Mohammed bin Salman and Vision 2030

Mohammed bin Salman unveiling his Vision 2030 plan in 2016 Photo Credit: AFP

Liesel Cobb
The America-Eurasia Center
The Middle East Program
https://www.eurasiacenter.org/
Mohammed bin Salman and the Future of the Saudi Economy

Introduction

Mohammed Bin Salman (MBS) entered onto the global political stage in 2017 when he was officially titled Crown Prince of Saudi Arabia. Since then, he has been the de facto leader of the country. MBS was initially hailed by the international community as a long-overdue liberalizing force in the Middle East. The 2016 unveiling of Saudi Vision 2030, a set of socioeconomic goals for the country set forth by MBS himself, further stoked reports that depicted Saudi Arabia as a rapidly modernizing and westernizing country. MBS’s positive international standing, however, took a serious blow after the 2018 assassination of Saudi journalist Jamal Khashoggi in Istanbul, Turkey, in which MBS was directly implicated. The great strides made as part of the national plan, such as securing the right to drive for Saudi women, have been somewhat undermined by an outdated and undemocratic political system and a continued overreliance on oil exports. The idyllic future set out by MBS eight years ago may require may be further away than 2030.
Mohammed bin Salman

Mohammed bin Salman Al Saud, commonly referred to as MBS, is the Crown Prince of Saudi Arabia, born on August 31, 1985. Born in 1985, MBS represents the new generation and a new outlook of rulers in the Middle East. Until 2015, MBS was an unknown figure outside of Saudi Arabia. Once appointed Deputy Crown Prince and Minister of Defense in 2015, bin Salman’s rise to power was meteoric, starting with Saudi intervention in the Yemeni Civil War – which continues to this day – that forced a cabinet reshuffle that ousted “dissenters” who opposed the war, such as the Crown Prince Muqrin. MBS unveiled his Vision 2030 in 2016, further solidifying his position as the future of Saudi Arabia. In 2017 his father, King Salman bin Abdulaziz, appointed MBS as Crown Prince of Saudi Arabia. What followed MBS’s ascension to Crown Prince was a series of purges in all sectors of Saudi life to help MBS gain control over the country and stamp out opposition. MBS unseated many of his royal family members; he removed leading state economists who did not approve of Vision 2030’s economic overhaul; he dismissed military leaders, particularly those in the National Guard – the only military branch out of his control; most controversially, he instituted a crackdown on Saudi religious institutions controlled by an orthodox and conservative Islamic sect of Wahhabists. This final purge of ultraconservative Wahhabist clerics along with his liberal plans gained MBS his reputation as this modernizing visionary. Nonetheless, his undemocratic attitude
towards removing opposition may have been an indication of his autocratic inclinations that finally became globally apparent with the assassination of Jamal Khashoggi in 2018. Recognized by U.S. intelligence agencies and a UN inquiry to have been responsible for Khashoggi’s death, the international community shunned MBS. In the last few years, now the de facto leader of Saudi Arabia, MBS has begun an image rehabilitation campaign during which he has met publicly with global leaders, even receiving a fist bump from President Biden in 2022.

Vision 2030

MBS presented Vision 2030 in 2016 by MBS as a means by which Saudi Arabia can become less dependent on its oil industry whilst also turning Saudi Arabia into a major global player. The main tenets of Vision 2030 center around economic diversification, investment in national infrastructure, and pushing through social reforms – particularly focused on female empowerment – to combat the country’s image as a backward and conservative nation whose only export is oil. MBS hoped to diversify into sectors like

Supporters of Khashoggi portraying MBS with blood on his hands. Photo credit: Osman Orsal, Reuters

Map illustrating NEOM project. Photo Credit: Shutterstock, Peter Hermes Furian
tourism, clean energy, entertainment, and sports. This has links to infrastructure plans, the most notable of which is NEOM a modern urban area which is where “The Line” will be located – a linear city that can house 1.5 million people. NEOM alone is set to cost $1.5 billion. For the exorbitant cost of diversification and infrastructure projects, MBS wishes to sell off 5% of Saudi Aramco – the state-owned oil firm owned by the Saudi Royal Family – in the hopes of raising $100 billion to finance the many projects required for Vision 2030 to be accomplished. Now more than halfway into Vision 2030, it is clear the country is lagging when it comes to meeting most of its goals.

Oil Dependency

Oil dependency continues to plague the Kingdom. Saudi Arabia suffers from Dutch disease. The country’s economic status is so deeply intertwined with the price of oil. The Crown Prince has found that negotiating out of this predicament will be more difficult than he had anticipated. The planned sale of 5% of Saudi Aramco to fund Vision 2030 has been in the works since 2017. Currently, the Royal Family has only sold around 2.4% of Aramco. MBS must contend with various Saudi political circles that are unsure the country is ready to sell a piece of the company that consistently produces the largest profit in the world to bet on an uncertain future. To further leverage revenue from Saudi Aramco for Vision 2030’s projects, the IMF determined that the oil per barrel must also be maintained at $86, creating further uncertainty concerning Vision 2030 funding.
**Geopolitical Risk**

The elevated level of geopolitical risk that Saudi Arabia suffers from, prevents economic diversification efforts. Investors have long considered the Middle East as a hotbed of political instability. Saudi Arabia’s involvement in the war in Yemen, its undemocratic tendencies (notably the murders and arrests of opposition), and tensions with Iran make foreign investors apprehensive. Furthermore, conflicts in the region often have direct implications on oil prices which cause the Saudi economy to become increasingly erratic and unpredictable. Even the current autocratic style of government, despite being greatly improved by MBS, allows for corruption to remain a pervasive threat to the Kingdom’s future. Those with power and influence often circumvent laws and norms without much consequence, indicating an unstable business environment where falling out of favor is synonymous with losing contracts and deals. Without stronger and better-regulated institutions Saudi Arabia will continue to be an undesirable place to collaborate with, especially in sectors outside of oil. The risks are expanding further given the current Israel-Hamas War and the Houthi targeting of global shipping in the Red Sea and Gulf of Aden.

**Social Reform**

MBS and his government have most successfully met the social goals laid out by Vision 2030. The most prominent reform to date has been the lifting of the ban on women driving. Many of these reforms have focused on providing women with greater freedoms and mobility. These social reforms go hand in hand with the restrictions MBS has put on conservative Islamic clerics, who wielded a large amount of influence under previous Saudi leaders. The Wilson Center has described this move away from religious extremism to moderate Islam as the most “consequential” of all of MBS’s reforms. During his 2016 purge, MBS targeted the Islamic religious police (CPVPV), banning them from arresting or detaining anyone. Set out as a goal in Vision 2030, the Saudi government has been trying to increase female participation in the workforce. As of 2023 women make up 34.5% of the Saudi workforce. Encouraging independence in women has come with a handful of policies such as the right to live alone without male permission, granted in 2021, and the right to travel abroad without male permission, granted in 2019. As a result of more liberal legislation and the weakened Islamic religious police; gender norms and attitudes have become comparatively much more relaxed, allowing the country to liberalize, and become more attractive for tourism and businesspeople.
Saudi Arabia’s Future

Now halfway into Vision 2030, MBS has started to make some serious cutbacks to his original plan. Most of the grand projects are seriously out of budget for the Saudis who are yet to complete their sale of Saudi Aramco and who have failed to attract private investment, with the state footing the bill for a great majority of Vision 2030. The Line has been reduced to house only 300,000 inhabitants and the ambitious scale of projects has shrunken. Finance Minister al-Jadaan has acknowledged that many financial goalposts will be postponed until after 2030, as oil prices have not remained high enough to allow for necessary investments and transitions into other sectors. Saudi Arabia is still beholden to the price of oil which creates economic volatility that prevents the timely completion of Vision 2030. And yet, Vision 2030 should not be overlooked. Whilst the initial timeline was overly ambitious and most experts believe “Vision 2040” would have been a more feasible timeline, the headway made has been highly encouraging. The country is modernizing at a rapid pace, particularly as it relates to its attitude towards women. Institutions have become stronger as MBS continues to promote anti-corruption campaigns. Riyadh will host the World Expo in 2030 and the international community can judge for itself how much the Kingdom has changed under MBS’s tenure. The country itself is not yet even 100 years old; it has developed at a rapid speed and shows no indication of slowing. By continuing to strengthen governmental institutions and slowly pivoting away from an overreliance on oil, Saudi Arabia will undoubtedly meet many of its political and economic goals in the next few decades, albeit not in time for 2030.
Bibliography


