leverage can be called into question. If UK soft power is built through the exporting of democratic values, respect for human rights and other norms generally associated with advanced Western economies,<sup>63</sup> then how is that soft power actually cashed in? This is particularly problematic when it comes to Saudi Arabia. Theresa May claimed in April 2017, at the start of a visit

<sup>61</sup> HMG, Prime Minister's Office, 'PM speech to the Lord Mayor's Banquet 2017'. Speech. 13 November 2017.

<sup>62</sup> Dorman, A., Uttley, M. and Wilkinson, B. 'A benefit, not a burden: The security, economic and strategic value of Britain's defence industry'. The Policy Institute at King's College London. April 2015. P. 55

<sup>63</sup> House of Lords, Select Committee on Soft Power and the UK's Influence, 'Persuasion and power in the modern world'. Report of session 2013-14. HL Paper 150. 28 March 2014.

to Jordan and Saudi Arabia, that ‘an even deeper partnership with these countries, and greater knowledge and understanding of one another, will increase our ability to address the issues that concern us’.<sup>64</sup>

However, progress has been slow at best, and non-existent at worst. Saudi Arabia, after all, has consistently received the worst rating for political rights and civil liberties from the NGO Freedom House, and is ranked 159 out of 167 in the world in its Democracy Index.<sup>65</sup> The country continues to stifle freedom of expression by jailing journalists and punishing political dissent. Fundamentally, the UK’s relationship with Saudi Arabia seems to have failed to shift the latter’s long-standing and poor record on human rights.

Furthermore, the UK’s decision to maintain these close ties is domestically unpopular and appears to be politically futile. Indeed, there is little evidence to suggest that the UK holds any significant influence over the Gulf state. Nevertheless, there remains a stubborn assumption on the part of the UK government that there is influence to be had through defence ties with Saudi Arabia. As the 2017 Defence Engagement Strategy notes, such forms of engagement will allow the UK ‘to secure influence through our bilateral and multilateral engagement’<sup>66</sup> and ‘build and maintain access and influence’.<sup>67</sup> Yet while the word ‘influence’ is mentioned 24 times in a 20-page document, the strategy fails to set out what it really means, what it looks like, or indeed how to measure it.

This is clearly an important relationship in the eyes of the government. It is equally clearly an unpopular one publicly, and a contested one politically. We have therefore sought to assess the costs and benefits of the UK-Saudi relationship to the UK. In our view, UK influence appears to be paper thin and of minimal impact on Saudi Arabia’s operations. Despite this, the UK continues to support the relationship to the detriment of its own domestic and international reputation. Most troubling of all is that the relationship undermines the UK’s desire to be seen as a champion of international law.

Without belabouring the point, we found that Saudi Arabia influences the UK more than the other way around. The dichotomy of the UK-Saudi Arabia relationship is demonstrated through the influence Saudi has over democratic processes in the UK. In 1992, the then Chairman of the Public Accounts Committee, Conservative MP Lord Sheldon, prevented the publication of a memorandum by the National Audit Office (NAO) on the corruption allegations surrounding the Al Yamamah deals – the only NAO report that has never been publicly released.<sup>68</sup>

In 2005, then Prime Minister Tony Blair, facing Saudi Arabian pressure, called off a Serious Fraud Office investigation into the same issue, citing concerns for the prospects of BAE Systems winning another contract with the country.<sup>69</sup> In 2008 this decision was found to be illegal by the High Court, which in the

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64 HMG, Prime Minister’s Office, ‘PM to visit Saudi Arabia and Jordan to “deepen true strategic partnerships”’. Press release. 3 April 2017.

65 ‘Freedom in the world 2017: Saudi Arabia’. *Freedom House*; The Economist Intelligence Unit, *Democracy Index 2017*. 2017.

66 HMG, Ministry of Defence and Foreign and Commonwealth Office, ‘International defence engagement strategy’. 2017. P. 3

67 HMG, Ministry of Defence and Foreign and Commonwealth Office, 2017. P. 10

68 House of Commons, Public Account Committee, ‘Statement from the chairman of the committee – National Audit Office memorandum: Saudi Arabian Air Force project (Al Yamamah)’. 29 January 1992; Hope, C. and Osborne, P. ‘The auditor general and Saudi arms deals’, *The Spectator*. 17 October 2007.

69 Morris, N. ‘Britain rebukes for dropping bribe inquiry’, *Independent*. 19 January 2007.

judgement's conclusion stated: 'no-one, whether within this country or outside is entitled to interfere with the course of our justice'.<sup>70</sup> More recently, the Home Office withheld publication of a 2017 report into terrorist financing in the UK which would have reflected poorly on Saudi Arabia.<sup>71</sup> Saudi Arabia has made it very clear in the past that they are willing to significantly reduce or halt trading with the UK.<sup>72</sup>

### **The UK is incurring reputational damage as a result of its relationship with Saudi-Arabia**

Domestically, there is low public and parliamentary support for British engagement with Saudi Arabia. In a YouGov poll from 2016, 39 per cent of the British public said that Britain should treat Saudi Arabia as an enemy, versus 37 per cent stating it should be treated as an ally. For comparison, public support is greater for close relations with a range of other countries, such as the US (87 per cent), China (63 per cent), Turkey, (49 per cent) and even Russia (42 per cent); indeed, Saudi Arabia ranks only ahead of Iran (26 per cent) and Syria (19 per cent).<sup>73</sup>

On the international stage, some argue that the UK, as well as the US and France, has been providing diplomatic cover for Saudi Arabia over its conduct in Yemen, particularly at the UN Security Council. The P5 members of the UN Security Council use 'constructive ambiguity [...] to devolve legal responsibility from those who delegate to the agents they empower'.<sup>74</sup> For example, a Netherlands-led proposal for an International Commission of Inquiry, which could have seen recommendations for referrals to the International Criminal Court, was blocked by Saudi Arabia, the Arab League and the P3 – the latter are all states exporting weapons to coalition members involved in Yemen.<sup>75</sup> Instead, the UN Human Rights Council set up a less intrusive independent investigation, which recently concluded that there is sufficient evidence to suggest that parties to the conflict – coalition members, but also the Houthis – have perpetrated, and continue to perpetrate, violations and crimes under international law.<sup>76</sup>

The diplomatic cover is especially noticeable in statements made by Theresa May. When speaking about, on the one hand, Houthis firing ballistic missiles, for example, she said: 'such attacks threaten regional security and prolong the conflict in Yemen and I call upon all those with influence over the Houthis to get them to stop'.<sup>77</sup> And when, on the other hand, discussing Saudi Arabia, she stated: 'the UK will continue to support efforts to [...] address Saudi Arabia's legitimate security concerns' – the latter being the UK government's formal line on the situation.<sup>78</sup>

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70 Corner House Research and Campaign Against Arms Trade v Serious Fraud Office. Case No. CO/1567/2007. 10 April 2008. Paragraph 171.

71 Elgot, J. "'Sensitive' UK terror funding inquiry may never be published', *Independent*. 31 May 2017.

72 Interview with former MoD official by Armida van Rij, Skype interview, 20 December 2017.

73 Dahlgreen, W. 'Saudi Arabia: More of an enemy than Russia, worse on human rights than Iran', *YouGov*. 10 January 2016.

74 Mundy, 2018.

75 'Yemen briefing and consultations', *What's in blue*. 9 October 2017.

76 United Nations Human Rights Council, *Situation of human rights in Yemen, including violations and abuses since September 2014 - Report of the United Nations High Commissioner for Human Rights containing the findings of the Group of Independent Eminent International and Regional Experts and a summary of technical assistance provided by the Office of the High Commissioner to the National Commission of Inquiry*. A/HRC/39/43. 17 August 2018.

77 HMG, Prime Minister's Office, 'PM statement of Saudi-led Coalition decision to extend access to port in Yemen'. Press release. 21 December 2017.

78 *Ibid.*

In addition, while the UK has repeatedly condemned the ballistic missile attacks on Saudi Arabia by the Houthis from Yemen,<sup>79</sup> it has failed to use similarly strong language when referring to Saudi Arabian air strikes on civilians, such as the strike carried out on a funeral hall that killed 140 people on 9 October 2016. For example, in April 2018, the UK's Permanent Representative to the UN, Karen Pierce, said at the UN Security Council:

The impact on regional stability of this conflict is growing and it's dangerous. It puts Saudi Arabia at risk. It puts Saudi citizens at risk. The continued Houthi missile attacks including the use of ballistic missiles at civilian targets in Saudi Arabia attract our outright condemnation. Deliberate targeting of civilian areas is abhorrent. It is against international law, against international humanitarian law.<sup>80</sup>

Equally, in February 2018, the UK's Deputy Permanent Representative to the UN, Jonathan Allan, spoke at the UN Security Council about sanctions on Yemen, saying:

We in this Council must not ignore the growing ballistic missile threat emanating from Yemen, which gravely threatens international peace and security. Attacks such as those launched on 22 July, 4 November and 19 December against civilian targets in Saudi Arabia are unacceptable.<sup>81</sup>

As well as exerting little influence over Saudi Arabia, the UK is harming its international reputation as a result of providing diplomatic cover at the UN and other fora for Saudi Arabia's actions in Yemen. This leads to the question of the UK's commitment to an international rules-based order, when the trade-offs of that commitment are juxtaposed with British economic interests.



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79 United Nations Security Council, 'Unanimously adopting resolution 2402 (2018), Security Council renews sanctions against Yemen, rejects alternate draft after veto by Russian Federation'. SC/13225. 8190th meeting. 26 February 2018; HMG, Foreign and Commonwealth Office, 'Call for Security Council members to vote in favour of resolution on Yemen'. Speech. 26 February 2018.

80 HMG, Foreign and Commonwealth Office, 'Supporting and UN-led political solution in Yemen'. Speech. 17 April 2018.

81 HMG, Foreign and Commonwealth Office, 'Call for Security Council members', 2018.

## There are limited economic benefits for the UK

Following the UK's departure from the EU, Theresa May has been keen to set the stage for a deeper trading relationship with Saudi Arabia, and as such, is keen to avoid upsetting her Saudi counterparts.<sup>82</sup> Vision 2030, in particular, may provide lucrative business opportunities for the UK: as part of the programme of reforms, Saudi Arabia is looking to increase its foreign direct investment from 3.8 per cent to 5.7 per cent by 2030.<sup>83</sup> Equally, already 48 per cent of British arms exports are destined for Saudi Arabia.

As mentioned above, the UK and Saudi are significant trading partners. However, exports to Saudi Arabia are worth £6.2 billion, or a mere 1 per cent of the UK's total export value in 2016, which amounted to £547 billion.<sup>84</sup> Imports from Saudi Arabia account for 0.3 per cent of all of those into the UK, or £2 billion out of a total of £590 billion in 2016.<sup>85</sup> In comparison, UK exports to the US – the UK's largest trading partner – amounted to £99.6 billion in 2016.<sup>86</sup> So while the UK government may argue that Saudi Arabia is a valued trading partner, the figures suggest otherwise.

This perception is further justified by government when it comes to arms exports. On a national scale, there is currently little value added to the UK economy from exports to Saudi Arabia, especially arms exports, which have traditionally formed the cornerstone of the UK-Saudi Arabia relationship. A joint 2016 study by the Stockholm International Peace Research Institute (SIPRI) and Campaign Against Arms Trade (CAAT) concluded that the UK government provides a total of £104-142 million in direct and indirect subsidies to UK arms exports.<sup>87</sup> The revenue generated for the Treasury from arms sales to Saudi Arabia is estimated to be £30 million in 2016.<sup>88</sup> The total public revenue for the UK in 2016 was £693 billion – in other words, arms sales constituted 0.004 per cent of total revenue to the Treasury in 2016.<sup>89</sup> This raises questions about the frequently touted economic benefits for the UK economy from its UK arms trade with Saudi Arabia.

In 2010/2011, the defence industrial sector (manufacturing and service provision) comprised just over 1 per cent of UK economic output, and 0.6 per cent of employment.<sup>90</sup> Of this, only around 45 per cent comes from arms exports, and therefore, according to the SIPRI-CAAT study, 'arms exports cannot be said to represent an important part of the UK economy, and even less so of the labour market, despite the prominence of the "jobs argument" amongst politicians and industry figures seeking to promote and defend arms exports'.<sup>91</sup>

However, this picture is quite different on a constituency scale. Of particular relevance to Saudi Arabia's military assets – and British MPs – is Lancashire,

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82 Interview with Yemen expert by Armida van Rij, phone interview, 20 December 2017.

83 'Saudi Arabia seeks to increase FDI to 5.7% in 2017', *Eye of Riyadh*. 1 May 2017.

84 Hay, 2018.

85 *Ibid.*

86 Office for National Statistics, 'Additional country data for trade in goods and services between 1999 and 2016'. Reference number 007716. 8 November 2017.

87 Perlo-Freeman, S. 'Special treatment: UK government support for the arms industry and trade'. SIPRI and Campaign Against Arms Trade. November 2016. P. 13 and p. 28.

88 'A deal worth defending? The UK's arms trade and the war in Yemen', *War Child*. March 2016.

89 UK Public Revenue, 2016. [Online] Available from: <https://www.ukpublicrevenue.co.uk/> (accessed 3 June 2018).

90 Heidenkamp, H. Louth, J. and Taylor, T. 'The defence industrial ecosystem: Delivering security in an uncertain world', *RUSI*. Whitehall Report 2-11. 2011.

91 Perlo-Freeman, 2016. p. 9.

where BAE's Military Air and Information sites are based and where work on the Typhoon aircraft, Hawk helicopters and F-35 II takes place.<sup>92</sup> Here, BAE systems directly supported 9,500 jobs in 2015.

15 per cent of BAE weapons sales went to Saudi Arabia in 2017, putting the Gulf state behind the US (39 per cent) and the UK (25 per cent) for weapons sales from BAE.<sup>93</sup> However, in terms of international platforms and services, i.e. support services such as maintenance, 65 per cent of BAE sales go to Saudi Arabia, accounting in part for the 5 per cent increase in sales resulting from increased Saudi Typhoon support purchases.<sup>94</sup>

### **Politically, the question of arms transfers to Saudi Arabia is controversial**

There is, then, a question for UK policymakers about the implications of suspending arms transfers to Saudi Arabia, and whether this would indeed be as significant as often is claimed. BAE Systems is the UK's largest defence company – and the fourth largest in the world – and provides 122,700 jobs.<sup>95</sup> Since the signing of the contentious Al Yamamah deals in 1985, it has repeatedly won business with Saudi Arabia through government-to-government contracts, most recently in March 2018 with the signing of a Memorandum of Intent to buy 48 Typhoon aircrafts.<sup>96</sup> This deal comes after BAE announced in October 2017 that it would cut 1,400 jobs as a result of slowing demand for Typhoon aircrafts.<sup>97</sup> At its peak in 2013, 20.2 per cent of BAE's revenue originated from arms deals with Saudi Arabia.<sup>98</sup>

The suspension of arms transfers is a thorny issue not just economically, but also politically. The Parliamentary Committee on Arms Export Control (CAEC), composed of MPs from the Business, Foreign Affairs, International Development and Defence Committees was unable to reach a consensus on whether to suspend the exporting of arms to Saudi Arabia over the course of September 2016.<sup>99</sup> Parliamentarians from the Business and International Development Committees were for a ban, whereas MPs from the Foreign Affairs Committee were against. MPs from the Defence Committee were not able to agree on which side to support, and therefore supported neither. This resulted in two reports being drafted, amid leaks of the pro-ban report to the press and a continued lack of agreement among CAEC members.<sup>100</sup>

Equally, there have been concerns expressed over this issue within government. The head of the UK government's Export Control Organisation, Edward Bell, raised concerns that UK-manufactured weapons could be used to kill civilians in Yemen in an email in February 2016 to Sajid Javid, then

92 *The impact of BAE Systems on the UK economy*. Oxford Economics. July 2015. P. 40.

93 '2017 Preliminary results', *BAE Systems*. 22 February 2018. [Online] Available from: [https://investors.baesystems.com/~/\\_media/Files/B/Bae-Systems-Investor-Relations-V3/PDFs/results-and-reports/results/2017/2017-preliminary-presentation.pdf](https://investors.baesystems.com/~/_media/Files/B/Bae-Systems-Investor-Relations-V3/PDFs/results-and-reports/results/2017/2017-preliminary-presentation.pdf) (accessed 3 June 2018).

94 *Ibid.* P. 27.

95 SIPRI Arms Industry Database, retrieved 8 March 2018; *The impact of BAE Systems on the UK economy*. 2015.

96 'Memorandum of Intent between the Kingdom of Saudi Arabia and the UK government', *BAE Systems*. RNS No. 3130H. 9 March 2018.

97 Kollwe, J. 'Defence contractor deals blow to manufacturing sector after lack of orders for its Eurofighter Typhoon jet', *The Guardian*. 10 October 2017.

98 Gilby, N. 'British arms deals with Saudi Arabia', *Deception in high places*. 24 November 2014.

99 Stone, J. 'Britain's arms control committee can't agree what to do about selling bombs to Saudi Arabia', *Independent*. 15 September 2016.

100 House of Commons, Foreign Affairs Committee, 'Committees on Arms Exports Controls: Unauthorised disclosures of draft Report on use of UK-manufactured arms in Yemen'. Seventh special report of session 2016-17. HC 935. 18 January 2017.

Permanent Secretary of the then Department of Business, Innovation and Skills. Despite Javid acknowledging that there existed ‘gaps in the knowledge available’, he upheld the licenses for Saudi Arabia.<sup>101</sup>

Despite these concerns, arms transfers from the US and the UK to Saudi Arabia have increased, with some estimates putting the revenue generated for British companies from arms transfers since March 2015 at £6 billion, with £30 million in revenue for the Treasury.<sup>102</sup> The continuation of arms transfers while civilians have to bear the brunt of the war in Yemen is increasingly well-documented and has led to varying degrees of condemnation from NGOs and opposition politicians in the UK. However, their attempts to pressure the UK government to review its position on arms sales to Saudi Arabia have as of yet failed, most notably in March 2017, when Theresa May and MBS agreed on further deals worth £65 billion over the next few years, as well as the signing of a Letter of Intent for Saudi Arabia to purchase a further 48 Typhoon aircrafts – all while protesters stood outside Downing Street calling for a halt to such arms transfers.

The crux of the issue for these campaigners is whether supplying arms to Saudi Arabia is in breach of the UK’s commitments to international norms and values, and indeed of international treaties and conventions to which the UK is a signatory party. The Arms Trade Treaty, to which the UK is legally bound, is particularly key here, in particular the criterion under Article 7 whereby states should not issue licenses if there is a ‘risk’ that the weapons will be used to violate IHL or international human rights law.<sup>103</sup> A judicial review brought by CAAT on the issue of arms transfers to Saudi Arabia found in July 2017 that the UK government was acting lawfully based on secret evidence supplied by the UK Ministry of Defence.<sup>104</sup>

Internationally, Belgium, Germany, Norway and Finland have recently demonstrated leadership by halting arms transfers to Saudi Arabia under certain conditions.<sup>105</sup> During the summer of 2017, Canada undertook a review of the use of Canadian arms in Yemen by Saudi Arabia. In the US, senators from across the political spectrum pushed for greater oversight of their country’s involvement in the Yemen war, and were looking to scale it back.<sup>106</sup> The vote in the senate was lost 55-44, in the same week MBS was visiting the US and meeting with President Donald Trump.<sup>107</sup> France, like the UK, has not undertaken such steps.

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101 Ross, A. and Evans, R. ‘UK minister ignored official warning over Saudi weapons exports, court hears’, *The Guardian*. 7 February 2017.

102 ‘A deal worth defending?’ 2016. NB. These figures require some nuancing, as the UK does not publish figures for arms exports deliveries, but only for orders, and for the value of Single Individual Export Licenses issued each year – which underestimate the level of UK arms exports. See Perlo-Freeman, S. ‘Special treatment: UK government support for the arms industry and trade’. SIPRI and Campaign Against Arms Trade. November 2016. P. 8.

103 United Nations, *The Arms Trade Treaty*. 13-27217. June 2013. P. 5.

104 Campaign Against Arms Trade v Secretary of State for International Trade. Case No. CO/1306/2016. 10 July 2017.

105 Tricot O’Farrell, K. and Isbister R. ‘The beginning of the end? European arms exports for the Yemen war’, *Saferworld*. 1 March 2018.

106 Van Rij, A. ‘Brexit, the arms trade and Yemen: A window of opportunity for the UK government to review its relationship with Saudi Arabia’, *The Policy Institute at King’s College London*. 7 March 2018.

107 Gambino, L. ‘Yemen war: Senate rejects ending US support of Saudi-led campaign’, *The Guardian*. 20 March 2018.



## 5. Conclusion and policy recommendations

In this report, we have sought to assess the costs and benefits to the UK from its defence and security relationship with Saudi Arabia, and assess the extent to which the UK is able to exert leverage and influence over Saudi Arabian foreign policy decision-making.

The UK and Saudi Arabia have a long-standing history of close relations, particularly in the area of security cooperation. Through arms transfers in particular, this relationship has been deepened over the course of several decades, and expanded to other areas, such as trade and counter-terrorism cooperation. The latter has notably posed a dilemma for the UK, which had been keen for Gulf states to tackle home-grown radicalisation and extremism themselves. Yet the means by which this is being done in Yemen has been controversial. Saudi Arabia's leadership role in the conflict, and the UK's support for it, has caused a domestic backlash: the UK's relationship with Saudi Arabia has proved politically controversial and is lacking public support.

At the same time, the UK's support for Saudi Arabia's actions in Yemen and the provision of diplomatic support in high-level fora for the Gulf state has led to reputational damage for the UK. Indeed, we found that there is a contradiction between the vision espoused by the UK government's Global Britain agenda – which casts the UK as a defender and upholder of the international rules-based order – while simultaneously providing diplomatic cover for an autocratic regime with a poor human rights record.

Instead, Global Britain presents an opportunity for the UK to review and critically assess the costs and benefits to the UK of its relationship with Saudi Arabia. Producing a realistic picture of the relationship will only benefit the UK government, as it will demonstrate where its strengths lie, and bring to the fore opportunities for increasing the UK's influence.

At the moment, however, there exists little evidence to suggest any UK influence over Saudi Arabian foreign policy. To the contrary, there is more evidence to suggest Saudi Arabian influence over British democratic decision-making processes.

In conclusion, based on our analysis, the relationship does not bear much fruit for the UK. The case of the UK-Saudi Arabia relationship has highlighted the challenge, and at times contradiction, of being a liberal state committed to liberal ideals, while at the same time attempting to protect the economic interests of British businesses. This presents difficult choices and trade-offs for the Foreign Secretary, which are central to the UK's future. However, before we can establish what balance to strike in dealing with various countries, the UK needs to articulate far more clearly what Global Britain means in practice and better sell this vision on the international stage. This amounts to a fundamental decision about what the UK's future foreign policy should look like.

## Policy recommendations

- ♦ To give the Global Britain agenda credibility, the UK needs to **critically analyse its foreign policy** to make sure it upholds the values it is seeking to project abroad, so that it can ask others to do the same.
- ♦ The UK government should **limit and be more selective in the ways in which it chooses to engage with Saudi Arabia**. The choice of activities should be driven not only by political and economic considerations, but through a more nuanced understanding of the potential ramifications of engagement, such as damage to the UK's international reputation. This understanding should be based on an assessment of the costs and benefits to the UK.
- ♦ The UK needs to be **more transparent about its relationship with Saudi Arabia**. Without the ability to quantify how the UK can demonstrably exert influence on Saudi Arabia, efforts by the government to extol the importance of UK-Saudi Arabia security relations will be undercut.

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