Saudi Arabia’s Efforts in Implementing Saudi Vision 2030

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A B S T R A C T

Saudi Arabia is a country that is quite rich in oil production. But within a few years of peaking at the top, world oil prices have declined, which has seen Saudi Arabia drop below the United States. The government of Saudi Arabia then responded to the decline in the economy caused by fluctuating oil prices by compiling the Arab Vision 2030. The goal of the Arab Vision 2030 is to diversify the economy or want to release Saudi Arabia’s economic dependence on oil production. This study seeks to analyze the efforts made by Saudi Arabia in implementing the Arab Vision 2030. This issue is more focused on the efforts that have been planned and will be carried out. This study uses the concept of national interest to analyze Saudi Arabia’s efforts to implement Vision 2030. This research was conducted using a qualitative method with a literature study and case study approach. The data was collected through primary and secondary data in the form of articles, journals, and news in the mass media. This study concludes that several efforts made by Saudi Arabia began with new, more liberal policies and the creation of several infrastructures that support Saudi Arabia’s economic diversification. Saudi Arabia is trying to increase its economy through the non-oil and gas sectors. Muhammad bin Salman, the Crown Prince, has a very important role in making policies related to economic diversification in Saudi Arabia. The efforts can still be seen from various aspects, such as increasing Saudi Arabia’s investment in several countries and changing patterns of economic development in the non-oil and gas sector.

INTRODUCTION

Saudi Vision 2030 is a plan to diversify Saudi Arabia’s economy by reducing Saudi Arabia’s dependence on the oil and gas production sector. The Arab Vision 2030 is a royal plan to change the shape of the national economy and transform the relationship between the royal family and its people to create a better harmonization of society (The Quincy Group, 2022).

Saudi Arabia has quite a lot of natural wealth that can boost its economy, such as oil and gas. Saudi Arabia is the largest oil exporting country in the world and can dominate the world oil market. Saudi Arabia’s economy, which dominates in the Central region, is the result of the developments in the absolute monarchy since it became an oil exporting country. Arab oil producers have increased since they successfully supplied oil to America and European countries in 1948.

Oil and gas, which has been the main commodity for Saudi Arabia, now looks increasingly hostile to the weakening of commodity prices globally, which is welcomed by increasing international economic competition. This caused concern for Saudi Arabia if it did not take a new step.

Saudi Arabia is no longer the world’s largest oil producer since 2014. In 2017 Saudi oil production decreased to 11 thousand barrels per day (361.7 million tonnes). Thus, the United States will remain in the first position in the world in producing oil and gas. Saudi Arabia is still relatively large in gas production, reaching 111.4 million cubic meters throughout 2017. Saudi Arabia’s state budget dependence on oil is very high, with fluctuations in oil prices on the market decreasing in recent years. The economic conditions in Saudi Arabia are getting worse with an increase in the unemployed. This vulnerable economic condition also impacts declining government spending and increases pressure on immigrant and expatriate workers.

Saudi Arabia’s economic setback caused by declining oil prices made this country plan for an Arab vision of 2030 in April 2016. The announcement by the Crown Prince, Muhammad bin Salman, was to reduce the country’s dependence on the oil sector. At the same time, the main goal of the 2030 vision is to verify the Saudi economy in the non-oil and gas sector and develop other sectors in public services, such as health, education, infrastructure, and tourism.

Saudi Arabia has been working towards realizing Vision 2030 by diversifying its economy through a dynamic tourism sector. Saudi Arabia has set several programs that can support the achievement of the Arab Vision 2030. From the several programs set, several things can be seen directly in terms of investment and strengthening public sector governance.

Discussion of Saudi Arabia’s policy that proclaims the Arab vision of 2030 has been discussed by several people. Research from Anna Zakiah Degrees and Toni Kurniawan in their journal entitled Saudi Vision 2030 and Reform Policy in the Kingdom of Saudi Arabia aims to uncover problems regarding the Arab Vision 2030, which has a connection with Wahhabism in Saudi Arabia. Saudi Arabia has the potential to act as a support for Arab and Islamic nations due to its position in the Islamic world. There are three pillars of the Arab Vision 2030: (1) strengthening the strength of human resources; (2) developing the economic sector, and; (3) improving and optimizing all levels of the bureaucracy. The steps for making this policy are formulated in the tourism sector, legal transparency, emphasis on groups that spread extremism, loosening regulations for women, policies in education, the military, and so on. The Wahhabi group is an Islamic group that is quite dominant in Saudi Arabia, and this dominance will have an impact on determining the policies and regulations of the Kingdom of Saudi Arabia (Derajat & Kurniawan, 2021).

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Based on research by Sianturi (2017), Saudi Vision 2030 positively influences Saudi Arabia’s cooperation in the economic sector, especially in the investment sector. This can be seen through King Salman’s visit to Indonesia in the signing of 11 MoUs. Saudi Arabia’s investment realization in 2017 showed a significant increase, and the two countries continuously renewed investment policies to facilitate each other and provide convenience for investing (Sianturi 2017). Furthermore, Hidriyah (2016), concluded that Saudi Arabia’s economic reform plan is a strenuous effort to carry out because it faces many challenges. Saudi Arabia is also set up to be an example of lessons and open opportunities for cooperation with Indonesia.

Other research is discussed in the journal from (Hikmah & Abrar, 2019) entitled Saudi Vision: Saudi Arabia’s Economic Reform. According to this journal, Saudi Arabia is a country that has power because it can influence various countries. The resulting influence is on the natural resource sector owned by Saudi Arabia, such as petroleum which is the need of the entire country. At that time, oil was a springboard for Arab state revenues, which generated 70% of state revenues. A sizable income has an impact on increasing the economy in Saudi Arabia so that it can build and update infrastructure in the country. However, this brings several bad possibilities that lead to Saudi Arabia’s dependence on the economic sector. The threat faced by Saudi Arabia is price fluctuations that make Saudi Arabia worried about its economic stability. In this case, Saudi Arabia then drafted the Arab Vision 2030 to let go of its dependence on its petroleum products. To achieve this, Saudi Arabia focuses on human resources and public services, namely education, health, infrastructure, and tourism (Hikmah & Abrar, 2019).

In Hidriyah (2016), research through her journal entitled Saudi Arabian Economic Reform, she also explains that Saudi Arabia is currently trying to let go of dependence on petroleum products to improve the economy for the better. Unemployment in the country was successfully inhibited as a form of progress from that vision. King Salman brought a new atmosphere and policies that were applicable to foreign policy, international relations, and domestic economic growth. Changes made by Saudi Arabia became a trigger for Indonesia not to depend on fossil energy either. The Indonesian government has undertaken to realize EBT sources. The EBT development must continue to receive support from the government to encourage energy conservation and develop effective energy utilization. The Arab 2030 vision should be used as an opportunity for cooperation to build economic diplomacy between Arab countries and Indonesia (Hidriyah, 2016).

Saudi Arabia’s Reform Discourse: The Contestation of the Kingdom of Saudi and Wahhabism is a journal by Wafi (2018), in his research the Wahhabis are a very dominant group in determining the policies of the Saudi Kingdom. Wahhabism is more constructive in the social, cultural, and religious fields in Saudi Arabia. Policies related to the Arab Vision 2030 by Muhammad Bin Salman will still correlate to the Wahhabi position. However, Saudi Arabia’s vision will remain within community involvement. In this case, it can threaten the Saudi monarchy. There are several demands from those who criticize political and civil rights and demand democratic elections. It is possible that what will happen in Saudi Arabia will change the system of government from a monarchy to a democracy because of this. Therefore, Wahhabism is a group that defends its system as not becoming a democratic system because of its fundamentalist understanding. Saudi Arabia must commit to carrying out these economic reforms to work effectively. In this case, Saudi Arabia must overcome intervention from outsiders, especially Western countries. This is because the reforms carried out later will become a momentum for the West to strengthen its influence in Saudi Arabia (Hibatul, W.M. 2018).

This research analyzes Saudi Arabia’s efforts in implementing the Arab Vision 2030. This is because previous research discussed the factors of this vision issued by Prince Muhammad Bin Salman so that researchers saw the extent of Saudi Arabia’s efforts in carrying out its vision. The research conducted focuses more on analyzing the efforts made by Saudi Arabia in implementing Saudi Vision 2030, considering that this plan is a new design that can reduce its economic dependence on the hydrocarbon sector to create a stable economy in other sectors. The time limit used by the author is 2017 – 2021, with the problem being raised about the efforts made by Saudi Arabia in implementing Saudi Vision 2030. This research uses the concept of national interest to analyze Saudi Arabia’s efforts in implementing Saudi Vision 2030. This concept becomes the basis for achieving a country’s goals in conducting international relations. The national interest relates to state power as an objective, especially destructive. This power is used to achieve national interests that have been planned to make a country in a better direction.

Nuechterlein divided national interests into defense interest, economic interest, world order interest, and ideological interest. This research will look more at how Saudi Arabia implements the Arab vision of 2030, especially in political, economic, and social efforts.

METHOD
This research is included in the type of qualitative research using the case study method or what is usually interpreted as observing a phenomenon or condition. Cresswell said that a case study becomes an exploration of related systems or a case (Cresswell, 2016). According to Moleong, qualitative research is scientific research that aims to understand a phenomenon in a natural social context by prioritizing the process of in-depth communication interaction between the researcher and the phenomenon being studied (Fiantika, 2022). This research is more directed at understanding problems in a social context by looking at them.

This study uses an approach and analysis through literature studies collected from various qualitative sources that explain this research. The data and information used in this research are primary and secondary data from various sources, such as a book by Nostalgia Wahyudi entitled Indonesian Economic Diplomacy in the Middle East: Saudi Arabia and Qatar, previous journals or research, theses, and several news media. Related to the efforts made by Saudi Arabia in implementing Saudi Vision 2030, such as Merdeka.com, Detik.com, and several other media. The data that has been collected will be classified and structured to become material for analysis.

RESULTS AND DISCUSSION
The steadily declining economic conditions in Saudi Arabia could affect the kingdom’s stability and politics. The GDP (Gross Domestic Product) achieved by Saudi Arabia per capita has decreased since 2012. The GDP achieved per capita is $20,849.291. The decline in world oil prices led to a decrease in Saudi Arabia’s GDP per capita. In 2011, oil prices rose dramatically due to the Arab Spring in several Middle Eastern countries. Saudi Arabia’s GDP per capita increased in 2012 to $
25,303,095. This rise and fall in oil prices can predict Saudi Arabia’s future economic conditions will still be unstable because, in 2016, oil prices fell to $ 41.19 per barrel, which previously reached $ 78.6 per barrel to $ 106.18 per barrel. In this study, researchers looked at the last few years from 2017, which reached a GDP per capita of $ 20,802,466, which then rose in 2018 to $ 23,337,108 and again fell in 2020 to reach $ 20,110,316.

Saudi Arabia is predicted to suffer huge losses if the kingdom makes no effort. The Saudi Vision 2030 draft is expected to reduce its dependence on oil. Muhammad bin Salman, the successor to the royal throne, sparked this plan to save Saudi Arabia from bankruptcy and make Saudi Arabia seen by the public and the international community. Efforts have been made to gain a good image by eradicating corruption to increase transparency, performance, and accountability. By eradicating corruption, efforts are made to attract public support to increase state revenues from the non-oil sector (Wahyudhi et al., 2021).

In the political context, the political role of Crown Prince Muhammad Bin Salman towards the Saudi Vision 2030 cannot be separated. Unstable fluctuations in oil prices have influenced the emergence of the 2030 Vision draft in Saudi Arabia. This policy is a draft endorsed by crown prince Muhammad Bin Salman, restoring economic stability in Saudi Arabia.

Restructuring power in the royal family is one of the efforts to improve the current economy. Several individuals were arrested for acts of corruption and nepotism to several people who served as people who had roles in Saudi Arabia. Eradicating corruption is an austerity measure that also serves as an example for elites to no longer be able to exploit state resources for personal gain (Huyette, 2019a).

Regarding foreign policy, Saudi Arabia is getting closer to the United Arab Emirates. The two parties constitute a more important alliance than some of the members of the Gulf Cooperation Council, a forty-year-old trade and political bloc. The GCC was doubted by trade embargoes placed on Saudi, UAE, and Bahrain. The Saudi leadership change is more for the GCC union (Huyette, 2019b).

Indonesia takes advantage of digital economy collaboration to support the Arab vision of 2030 and Indonesia’s vision which is also the largest digital economy in ASEAN. According to the Minister of Communication and Information Technology of Saudi Arabia, Abdullah Alswaha, after signing the MoU, said that the cooperation carried out in this matter was very good in the cooperation carried out by Saudi Arabia and Indonesia. Eradicating corruption is an austerity measure that also serves as an example for elites to no longer be able to exploit state resources for personal gain (Huyette, 2019a).

It can be seen from the picture above even though the investment made was relatively small, even in 2012, it did not receive it at all. The largest amount obtained by Indonesia occurred in 2015, with a total of US $ 30.35 million. According to BKPM, during the 2011-2021 period, there were 294 Saudi Arabian investment projects in Indonesia.

Saudi Arabia’s Economic Efforts

Saudi Arabia’s economy is growing very fast, and this is due to the economy which focuses on the hydrocarbon sector. Economic setback due to falling oil prices Saudi Arabia then reformed the economy with the existence of Saudi Vision 2030. Saudi Vision 2030 aims at Arab and Islamic progress centered on investment and connecting centers between 3 continents such as Asia, Africa, and Europe (Vision 2030, 2020).

The three main pillars of this vision are A Vibrant Society, Thriving Economy, and An Ambition Nation. Saudi Arabia wants to increase the existing human resources in Saudi Arabia to strengthen Saudi Arabian society and strengthen Islamic principles strongly. Economic development is a priority, with the government seeking to promote sustainable growth, boost private sector jobs, and build a non-oil and gas economy. Saudi Arabia is also trying to increase its bureaucracy. With this, Saudi Arabia is trying to control the Saudi Vision 2030 project, which is oriented toward Saudi Arabia’s economic development.

In Saudi Arabia’s efforts to encourage the Saudi Vision 2030 program, the government of Saudi Arabia opens investment opportunities for foreign companies to invest. Saudi Arabia has prepared billions of dollars in projects. The real project carried out by Saudi Arabia is the Neom project. Neom is a trading city being planned by the Kingdom of Saudi Arabia in collaboration with the Saudi oil company Aramco. The Neom city project is a step by the kingdom of Saudi Arabia to diversify the Saudi Arabian economy. The city of Neom is the first capitalist city whose system is more liberal than the rest of Saudi Arabia. Red Sea Development Company, Qiddiya, Aseer Development Project, Diriyah Gate Development Authority, and AMAALA are developing other projects undertaken by Saudi Arabia. The above projects focus on non-oil and gas sectors, which are the main targets in the development of Saudi Arabia’s Economic Efforts (Arbar, 2021).

In 2020, there was a bilateral meeting between Indonesia and Saudi Arabia at the meeting of the Ministers of Finance and Central Bank Governors of the G-20 Countries in Riyadh. In this meeting, the discussion focused on three main matters, namely: (1) the Agenda for the G-20 Presidency of Saudi Arabia, (2) Efforts to strengthen bilateral cooperation between the two countries, (3) the Increase in Islamic Development Bank capital (IsDB Capital Increase). In this activity, Saudi Arabia asked for
support from Indonesia for the success of the G20 and Saudi Arabia agendas in 2020. The Indonesian Ministry of Finance, Sri Mulyani, thought that the sector with strong potential for the two countries to cooperate lies in the tourism sector. This can be seen from the number of Indonesian tourists in Saudi Arabia who perform the Hajj and Umrah pilgrimages which is the largest with the limited hajj quota given and the long waiting period.

The government of Saudi Arabia made a new policy focused on implementing the 2030 Arab Vision. One of these policies is the absence of restrictions on Umrah, and you do not have to use a special Umrah visa. Umrah is one of the keys to Saudi Arabia’s economic development and a special source of finance, and with it can become a cultural and economic exchange for the kingdom. With so many pilgrims and Umrah pilgrims can generate substantial income. In addition, the Saudi Arabian government is also recovering its economy from various sectors and working on developing airports and ports and opening investment opportunities and jobs. By 2020, Saudi Arabia is targeting 15 million Umrah pilgrims per year.

In this case, the tourism sector plays an important role in implementing this vision and improving the quality of accommodation and services for pilgrims. One example that is in the spotlight is the modernization policy of the Government of Saudi Arabia, such as the launch of the Makkah Metro project, which will be a new service for pilgrims who want to travel to the Grand Mosque and the Prophet’s Mosque.

Besides the tourism sector, Saudi Arabia’s investment is a potential sector. Investments made can be channeled through the Sovereign Wealth Fund (SWF), which is an investment fund pooling agency to manage direct investment (FDI) to have a major impact on the Indonesian economy through domestic investment. In this case, Indonesia is interested in increasing capital ownership in IsDB and placing a permanent Executive Director in IsDB. Indonesia’s role is not only for its own sake but as a strategic step to strengthen IsDB’s cooperation with Asian countries. This collaboration also needs to be supported by Saudi Arabia, the largest shareholder in IsDB, for the success of Indonesia’s plan. This support was then positively responded to by the Minister of Finance of Saudi Arabia and will be discussed with the President of IsDB (RI, 2020).

**Saudi Arabia Social Efforts**

Saudi Arabia is starting to turn into a moderate country which is expected in the future to accommodate people’s freedom. Saudi Vision consists of 3 pillars: (1) Vibrant Society; (2) Thriving Econometric, and; (3) Ambitious Nation.

High unemployment is a problem in Saudi Arabia with its rapid population growth. In this case, it is a big challenge to realize the Arab 2030 vision by creating jobs and a place for new generations (Albassam, 2011). One of the efforts made since the Arab Vision 2030 plan is to reduce the unemployment rate in Saudi Arabia. In recent years Saudi Arabia managed to reduce the unemployment rate by 12.7% in 2020. However, in 2021 the unemployment rate decreased to 11.7% (Kurnialam, 2021).

![Figure 2. Number of Umrah Pilgrims in 2019 Source: www.barcks.com (2019)](image)

![Figure 3. Saudi Arabia Unemployment Data (2017 – 2021) Source: Tradingeconomics.com](image)

The picture above shows unemployment which is increasing and is one of the problems in Saudi Arabia. Saudi Arabia is still working so that social life can be balanced by increasing the country’s economy and the many new infrastructures planned to create new jobs for the people there. In addition, since Mohammed Bin Salman was appointed as crown prince in 2017, he has implemented several policies that could change the culture of Saudi Arabia, an ultra-conservative country, to become more moderate, especially in implementing Islamic sharia law. This action is considered an attempt to maintain economic stability, which can generate foreign interest in investing. The reforms to social norms and values that have been implemented have been planned since the reign of King Salman bin Abdul Aziz Al-Saudi in 2015. In 2016 King Salman decreed that the religious police be directed directly by the King due to the assumption that the rules were too strict.

Apart from that, since Muhammad bin Salman came to power, several policies still have pros and cons, such as providing space for women to fill the public space (Al Asyhar, 2021). Women in Saudi Arabia started registering as voters in local elections in 2015, years after new policies that allowed women to obtain driver’s licenses, women seeking to join the military and women being allowed to travel abroad without a permit. male guardian (Fahzy, 2019). This situation is different when the Arab condition has not yet been planned for the 2030 Arab Vision, causing a lot of opposition from some still conservative societies. This policy attempts to make other changes, such as reducing the gender gap and women’s participation in public spaces. These changes became even more visible when Mohammed bin Salman was appointed crown prince.

In addition, concert activities that have been granted permission and the operation of cinemas have resumed after three decades of banning cinemas. In 2019 foreign tourists were given permission by the Saudis for couples and unmarried people to stay in one room at the inn, which previously required a marriage book. These noticeable changes the norms or values owned by Saudi Arabia, which is famous for the Qibla of the world’s Muslims (CNN, 2020).

Policies that discuss the position of women emerged after the Saudi Vision 2030 program was planned. This social revolution can increase women’s participation. Some of Muhammad bin Salman’s ideas regarding the reforms in the Arab Vision 2030
namely, (1) There are reforms to traditional policies and patriarchal influence on Saudi Arabian society; (2) Changing the pattern of the leadership of the previous kings, which was centered on political investment and overcoming the problem of oil resources; and (3) Concentrating on the policies of the economy minister (Fajar & Rasyidah, 2019) at the international investment conference in October 2017. Mohammed Bin Salman commented that the social and cultural reforms being carried out were a sign that Saudi Arabia was once again becoming an open country.

CONCLUSION

Saudi Arabia is trying to increase its economy through the non-oil and gas sectors. Muhammad bin Salman, the Crown Prince, has a very important role in making policies related to economic diversification in Saudi Arabia. The efforts can still be seen from various aspects, such as increasing Saudi Arabia’s investment in several countries and changing patterns of economic development in the non-oil and gas sector. The various efforts made by Saudi Arabia to realize Vision 2030 can be seen clearly as the modernization carried out by MBS has made Saudi Arabia seen as moderate. From policies related to social, economic, and political life. In this case, the news describes the increase that Saudi Arabia has obtained. The timeframe to 2030 is still very close for the government, which is trying to realize its vision. Pros and cons from various groups have remained an obstacle for the monarchy.

The realization of the three main pillars in the Arab Vision 2030 can be seen from several policies, such as the first pillar of A Vibrant Society, which directs the kingdom towards moderate Islam. Efforts made by the government not to provide support to extremists. In the modernized field of education, to prevent possible misinterpretation. In addition, in utilizing its human resources, Saudi Arabia is trying to reduce the unemployment rate in Saudi Arabia. This also creates a wider space for women to be in the public sphere. The second pillar of A Thriving Economy is carried out with economic diversification, which makes Arab countries reduce their dependence on the oil sector. Arabs try to develop existing potentials to obtain more optimal state revenues. The tourism sector is the main sector that looks so developed by looking at Saudi Arabia, the destination country for performing the Hajj and Umrah pilgrimages. In this case, Saudi Arabia has increased the hajj quota in several countries, especially Indonesia, which in 2022 will increase to 100,051 pilgrims. The biggest part of the diversification of the economy with the privatization of the oil company Aramco is conducting an IPO of 5% of the company’s shares to be sold. In addition, several major projects are planned, such as the Neom project, a tourist city located on the border of Saudi Arabia. The last pillar of An Ambition Nation, the ambition of doing a project to improve the quality of this country, is a big project planned by Saudi Arabia.

REFERENCES