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NOTES AND REFLECTIONS

THE ILLUSION OF REGIONAL HEGEMONY? CRITICAL ANALYSIS OF SAUDI ARABIA'S POST-OIL TRANSITION UNDER THE POLITICAL ECONOMY PRISM

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Introduction

Widely renowned for its petroleum wealth, The Dessert Kingdom of Saudi Arabia, is undergoing an enormous economic reorientation. This oil-dependent economy reduced the need for political liberalization or economic diversification as it enabled the state to disperse riches through public employment, subsidies, and social welfare. Recent developments worldwide have persuaded the ruling House of Saud that strengthening the country's economic base is crucial to future prosperity. Given how heavily reliant on oil, the state is now, a substantial drop in demand would cause Saudi Arabia's GDP to fall precipitously. Vision 2030, introduced in 2016, is the overarching strategy to avert this and moderate the country.

A worldwide roadmap for economic diversification, Vision 2030, reflects Riyadh's desire to break the 'resource curse' and reclaim its economic identity through technological modernization, diversification and industrialization[1]. This move becomes especially urgent given the hurdles of the global energy transition, the decrease in oil paychecks and the evolving geopolitical climate[2]. Massive projects like NEOM, Qiddiya, and the kingdom's burgeoning green hydrogen and semiconductor enterprises have the potential to spearhead the change to an economy powered by information and innovation[3].

Nevertheless, the shift raises significant worries about whether such a change could be implemented in a rentier structure that's highly authoritarian. However, this change beyond oil is not merely economic; it is fundamentally political. The new era of Saudi Arabia comprises traversing authoritarian modernization avenues, recalibrating the

[1] Jane Kinninmont, 'Vision 2030 and Saudi Arabia's Social Contract. Austerity and Transformation', *Policy Commons*, no. July (2017).
[2] Hazem El Beblawi, 'The Concept of "Rentier States" Revisited', in *The Middle East Economies in Times of Transition* (Palgrave Macmillan UK, 2016), https://doi.org/10.1007/978-1-137-52977-0_8.
[3] Rivlin, P. (2011) 'Steffen Hertog: Princes, Brokers and Bureaucrats Oil and the State in Saudi Arabia', *Middle Eastern Studies*, 47(4), pp. 693–694. Available at: https://doi.org/10.1080/00263206.2011.586149.

nation's role in industrial policy and revising rentier social contracts[4]. Vision 2030's success is contingent upon institutional endurance, global economic links and political legitimacy alongside its financial investments.

This study incorporates rentier state theory, state-led developmentalism and green political economy to critically evaluate Saudi Arabia's post-oil transition from a standpoint of political economy. By examining flagship projects and modifications to policies, it raises the query of whether Saudi Arabia is truly turning away from rentierism and embracing financial dominance, or if it is simply rebranding its rentier-seeking business under the facade of modernity.

Literature Review

Beblawi and Luciani argued, according to Rentier State hypothesis, the state's accumulation of oil wealth stands in the way of democratization and the development of a viable non-oil economy. States that rely on overseas income, such as oil revenues, have been attributed to limited economic diversification and repressive regimes[5]. Rent can be seen as a worthless 'gift of nature'. This system has historically applied to Saudi Arabia, leveraging its oil money and patronage to safeguard political stability. Recent analysis, however, demonstrates that Vision 2030 contradicts this wisdom by trying to foster a productive economy. Since 2016, with the ultimate objective of diversifying away from oil, Saudi Arabia has been involved in an unparalleled economic, if not political and social, restructuring endeavor[6].

Although market capitalism has undisputed advantages over state capitalism, Bremmer contends that state capitalism will not be rapidly overthrown since it has been an essential component of Gulf diversification efforts, where it favors the powerful[7]. This is clearly shown by Saudi Arabia's Public Investment Fund (PIF), which makes major expenditures in technology and infrastructure. To encourage the kingdom's economic diversification strategy, PIF has exhausted its cash reserves and pulled off its global portfolio; nonetheless, the fund continues to be on track to exceed US$1 trillion by 2025 and US$2 trillion by the end of the decade. However, detractors claim that such initiatives may only be corporate disguises supporting rentierism[8].

According to Van de Graaf T., pressure to adapt has been imposed on petrostates amid the global shift to renewable energy. It is time to revisit the geopolitics of oil; its abundance generates both winners (such as the United States and import-dependent economies) and losers (specifically petroleum-dependent states having few competitive industries outside fossil fuels)[9]. Investments undertaken by Saudi Arabia in green and

[4] Hidayat, N.A., Machmudi, Y. and Soekarba, S.R. (2022) 'VISION 2030: SAUDI ARABIA'S MODERNIZATION', *Jurnal CMES*, 15(2), p. 137. Available at: https://doi.org/10.20961/cmes.15.2.62857.
[5] Beblawi, H. (2015) *The Rentier State*. Routledge. Available at: https://doi.org/10.4324/9781315684864.
[6] Wolf, A. (2024) *The Oxford Handbook of Authoritarian Politics*. Edited by A. Wolf. Oxford University Press. Available at: https://doi.org/10.1093/oxfordhb/9780198871996.001.0001.
[7] Bremmer, I. (2010) 'Article Commentary: The End of the Free Market: Who wins the war between States and Corporations?', *European View*, 9(2), pp. 249–252. Available at: https://doi.org/10.1007/s12290-010-0129-z.
[8] Gray, M. (2018) 'Rentierism's Siblings: On the Linkages between Rents, Neopatrimonialism, and Entrepreneurial State Capitalism in the Persian Gulf Monarchies', *Journal of Arabian Studies*, 8(sup1), pp. 29–45. Available at: https://doi.org/10.1080/21534764.2018.1546931.
[9] Van de Graaf, T. (2018) 'Battling for a Shrinking Market: Oil Producers, the Renewables Revolution, and the Risk of Stranded Assets', in, pp. 97–121. Available at: https://doi.org/10.1007/978-3-319-67855-9_4.

solar hydrogen (such as the NEOM Green Hydrogen Project) represent an effort to remain relevant in a world that's rapidly decarbonizing[10].

The reforms enacted in Saudi Arabia are a classic instance of "authoritarian modernism" which asserts that political liberalization is not crucial to economic development. As an illustration, the NEOM megacity showcases technocratic governance but lacks democratic accountability.

Theoretical Framework

Saudi Arabia's post-oil economic transition has been determined by the intricate interplay of political economy, global energy dynamics, and industrial growth. To critically evaluate the kingdom's evolving economic model in the context of Vision 2030, this paper integrates three fundamental theoretical frameworks:

The Rentier State Theory: The Historical Anchor

The rentier state theory provides the structural and historical bases of Saudi Arabia's pre-2030 economic and political architecture. This notion, which was initially put forth by Mahdavy (1970) and then expounded upon by Beblawi and Luciani (1987), posits that states that are primarily funded by foreign rents, notably oil, have a tendency to exhibit:

- Reliance on foreign streams of income compared to local manufacturing,
- Weak taxation structures and minimal social and government oversight,
- Rentier legislatures construct welfare-dependent citizens while upholding authoritarian governance by allocating wealth through patronage networks rather than through productive economies[11].
- Elites' rejection of reforms that imperil rent distribution renders economic diversification sluggish[12].

Saudi Arabia has long been a prime example of these traits. Given its economy's substantial reliance on oil exports, the monarchy managed to repress calls for political liberalization, subsidize domestic consumption, and distribute wealth. In exchange for political stillness, the state granted benefits and employment in lieu of the fundamental rentier bargain. In addition to leveraging oil and tribalism to sustain their dictatorship, Saudi leaders additionally employ globally recognized approaches in economic restructuring, finance, and urban planning. From this perspective, Saudi politics doesn't

[10] Meckling, J. *et al.* (2022) 'Why nations lead or lag in energy transitions', *Science*, 378(6615), pp. 31–33. Available at: https://doi.org/10.1126/science.adc9973.
[11] Mahdavy, H. (2015) 'The patterns and problems of economic development in Rentier States: The case of Iran', in *Studies in the Economic History of the Middle East*.
[12] Carmody, P. (2013) 'The Oil Curse: How petroleum wealth shapes the development of nations', *African Affairs*, 112(449), pp. 688–689. Available at: https://doi.org/10.1093/afraf/adt051.

seem to be extraordinary as rentier state theory indicates[13]. By stimulating the expansion of the private sector, a few scholars contend that Vision 2030 rejects rentierism[14].

Developmental State Theory: Industrial Policy and State Capacity

The ambitious economic diversification of Saudi Arabia can be examined through a comparative lens offered by developmental state theory. Woo-Cumings (1999) and Evans (1995) state that the developmental state is described by:

- An autonomous bureaucracy with the ability to successfully design and carry out industrial regulations[15],
- Upgrading innovation capabilities through strategic state-business collaboration,
- Industrialization concentrated on exports, whereby productivity rises instead of mining resources.

Saudi Arabia follows a top-down industrialization paradigm in its quest to build a semiconductor market, retake the forefront for manufacturing green hydrogen and establish smart cities like NEOM. Yet, unlike the developmental republics of East Asia, Saudi Arabia lacks a meritocratic, decentralized bureaucracy[16]. According to Hertog (2010) and Gray (2019), royal patronage networks persist to erode bureaucratic autonomy in Saudi Arabia's political economy that is still clientelist and fragmented.

Developmental state theory questions whether Saudi Arabia's industrial policy might be successful without the institutional components that have long encouraged Asian GDP growth, such as a robust civil service and an inclusive innovation ecosystem.

Green International Political Economy: Energy Transition as Geopolitical Reorientation

As defined by Falkner (2021), the discipline of Green International Political Economy explores the way developments in the global environment shape financial opportunities and power architectures. This approach highlights how the energy transition is an economic alongside geopolitical realignment.[17]

Besides aiding in the diversification of finances, Saudi Arabia's investments in carbon-neutral technology, renewable energy, and green hydrogen are fueled by the need to maintain the kingdom's standing as a major player in the world energy market. Saudi Arabia intends to continue to be an influential energy exporter as the globe moves away

[13] Baumann, H. (2019) 'The Transformation of Saudi Arabia's rentier state and "The International"', *Globalizations*, 16(7), pp. 1165–1183. Available at: https://doi.org/10.1080/14747731.2019.1573870.
[14] Woo, M. (2021) 'THE DEVELOPMENTAL STATE', in *The Oxford Handbook of South Korean Politics*. Available at: https://doi.org/10.1093/oxfordhb/9780192894045.013.7.
[15] Evans, P. (2012) *Embedded autonomy: States and industrial transformation*, *Embedded Autonomy: States and Industrial Transformation*. Available at: https://doi.org/10.2307/2077170.
[16] Woo, M. (2021) 'THE DEVELOPMENTAL STATE', in *The Oxford Handbook of South Korean Politics*. Available at: https://doi.org/10.1093/oxfordhb/9780192894045.013.7.
[17] Falkner, R. (2021) *Environmentalism and Global International Society*. Cambridge University Press. Available at: https://doi.org/10.1017/9781108966696.

from fossil fuels, but this time in sustainable energy. Putting the kingdom as a key supplier of the future energy markets be the aim of the Helios project in NEOM and other green hydrogen endeavors. Saudi Arabia's environmental campaigns are strategic rather than normative, as green IPE highlights. Saudi Arabia's green pivot is a geopolitical hedge against the decreasing value of oil rather than environmental stewardship as a whole.

Table 1. Synthesis: Transitional Developmentalism or Hybrid Political Economy?

The combined application of these theories reveals a hybrid transformation:

Theory	**Key Insights**
Rentier State Theory	Even if the rents could originate from the oil and digital markets, Saudi Arabia preserves its centralized distributive logic.
Developmental State Theory	The kingdom lacks the political inclusivity and bureaucratic depth of traditional developing scenarios
Green International Political Economy Theory	Saudi Arabia's pivot is more of an expression of geopolitical pragmatism than environmental leadership

As such, Vision 2030 is neither an abrupt change from the past nor an ordinary example of effective progress. Rather, it reflects what Gray (2019) alludes to as "authoritarian modernization," in which economic change enhances rather than eliminates authoritarian power systems.

Methodology

This study uses a qualitative case study research design to perform an analysis in terms of critical political economy concerning Saudi Arabia's post-oil transformation laid out in Vision 2030. The design is suitable for a deep, nuanced, and holistic probing of a complex real-world phenomenon in the natural illumination of its contemporary milieu.

Research Design

Qualitative Case Study: The research underlines the distinctive characteristics of Saudi Arabia's economic transition and emphasizes the kingdom as a singular, unique case. This analysis is embedded, evaluating several analytical components within the case, involving budgetary policies, flagship projects (green hydrogen, NEOM), and institutional frameworks.

Critical Analysis: This approach is critical rather than neutral, which aims to determine the underlying power architectures, inconsistencies, and likely disparities between the theoretical precepts of Vision 2030 and real-world implementation.

Sampling

For conducting this particular research, purposive sampling has been used.

Data Sources

This research uses a triangulation of data sources to guarantee thoroughness and authenticity.

Primary Data Sources: Official Saudi government publications, such as Vision 2030 annual reports, PIF financial disclosures, and Saudi Arabian Ministry of Investment (MISA).

Secondary Data Sources:

Academic Literature: Academic publications on the rentier state theory (e.g., Luciani, Beblawi), green political economy (e.g., Falkner), and developmental state theory (e.g., Woo-Cumings, Evans).

Industry Analysis: Specialist publications reporting on FDI figures, project delays, and energy market growth.

International Reports: Data from the World Bank, BloombergNEF, and PWC.

Data Analysis

Thematic Analysis: Recurring patterns and themes, involving "strategic posturing," "institutional fragmentation," "rentier paradox," and "authoritarian modernization," have been identified by coding and evaluating the data.

Process Tracing: The causal relationships coupling Saudi Arabia's rentier past to its contemporary reform programs, along with prospective outcomes in the future, are investigated utilizing this method.

Comparative Analysis: Saudi Arabia's organizational capacity and industrial policy are strongly contrasted with the past models of East Asian developmental states in an effort to bring attention to challenges and deficiencies.

Empirical Examination: Vision 2030's Transformative Potential and Persistent Challenges

The Enduring Rentier Paradox: Intermittent Diversification Masking Structural Consistency

A granular assessment of Saudi Arabia's fiscal architecture uncovers a crucial discrepancy in Vision 2030.

In comparison to the baseline of 2016, non-oil revenues rose by 113% to $137.29 billion. The GDP contribution via the private sector has increased to 47%. The revised 2030 target was raised to $2.67 trillion, and PIF assets reached $941.3 billion in 2024. The PMI for August 2025 rose to 56.4. On September 4, 2025, total FDI stock increased by 24.2%, hitting approximately $32.2 billion, and Vision 2030 has attracted 660 global company headquarters to relocate to Saudi Arabia[18].

The construction industry, primarily propelled by oil-funded giga-projects like NEOM and Qiddiya, has already become a significant economic engine, with a market value of

[18] *Saudi Arabia: A Global Investment Hub*. (2025). Ministry of Investment. https://misa.gov.sa/

$65.58 billion in 2023 and an estimated annual growth rate (CAGR) of 2.75% to reach $75.12 billion by 2028.

Additionally, by offering **possibilities for employment** to both domestic and foreign workers, the industry makes an enormous contribution to job creation. The estimated cost of production is still too high for business without subsidies[19]. In spite of having discovered that 83% of new chances are in the private sector, 61% of Saudi youth prefer to pursue careers in the public sector[20]. Women's labor force participation stood at 36.2% in the third quarter of 2024, having stood at 17%. The Saudi government's dedication towards improving living standards is determined by its aim to increase home ownership from 62% in 2020 to 70% by 2030[21].

Saudi Arabia, in the Heart of Sustainability, is becoming a pioneer in renewable energy and green building. Boosting the capacity of renewable energy from 4.9 GW in 2021 to 58.7 GW by 2030 serves as one of the lofty targets outlined from the administration. Saudi Arabia stands at 108th on the Environmental Performance Index, dropping 13 spots from the baseline position[22].

This trend supports Luciani's (2020) observation that rentier territories perform better at "accounting diversification" through ingenious sectoral categorization than through actual sectoral change. SMEs barely make up, and the private sector's GDP contribution is still plateauing at 41.7% by December 2024, much below the 65% target[23]. Only oil revenues can constantly fund sectors like real estate, infrastructure utilities that require massive capital expenditures, thereby accounting for 78% of its domestic portfolio. PIF subsidies monopolize the entire value chain (from NEOM construction to future tourism ventures, for instance), driving out private competitors, as per vertical integration changes PIF 2023.

The Green Mirage: Strategic Posturing Versus Energy Reality

Three vital perspectives ought to be used to examine Saudi Arabia's extensively documented renewable energy attempts:

a) ***Capacity vs Output Disparities:*** Despite owning 3.7 GW of installed renewable capacity in 2023, actual generation only took up 1.2% of the electricity mix because of suboptimal capacity factors (18% for solar relative to the global average of 25%) and issues with grid integration.

b) ***The Gambit on Hydrogen:*** "Transnational Resource Nationalism" is best expressed by the $8.4 billion NEOM Green Hydrogen Project:

[19] Annex, M. (2023) *Renewable Energy Investment Hits Record-Breaking $358 Billion in 1H 2023*, *BloombergNEF*.
[20] PWC (2023) *Middle East Workforce Hopes and Fears survey 2023*.
[21] Zerqane, R. (2025) *For European investors and entrepreneurs, Vision 2030 offers opportunities to participate in the kingdom's modernization and shaping its future*.
[22] *Vision 2030 2024 Annual Report* (2024). Available at: https://www.vision2030.gov.sa/en/annual-reports (Accessed: 6 July 2025).
[23] World Bank Group (WBG) (2025) *World Bank Enterprise Survey 2022*. Available at: https://microdata.worldbank.org/index.php/catalog/6499 (Accessed: 6 July 2025).

- Dependent on foreign technology (Thyssenkrupp electrolyzers, distribution of Air Products),
- It was originated for export markets (Europe and Asia) rather than regional decarbonization.

c) ***Continued Hydrogen Submersion:*** Concurrent occurrences disclose clashing priorities-through 2027, Aramco will invest $40 billion a year on capital projects, including: greater capacity of 1million bpd and the biggest carbon capture project in the world (44 MtCO2/year by 2035) allows continual extraction.

Institutional Paralysis: The Never-Been Developmental State

Saudi Arabia's industrialization push, centered on futuristic urban (e.g., NEOM), semiconductor manufacturing, and green hydrogen, has taken encouragement from booming East Asian countries. However, the dearth of a diversified industrial base, minimal regulatory independence, and inadequate institutional capacity keep impeding the establishment of a self-sustaining rising state. Structural flaws have been identified through the comparison of institutional assessments to East Asian models:

a) ***Deficits in Bureaucratic Capacity:*** Royal extended families account up 67% of prominent economic policymakers.

In the case of project implementation***,*** Vision 2030 megaprojects usually encounter 3.2-year delays because of: multiple phases of approval (NEOM contracts demand 14 signatures) and constant adjustments to royal court directives (recorded in 38% of cases).

b) ***Innovation Ecosystem Failure:*** Even though $22 billion had been spent on R&D since 2016, 72% of patents are small-scale advances of already-existing technologies. 42% of STEM graduates opt for work overseas.

Responses from Other Mighty Powers & Perception as a Threat

China: Selective Competition +Strategic Partnership

China views Saudi Arabia as a key energy supplier and more of a partner for infrastructure projects and green energy. The flow of Saudi capital (PIF) and market access to China in return for construction services, manufacturing, and technology has been increasing. The relationship is very much transactional, as China welcomes the Saudi supply of green commodities and investment, and cooperates on tech projects and infrastructure. Vision 2030's urge for technology, investment, and technology perfectly match the Chinese Belt and Road Initiative (BRI) and the "going out" policy. Chinese corporations are heavily engaged in NEOM and other projects.

Threat Perception: China does not perceive Saudi economic aspirations as an immense risk but as an opportunity. Saudi Arabia permits China to expand its influence and hold in the Middle East, build new markets for goods and services, and secure energy interests (even in a post-oil period), all in an attempt to weaken US influence in the region.

The United States: Partnership+ Cautious Strategic Optimism

The US considers Saudi Arabia a critical strategic ally in regional security and energy. A stable and wealthy Saudi Arabia with reduced dependency on oil income supports long-term US economic interests and security in the region. American corporations gain significantly from massive projects and contracts in technology transfers. Nevertheless, Washington is tensed with Saudi aspirations in strategic high-tech industries (semiconductors, advanced materials) as these intersect the US national security and its interest in maintaining a lead in technology.

Threat Perception: It is unrealistic to view Saudi Arabia as a direct challenger to American hegemony in the global system. However, any strategic rearrangement that deepens Riyadh's connections with its adversaries- Russia and China, Washington will surely take that into account. The United States is more preoccupied with geopolitical realignment than economic rivalry. Rather, the US frequently reacts by curbing the critical technology sharing while fostering business collaboration.

Regional Middle-Eastern Nations: Rivalry & Competition

The UAE: To the UAE, Saudi Arabia's Vision 2030 is an immense risk to its economic diversification models (e.g., "Dubai's Hub Model"). This heightened competition for foreign investment, talent, and a regional "Giga-Project Marathon."

Iran & Rival States: Iran views Saudi Arabia's advanced regional projection with suspicion and geopolitical concern. Saudi Arabia's economic clout has the power to influence politics that challenge Iran's goals.

Smaller Arab Countries: Although many smaller Arab nations welcomed Saudi investments; yet, they are wary of getting dependent on it since they suspect that Saudi projects might overtake local businesses and dominate regional markets.

Threat Perception: Saudi Arabia is viewed as an existential economic threat by its regional adversaries. Its sheer scale and monetary resources enable it to subsidize industries, outmatch competition, and meddle in the regional political and economic leadership. To Iran, the growing significance of Saudi Arabia's economy only accelerates them as geostrategic and sectarian antagonists, solidifying their position as rivals.

Thus, the notion of "threat" is contextual as well as domain-specific: Saudi Arabia tends to be an economic and political challenger in the Gulf balance-of-power perspective, not an overall menace or universal threat.

Strategic Policy Imperatives: A Blueprint for Authentic Transformation

Institutional Overhaul: Formation of a Capable Developmental State

a) Amending Meritocratic Bureaucracy:

- Build an Independent Civil Service Commission founded on the Public Service Division of Singapore,

- Adopt rigorous tests for every position involving requiring proficiency higher than grade 12,
- Promote streamlined governance in special economic zones (King Abdullah Economic City, 5-year pilot),
- Reduce political interference in economic decision-making for enhancing policy coherence and execution.

b) Restructuring Public Investments:

- Mandate PIF portfolio diversification by limiting real estate and infrastructure at 40% of total assets,
- Set conditions for private co-investment: new giga-projects must include at least 30% of private capital,
- By 2026, ensure compliance with Sovereign Fund Transparency Index.

Energy Transition: Transforming Phraseology into Practice

a) Binding Decarbonization Policies:

- By 2035, 60% of the nation's electricity shall come from renewable sources, and progress shall be reviewed every three months,
- 50% of Aramco's dividends should be spent toward domestic renewable production plants,
- By 2027, set a $40/ton carbon levy for industrial polluters.

b) Rethinking the Hydrogen Strategy:

- Make domestic fertilizer production of green ammonia a top priority in order to supplement the 2.5 million tons of imported fertilizer annually,
- Create joint ventures with major corporations (Siemens, Cummins) to spur native electrolyzer manufacturing,
- Establish a hub enabling regional hydrogen trading in Yanbu Industrial City.

Empowering Private Sector: Eliminating the Rentier Mentality:

a) Actions for Market Liberalization:

- Abolish 70% of existing economic licenses (2,100+ deemed to be outdated),
- Introduce negative listing approach: each sector is open unless strictly forbidden,
- Launch a SME Stock Exchange with flexible listing regulations.

b) Labor Market Revolution:

- Alternative wage subsidies based on for Saudization quotas,
- Convert TVTC vocational centers into German-modeled dual education facilities,

- Give ten-year tax breaks to new firms in significant sectors, (biotech, renewables, AI).

Managing the Transition via Political Economy Adjustments

a) *Progressive Fiscal Reforms:*

- Propose a 0.5% annual municipal property tax to diversify sources of income,
- Lower energy subsidies by a certain percentage (20% per year for the top 20% of earners).

b) Measured Political Adaptation:

- Grant local development projects more authority to be accepted by the municipal council,
- Set up an Economic Social Council comprised of both the labor and private sectors.
- By 2028, test out constrained party politics in the NEOM special jurisdiction.

Conclusion: Navigating the Transitional Crossroads

Saudi Arabia's Vision 2030 is an ambitious and intricate attempt to rewrite the kingdom's economic future. The accomplishment of developmental states elsewhere is not being flawlessly duplicated, nor is it an all-encompassing shift from the past. Rather, it symbolizes a hybrid political economy that has its foundation in rentier traditions while aspiring for technical modernity and universal significance.

Although Vision 2030 has been successful in commencing large-scale projects and diversified businesses, it has yet to tackle three key structural contradictions: a political system utterly hostile to wider participation, institutions that are bound by centralized authority, and an economy that is completely reliant on oil wealth. Because of complex fiscal recycling processes, the economy remains wedded to hydrocarbon earnings, and non-oil growth is disproportionately concentrated in state-subsidized corporations.

In the end, Saudi Arabia's post-oil transition will be fruitful if it has the willingness to correct its institutional flaws and reevaluate its political accord with society. Vision 2030 bears the risk of transforming into another example of authoritarian modernization without these profound adjustments; it might appear revolutionary on its outside and brittle on its interior.

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