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**The causes and consequences of the dispute
between Canada and Saudi Arabia
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Canada and Saudi Arabia had, until recently, cordial but limited relations. They were cordial, in that the two countries cooperated on shared interests while they usually ensured that disagreements would maintain a low profile. These shared interests included – and still do - their close partnerships with the United States, opposition to Iran, and cooperation in counter-terrorism. Arguably the main area of success in the bilateral relationship was in the education sector: about 15,000 Saudi students were, until the last academic year, in Canadian universities.

At the same time, relations were also limited in their breadth and depth: each country has historically ranked as a marginal foreign policy priority for the other. Annual bilateral trade, for example, has fluctuated in recent years at around \$3-4b, or about 2 days of Canada-US trade. A number of disagreements, notably on human rights and relations with Israel, also acted to constrain relations.

The LAV deal

Bilateral ties underwent a significant evolution in 2014 when the Canadian government, then led by Conservative Prime Minister Stephen Harper, announced the largest arms export contract in Canadian history, a CAN\$15 billion deal for the sale to Saudi Arabia of light armoured vehicles (LAVs) and associated weapons

systems, spare parts, and technical data.

Upon assuming power in 2015, the Liberal government of Justin Trudeau decided to uphold the deal. Ottawa faced significant domestic criticism for doing so, however, from the media and from civil society groups who highlighted Saudi Arabia's poor human rights record and its use of previously acquired Canadian-made armoured vehicle during its intervention in Bahrain in 2011 and its war in Yemen.

Yet the Liberal government nonetheless initially seemed interested in exploring opportunities for further cooperation with Saudi Arabia. Ottawa, in particular, was eager to expand bilateral trade and to deepen cooperation in areas such as security and education. This early momentum, however, gradually stalled, mostly because the LAV deal created incentives for the government to put Saudi relations on the back burner. Ottawa wanted to keep the deal but came to calculate that the best way to ensure its survival was to limit public attention to relations with Saudi Arabia.

For Saudi Arabia, this increasingly came to be perceived as a broken promise: Riyadh expected that in return for the LAV deal, Canada would agree to pursue closer ties. This created growing frustration and irritation on the Saudi side.

* Dr. Thomas Juneau gave a lecture at the Gulf Studies Center on 13th November 2018, entitled "A Surprising Spat: The Causes and Consequences of the Canada-Saudi Arabia Dispute". This piece was kindly written by the author upon center's request.

The 4 August, 2018 explosion

On the evening of Sunday August 4, 2018, during a long week-end in Ottawa (the Monday was a day-off), Saudi Arabia stunned Canadians by announcing that it was expelling Canada's ambassador, recalling its own, and freezing new trade and investment. Over the next two days, Saudi Arabia rolled out additional measures, recalling the 15,000 Saudi students in Canada and launching an aggressive campaign on traditional and social media criticizing Canada. By Thursday, the situation had stabilized, as became clear when Riyadh confirmed that the 100,000 barrels of oil per day it exports to Canada would not be cancelled.

What provoked Saudi Arabia to launch such aggressive and unexpected measures against Canada, a country which few in the world would associate with an especially confrontational foreign policy? Riyadh claimed that two tweets, released the previous week by the Canadian foreign ministry and which called for the immediate release of civil and women's rights activists who are jailed in Saudi Arabia, represented "unprecedented and unacceptable" meddling in its internal affairs, and could therefore not go unpunished.

Yet there is no doubt that even though these tweets were the immediate cause that triggered the dispute, other factors must be taken into consideration to understand why Riyadh chose to sanction Canada so harshly. Three such deeper causes can be identified.

The first reason, the only one directly concerning Canada-Saudi ties, is the failed promise of the LAV deal and the growing irritation this caused on the Saudi side. Upon taking power, the Liberals rapidly understood that it was politically costly for a government

seeking to brand itself as progressive and feminist to justify selling weapons to a dictatorship with a highly negative image in Canada. Trudeau's government upheld the deal, but relations were virtually paralyzed: Ottawa, for example, was not keen at all to organize high-level visits, as the Saudis had long been asking. A range of proposed initiatives were put on ice, mostly because of Ottawa's concerns that any new initiative with Saudi Arabia would inevitably be viewed publicly through the prism of the LAV deal.

This significantly irritated Riyadh, which felt that Ottawa failed to advance bilateral ties. For Saudi Arabia, this amounted to a broken promise. Indeed, Riyadh does not buy major weapons packages from western countries worth \$billion only because it needs those weapons, but rather, more broadly, to cement strategic partnerships. Yet after pocketing the deal, Canada refused to reciprocate which, not inappropriately, irritated Saudi Arabia. The debate in Canada on the LAV deal, moreover, was very critical of Saudi Arabia, especially of its human rights record and its intervention in Yemen. The Saudi embassy in Ottawa thus became increasingly frustrated that the Canadian government was not playing a more proactive role in defending the deal and bilateral relations.

The second deeper cause behind the decision to sanction Canada has been the transformation of Saudi foreign policy since 2015. Under King Salman and his son Crown Prince Mohammed bin Salman (MBS), Riyadh has turned away from its traditionally cautious and timid foreign policy toward a far more assertive, ambitious, hyper-nationalist approach to foreign policy, as witnessed by the brutal war in Yemen and the blockade of Qatar.

Viewed through this prism, Saudi Arabia's excessively severe

response to seemingly irrelevant Canadian tweets becomes less surprising: it is not so much about Canada and more about sending the forceful message that Riyadh does not tolerate criticism. It is a message to Western countries: criticize us and you will be punished. Relations with Canada, in this sense, are collateral damage; bilateral ties being marginal and Canada lacking a strong retaliatory capacity, they represent an easy target.

The third driver behind the Saudi decision is Trumpism, or the American President's open dismissiveness towards norms and conventions of both domestic and international behavior. This clearly signals to revisionist actors already leaning towards bending or breaking these norms that Washington will not oppose such behavior, removing checks on the exercise of their power. President Trump's warm embrace of King Salman and MBS, and his explicit unwillingness to criticize or restrain them, did not directly cause the dispute with Canada. But indirectly, Trump's actions and rhetoric represent a license for MBS to act with impunity.

Looking ahead

On the Canadian side, it is unlikely that the Trudeau Government, which brands itself as progressive and feminist, will agree to compromise with Saudi Arabia in the next 11 months, that is, until the next federal elections in Canada, to be held in October 2019. It would simply not be a winning political strategy to be perceived by Canadians as engaging with Saudi Arabia. The murder of Jamal Khashoggi in October 2018, and the extensive and highly critical coverage it received in the Canadian media, has further entrenched this dynamic. On the Saudi side, MBS has not shown an inclination to walk back his costly mistakes, such as his intervention in Yemen. For MBS

to actively seek reconciliation with Canada in the short-term, moreover, would inevitably dilute the message he was trying to send in August – that Saudi Arabia will no longer tolerate criticism from Western states.

A resolution to the dispute is thus unlikely to arise any time soon; as a result, the Saudi-Canadian spat, as surprising and unexpected as it is, is likely to remain, de facto, a frozen conflict for the foreseeable future.

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About the Gulf Insights series:

The "Gulf Insights" series is published by the Gulf Studies Center on a weekly base with the aim to promote informed debate with academic depth. The Gulf Insights are commentaries on pressing regional issues written by the GSC/GSP faculty, staff, PhD and MA students, and they can be between 1,200 to 1,500 words.

All articles published under "Gulf Insight" series have been discussed internally but they reflect the opinion and views of the authors not that of the Center, the College of Arts and Sciences or Qatar University.