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Will Saudi Arabia Move toward Democracy as Socialism Falters?

Judith Cochran and Hugh V. Murray

Abstract

Saudi Arabia's Global Goals stated in Vision 2030 are faltering under its current socialistic system. The military, the civil servants, and 35,000 royals with income assured, they have little incentive to want to work or to obtain education. However, in order to employ their citizens, the Saudi government is forcing businesses to hire 70% Saudi citizens to replace the expats who are being expelled under a mandated quota system. Their education system, which has prepared citizens to be loyal to the monarchy and Islam, has neglected secular, market place skills. Citizens continue to want to be paid in the socialistic manner of the past. Now technology skilled citizens and problems solvers are needed, as the monarchy builds two technology-based cities: NOME and Economic City to meet some of its 2030 Vision goals. Another Vision 2030 global goal is to advance Saudi Arabia as the Islamic and Arab Cultural leader of the world. To accomplish this ambition, Saudi Arabia must educate a workforce that wants to work and can help solve its problems and achieve its goals. As the number of citizens increases in order to obtain greater family stipends, the monarchy is moving its religious and mostly socialistic economy toward techno-economy. The prognosis for religious, socialistic country against a techno-economic future will be problematic.

Keywords: socialist, Islamic, 2030 vision, education, techno-economic, Saudi Arabia

1. Introduction

Saudi Arabia's future can be predicted by examining Vision 2030 presented in 2018. The primary goal is to reduce the country's dependency on oil and establish it as a global economic, industrial, cultural and religious center. Much in Saudi Arabia's current environment supports this vision with an authoritarian King and Crown Prince and unknown oil and gas resources at their disposal. However, there are a few external and internal challenges of urbanization, tourism, education and a unique economy. Starting with the economy, 35,000 members of the royal family along with military and civil servants expect a living stipend from the government. Human capital too is at risk. With their income assured, there is little incentive for Saudi citizens seek or maintain employment or to get a degree of any kind. While attempting to change, education leaders agree that in the past the Saudi education has not prepared students with secular, technical or marketplace skills. Still, the Crown Prince has moved forward in requiring businesses to hire 70% of its employees in positions formerly held by ex-pats. Another goal of Vision 2030 is to make Saudi Arabia the recognized religious and Arab cultural leader of the world. Saudi Arabia is well on its way to achieving this expectation with over 19 million haj

and umrah pilgrims arriving yearly to visit the major mosques and other significant religious sites located in the country. Businesses and an extensive tourist industry exist to serve these visitors. Saudi Arabia is opening entertainment areas, concert venues and building independent city-states with new technology for these pilgrims, tourists and hopefully other visitors. The internal and external challenges to Vision 2030 can be discussed. The manpower needed to address these goals rests on the shoulders of the over 50% Saudi citizens who are now under 25 and will either accept or reject the work involved in achieving the 2030 goals.

2. Key factors to consider: key factors that bare on Saudi Arabia's intermediate and long term future

Because of its great oil wealth, Saudi Arabia has been able to make cash grants to those who have served in the military or civil service and particularly large grants to those who are members of King Saud's tribe. Particularly large grants have gone to King Saud's fellow tribesmen. These grants have created a large number of indigenous Saudi's who do not see themselves as needing to get much education or to enter the workforce to support themselves. King Salman and the new Crown Prince have published a new plan, Vision 2030, which envisions society's move from socialism to market based labor markets without social disruption. Fortunately this transition will be occurring under a highly centralized authoritarian government that currently does not need to cope with participatory democracy, except a highly constrained democracy at the local level.

Love for and appreciation of education is generally learned from one's parents, friends, relatives, and early teachers. This is true of both vocationally useful education (e.g. computer programming, carpentry, etc.) and education for self-improvement (e.g. history, philosophy, etc.). The Saudi Arabians have hurdles to overcome here: (1) their religion encourages believers to suspect knowledge from outside their Islamic religious framework, a framework that was set down with great specificity in the seventh and eighth century in both the Qu'ran and early Hadiths. (2) They have been somewhat sheltered from the massive training requirements that most of the world's population has dealt with because Saudi Arabia has been able to hire outsiders to provide the specialized skills needed to extract oil and run a modern infrastructure. (3) Saudi Arabia has been a leader in establishing Islamic Wahhabi madrassas, supporting over 150,000 such schools worldwide; naturally Saudi education follows this model at home [1].

Vision 2030 recognizes educated Saudi citizens must acquire needed market-place skills so they can hold at least 70% of all jobs in the kingdom within 10 years. The question then is how does one insert a love of education into a pampered population that has been living directly or indirectly off of the nation's oil wealth?

Vision 2030 envisions Saudi Arabia as the hub for three very important activities: (1) it will continue as the global center of the Islamic religious world with its possession of the holy sites, Mecca and Medina. The country will lead the globe with its formal political/religious understanding between the Saudi governmental aristocracy and the Wahhabi Islamic purest who by agreement always serve in government. Furthermore, the religious sites foster Islamic tourism from all over the world. (2) The Saudi wealth and geographic location makes it a natural meeting point for a variety of elites, traders, meeting organizers, and business leaders from South Asia, Africa and Europe. However, the former group and the latter group aren't exactly compatible. The former group wants to visit a place with strict adherence to Islamic rules (e.g. no alcohol, no nightlife, etc.) while the latter group is coming to their "meeting hub" to meet and greet but also to enjoy themselves. (3) By leveraging its wealth and

the sale of ARAMCO stock and oil, the country will become the financial center of the region. So how does the country serve as a meeting hub for these antithetical groups of religious and financial, business leaders?

In addition to refocusing education and emphasizing Islamic Sunni leadership, there is a human capital issue within the country. Historically, there has been considerable inbreeding (i.e. cousin marriage) within the Saudi native families and tribes. There is hard evidence in Saudi medical journals that there has been significant genetic deterioration in these groups. For instance, Saudi military recruiters have had some trouble finding native Saudi men who can differentiate among yellow, red, and green. At the urging of medical experts, the Crown Prince has required premarital genetic screenings so couples can at least be forewarned of the genetic problems their children will experience. It is estimated that 135,000 marriages were canceled after the couples received their results [2]. Nevertheless, great family wealth tends to encourage inbreeding to keep the wealth in the family. The question then is how does one discourage inbreeding when there is so much wealth about and the Prophet's own behavior sanctions cousin marriages?

Thus far, in order to keep the modern Saudi society operating, 12 million immigrants have been imported. Many of these people are well educated and have brought badly needed specialized skills to the country. All immigrants, regardless of educational attainment, brought a willingness to work. Not surprisingly, nearly all are Muslim. Of all the immigrants in the country only about 150,000 are Christians. While Muslims may be granted "permanent immigrant status"; Christians can only receive "temporary immigrant status". Since all women in the country have to follow strict Islamic dress and behavior codes, Muslim immigrants are more likely to bring their wives with them in contrast to non-Muslim immigrants. These Muslim immigrants comprise roughly 1/3 of the country's population. In the coming years, will these Muslim immigrants be accepted as citizens?

Another problem, although not frequently mentioned, is that fresh water supplies in this largely desert country are tenuous. Generally a modern society uses about 370 l/person/day. Saudi Arabia has 34,000,000 people and uses only 225 l/person/day. This means the country is already operating under tight water conditions. Of course, a wealthy country, like Saudi Arabia, can increase its water supply by using expensive alternatives like desalination of sea water. Will Saudi Arabia be able to maintain its current and growing tourist and citizen population given its tenuous water supply? [3].

The desire of Saudi leaders is to create independent tech center cities and economic zones within the country is laudatory. However, two hurdles exist: (1) most local people lack the education in science, engineering and business to implement such ideas; of course such people might be brought in, but their presence might aggravate other problems. (2) The government seems inclined to separate such activities from the large Saudi cities in the south. For example, the current Saudi plan is to build another new tech oriented city, tentatively called NOME, in the north-western corner of the country near Jordan, the Palestinian West Bank, and Israel. This area is not far from the Saudi city of Tabuk (Pop. 900,000) and has two fairly good sized non-Saudi population centers nearby, Aqaba, Jordan (pop. 150,000) and Eilat, Israel (pop. 50,000). This part of the country is nearly 800 miles away from the country's southern population centers (e.g. Riyadh and Jeddah). Will a wealthy, conservative, deeply religious country be able to establish a successful independent technological city state starting from nothing?

In order to implement Vision 2030, the Crown Prince has demonstrated a willingness to use state power to crush opposition. In Yemen, Saudi involvement on the side of Sunni Arabs in a civil war has precluded a settlement which might have allowed healing from the conflict to occur quickly [4]. After helping the Sunni

faction to extend the war, the death tolls have risen and healing will likely take generations. In Turkey, the Crown Prince is suspected of authorizing the assassination of a Saudi journalist, Jamal Khashoggi, who had published unflattering information about the Crown Prince [5]. Does such behavior on the part of a young leader facing 10 years of major societal change indicate the needed flexibility to achieve success?

The Saudi government is counting on raising \$100 billion for their Vision 2030 projects by selling a 5% stake the Saudi government's oil monopoly (Aramco) to European and American investors. The problem is most oil analysts are not inclined to give Aramco the required \$2 Trillion valuation needed to justify the \$100 billion sale.

The problems are several:

1. Aramco's expenses are higher than analysts expected; this is now being explained by the fact that several royal families have been secretly charging family expenses to Aramco.
2. The world selling price for oil has been lower than the \$65 per barrel number used to justify the \$2 trillion amount; this is not likely to change as the US has become an exporter of crude oil rather than an importer, and Russia continues its oil export,
3. Aramco insists on being paid in US dollars which bothers the likes of China that would like their currency to be acceptable particularly right now because of the trade disputes with the US and because the dollar is so high at this time.

In addition, to the valuation problem mentioned above, there are other questions with this 5% offering of Aramco stock. These questions include: (1) what "on going" reporting to all shareholders will be provided, (2) will the subordination of the company's interest to the needs of the Saudi government continue, (3) what would be the consequence if the bulk of this 5% stake ends up in the hands of the Russian or Chinese, (4) will the company stop being used by certain Saudi royals as their personal piggy bank, and (5) what legal processes will be available to disgruntled shareholders if they see maladministration or misuse of corporate funds. All these questions should be addressed before the offering is completed. Is the Crown Prince likely to go forward with Vision 2030 if he has trouble raising the money?

The final and most important thing to consider is the kind of governmental and cultural system that might evolve in this expansive, wealthy country in the coming decades. Social scientists have shown us that change is always occurring in every society. Some societies move toward more participation and/or greater freedom for its residents (e.g. United States of America). Some societies move the other way (e.g. Venezuela). The Saudi Kingdom maintains a social police force that complies Sharia approved public behavior and punishes deviations. The Kingdom has shown little interest moving toward democracy or toward dropping the restriction on political behavior that they place on their citizens. However, in the area of social control the Crown Prince has shown some flexibility. Women are now allowed to drive cars, engage in sports, serve on local leadership councils, and attend public entertainment events (e.g. concerts, sporting events, etc.) [6]. However, suggestions from the international human right groups demand that women should be freed from the Saudi requirement of having a male guardian to direct her affairs. Additionally political gatherings, even peaceful gatherings, are punishable by imprisonment and possible beheading. The Shi'a minority, 15% of the population, remains under very tight control. Will the authoritarian religious and political leadership give up some of its power and control? Is democracy and religious accommodation in Saudi Arabia's future?

3. The next 10 years: the effect of vision 2030 of Saudi Arabia's future

The Crown Prince is heavily invested in his Vision 2030 project that will bring both new physical facilities and social changes. While the facilities are visible, the social changes are likely to be more consequential.

A look at a few of the larger projects, is impressive: A completely new Red Sea resort encompassing both shoreline and off shore island development, a complete refurbishment of Jeddah's downtown with the addition on a civic entertainment area on a nearby offshore island, a major push on renewable energy development, a new high tech and business center in northwestern Saudi Arabia called NEOM, and perhaps the completion of the technological cities begun under previous Kings. All this development will cost more than the \$100 billion likely to be raised by the sale of 5% of ARAMCO.

The original plan called for considerable outside investment of both direct dollars and international joint venture involvement. The war in Yemen but also the royal involvement in the killing of Jamal Khashoggi in Turkey have cause international partners to pull back. The most notable was Richard Branson, the CEO of Virgin Atlantic airline, who has withdrawn from his major role promoting the new Red Sea resort. However, some of the international investors have begun to return to the fold not wanting to miss a promising opportunity [7]. The Crown Prince had hoped that Saudi Arabia would become the "Davos of the Middle East," a Saudi financial conference held in 2018, but several companies withdrew their initial support. These included to executive from: Google, KKR, Ford, J.P. Morgan Chase, BlackRock, Uber, and the Blackstone Group.

All this does not mean the entire Vision 2030 program is dead, but it indicates it may be harder to implement than originally thought. Probably Crown Prince Mohammed bin Salman will have to give up more social controls so that projects like the Red Sea resort, the city of NEOM, and the "Davos of the Middle East" ideas can become realities. But it is in loosening of the social control that the Crown Prince might be subsequently forced to relinquish controls in other areas of life.

The questions raised in this investigation have not been answered. They identify the tension in the country between the Crown Prince's desire to refurbish modernize and update the Saudi economy and his desire to retain the Saud's family control of the country. The longer term future of Saudi Arabia has several possibilities.

4. The longer term future of Saudi Arabia

Given the level of change in the broader world it is almost certain the Kingdom will change significantly. So what are the kinds of possibilities?

One possibility is it will revert from currently being only the fifth most authoritarian regime in the world and return to its former status as the most authoritarian regime in the world. As modern ideas creep into the kingdom, the number of beheadings will probably increase. The talented Saudis will seek to leave. Most of the positive accomplishments in Vision 2030 mentioned above will be lost. The country will experience difficulty finding partners to support and participate in its major projects: NEOM, the Red Sea Resorts, the "Davos of the Middle East" ideas, etc. The religious leaders may resist moves toward liberalization: democratic councils at the local level, women's sports teams, etc. The Shi'a who live around the oil fields might find themselves even more tightly controlled. Women will still have men control their movement, dress and acceptable occupations ... if they work.

Another possibility is the Saud family would turn on the country's religious leaders and openly push them out of the government to demonstrate their bonafides as a worthy member of the community of nations. This would probably trigger a civil war, marked by terrorist attacks led by religious leaders who are currently being sheltered and funded by true Saudi believers across the countryside. The government would be hard pressed to control the Shi'a in the East who would likely rise in rebellion, fight the religious terrorists, and discipline the now secretive reformers likely to demand more civil rights. The internet which was used effectively to organize the Arab Spring in Cairo would be shut down or be tightly controlled. Tourist traffic to the holy sites of Mecca and Medina would remain steady unless there were safety concerns. Tourism to the Red Sea resorts would decline. Non-Saudis in NEOM and other advanced learning and research sites would likely leave. Even the country's enormous oil revenues could hardly sustain such disruption. Which group would win is impossible to predict. The only thing very likely to happen (without US intervention) would be Shi'a success in taking many of the oil fields away from the Saudis, probably with the help of the Iranians. It is unlikely they would become a province of Iran, but they could operate their own small country, like Kuwait.

A final possibility would be to continue gradual liberalizations. This would require forgoing dramatic killings (e.g. Jamal Khashoggi) and winding down the war in Yemen. There should be a program that allows the non-citizen Muslims to become citizens of Saudi Arabia. Perhaps granting birthright citizenship would make the process of merger between the two groups gradual. To solve the cousin marriage problem, a bonus program might be established wherein a marriage contracted by an immigrant family member and a Saudi family member would earn a \$100,000 bonus. The money flowing to the descendants of King Saud could be curtailed significantly perhaps by the total of the \$100,000 bonuses paid above. Perhaps the Crown Prince might set up an elected national advisory council with 10 advisories from each million population. Electing these advisors might get the people used to debating the qualifications of candidates and to the idea of going to the polls regularly to vote. The Kingdom might very gradually evolve into the structure found in England with a figurehead monarch and an "advisory council/parliament" eventually holding the real power.

5. Conclusion

The role of the Islamic religion is the major variable in this situation because conservative religious leaders do not like being forced to simply advise or urge people to do what their religion promotes and proscribes. Such leaders like the state to assist them in gaining compliance. In Western Europe there was a bloody war fought for 30 years when the Lutherans of Northern Germany wanted to be free of Catholic proscriptions. It will require a firm leadership style to liberalize Saudi Arabia without causing the religious leaders to go into open revolt and take their conservative followers with them. It should be noted that neither Catholics nor Lutherans could find an authority for the Catholic demands and proscriptions in their holy book, the Bible. However, in Saudi Arabia both the progressives and the religious conservatives acknowledge their Holy Book, the Quran, contains the demands and proscriptions that the religious leaders advocate. In addition, the Catholics of Europe had a method for revising their many "questionable" requirements (e.g. Councils of the Church, statements by the Pope, etc.) whereas the Islamic world has no definitive way or process to revise the rules found in the Qu'ran. It is very difficult to "modify" the exact words of God as revealed to the Prophet Mohammed. Such modifications are unlikely to occur. Who is man to reinterpret the word of God?

So which path is likely to emerge in Saudi Arabia? The gradual liberalization path seems the most likely to continue going forward. The only questions are the tempo of change and the degree of change. The central question is will the change include some democracy at the national level? The Crown Prince seems to be a very proud, strong willed, self-confident man who is not afraid of enacting violence. He has one wife and four children. This speaks to the respect he has for his wife who is also a member of his tribe. Today he is relatively young and he has the confidence of his failing father, King Salman. In the present with the King living and supporting him, Mohammed bin Salman is continuing to move quickly to embrace change. With this in mind, the changes are likely to continue, but they are more likely to be focused on social areas and avoid governmental structures. There will be push back from the religious leaders. As the Crown Prince grows older, these two forces of social and governmental structures are likely to slow the tempo of change and to be less dramatic. Will the other interested groups be generating counter forces to keep the progressive changes coming? It is not likely but possible. There are three such counter force groups: the Shi'a, the Muslim immigrants, and the important new arrivals with special skills that Vision 2030 will bring to the country in the coming decades. These will represent perhaps 50% of the people present in the land, but they will have few effective ways to communicate with each other or existing forums through which they might be heard such as Rotary, political parties or the Chamber of Commerce.

A warning is needed should some national level democracy develop. A participatory democracy requires such things as the education of voters in government, civics, and the history of democratic successes and failures. This sort of education is completely lacking in Saudi Arabia today. Any democratic change should be implemented slowly so the educational component can be infused into the schools completely. The failure to educate the common men and women will lead to a credulous electorate that can be easily misled by propaganda and unrealistic political promises.

A few concluding thoughts on perhaps the most intractable problems described above:

1. To move from authoritarian (kingdom) government to democratic government (particularly a fully participatory democracy) requires not only the historical and civics education of the people, but at an even more basic level, there must be at least a general feeling of mutual self-respect for "the other", a basic feeling of equality among all people (e.g. of the Sunni for the Shi'a, of men for women, of the Crown Prince for Jamal Khasogghi, of the rich Muslim student for her visiting Christian teacher, etc.). Islam, as a world force, achieved its greatest success in the seventh through the sixteenth centuries by actualizing an opposite sense (i.e. of Muslims over non-Muslims, of men over women, etc.). The current educational system reinforces loyalty to the King, Islam and tribal superiority. Equality is not fostered in the government, religion, social or educational systems.
2. To reduce the increase of physical and mental abnormalities within the nation's gene pool, the nation will have to instigate a major push to get citizens to at least think about marrying people that their parents would never consider appropriate. This "push" could take the form of stipends or social status. Because Islam sanctions cousin marriage, the religious leaders will have to be involved.
3. Will Saudi Arabia move toward democracy as socialism falters? The interaction of lower oil prices and growing number of Saudi's receiving stipends is sustainable in

the near future. However, the social and Islamic religious structures argue against a participatory democracy. Socialism may falter but a turn toward democracy would threaten the power of the King, Crown Prince Mohammed bin Salman and the religious leaders.

And finally, the authors of this chapter come to their task with internal “frames of reference” that have been heavily influenced by the enlightenment and western Christianity. They have attempted to understand the Saudi Arabian mind set through study and interpersonal contacts both in America and, in the case of the lead author, in the Middle East as well. However, they know they can never fully predict the impact of the culture, the religion, and the effect of extended family relationships which have been internalized by the people of Saudi Arabia. These factors will, in the long run, have the greatest impact on Saudi Arabia’s future.

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