

Saudi Vision 2030 (2016–2026): A Decade in Review

Sultan Alkahtani^{1*} 

¹Independent Researcher in International Relations

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*Corresponding author: Sultan Alkahtani

Independent Researcher in International Relations

Abstract

Saudi Vision 2030, launched in 2016, is a comprehensive national transformation strategy that seeks to decrease Saudi Arabia's dependency on hydrocarbons, diversify the economy, increase the participation of human capital, modernize governance, and strengthen Saudi Arabia's global standing. This study is an attempt to look at Vision 2030 as a multi-dimensional transformation process and not a single economic reform programme after 10 years of its application. Qualitative documentary analysis thus describes, based on qualitative evidence, official Vision 2030 documents, government documents, national statistics, international assessments and academic literature between 2016 and 2026. Economic diversification, social change, governance reform and strategic repositioning are all central themes for the analysis. Results show that there have been major achievements in some of the areas that are not oil related, women in the workforce, tourism development, digital governance, and international investment engagement. However, there are financial and institutional shortfalls around the dependence of oil, project sustainability, and productivity in the private sector. As the study points out, Vision 2030 is still a transformation model and not a transition to something else.

Keywords: Saudi Arabia vision 2030; Saudi Arabia; Economic Diversification, Government Reform; Public policy.

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1. INTRODUCTION

The energy and, in particular, oil and gas revenues have had a deep influence on Saudi Arabia's political economy for decades and underpinned a government-centric, one-size-fits-all growth model that relied on high public-sector job creation, reduced citizens' tax responsibilities, and provided social safety nets. It has been often studied as a 'rentier state', meaning that the state works with resource revenues that serve as the economic basis for its power and influence. But, the world of oil, demographic challenges, the growing employment needs of youth, and competition from the global economy brought out incentives for a larger Saudi economic model change (Alqahtani, 2025). Saudi Arabia's Vision 2030, launched in April 2016 as a national development plan, aims to address these challenges through diversifying away from economic reliance on oil, bolstering private-sector efforts, creating opportunities for investment, developing new industries, and strengthening the social and institutional capacity. However, Vision 2030 is a wider transformation agenda which involves the economic restructuring, social reform, governance modernization and international

repositioning (Alarifi *et al.*, 2025). One of Vision 2030's key goals is economic diversification. The strategy includes the growth of the non-oil sector with investments in tourism, the logistics sector, mining, manufacturing, technology, renewable energy and entertainment. This setting of the new entities like Public Investment Fund (PIF) has made sovereign investment a powerful instrument to establish and develop new sectors of the economy and secure international partnership. However, oil revenues remain a significant source of financing public investment, and it is not clear if diversification is a real paradigm shift for a rentier state or only a different version of state-led development or development that is still dependent on oil wealth (Al-Anezi, 2025).

Apart from the economic restructuring, Vision 2030 has brought about some major social & institutional changes. Other indications of the programme going beyond economic policy include increasing women in the labor force, promoting the tourism and cultural sectors, enhancing digital government services and carrying out administrative reforms. These modifications

suggest efforts of restructuring state–economy–society relations with strict state coordination (Alhamad *et al.*, 2025). The global aspect of Vision 2030 has also gained in relevance. Economic transformation has propelled Saudi Arabia toward growing investment ties, fostering ties with emerging economies, dialing in its diplomacy and seeing itself as a regional and global investment center. Vision 2030's foreign policy more and more highlights the need to balance domestic economic goals with the evolving geopolitical landscape, particularly the transition toward multipolar economic relations (Alhazmy, 2025). Though there has been much discourse on Vision 2030, research has too often focused on single aspects. Past research has been done on specific topics like economic diversification, women's participation, or tourism development, or governance or foreign policy change. These studies offer valuable insights, but fewer analyses consider Vision 2030 as a complex and comprehensive process of change involving an intersection between the economic, social, institutional and geopolitical fields over the next decade (Nazim & Alzubi, 2025). To fill this gap, this study treats Vision 2030 as a multidimensional state transformation programme, to be analysed over the period 2016-2026. Offers instead a combination of aspects of transformation and assesses both results and systemic issues.

This study aims to answer the following research questions:

- 1.1 Q1:** What are the Economic changes Saudi Arabia has undergone in its first decade of Vision 2030?
- 1.2 Q2:** What have been the changes of the social and institutional landscape as a result of the process of transformation toward Vision 2030?
- 1.3 Q3:** How successful has Vision 2030 been in Saudi Arabia's global economic and strategic reconfiguration?
- 1.4 Q4:** What can impact the sustainability of this transformation beyond 2030?

This research has three contributions. On the one hand, it paints a picture of Vision 2030, both support and criticism, by bringing together economic, social, governance, and foreign-policy dimensions in one analysis. Secondly, it separates the demonstrable economic diversification from the tougher goal of fiscal and institutional independence from oil. Thirdly, it specifies reasons why the process of Vision 2030 can be a sustainable model of transformation or continue to be an oil-dependent diversification state-funded programme.

2. LITERATURE REVIEW

2.1 Rentier State Theory and the Transformation of Saudi Political Economy

The idea of the rentier state has been used to analyse the Saudi economy and polity in the past. Rentier state theory describes the type of economic and institutional structures that countries with significant external resource earned revenues have in place, such as,

high government involvement in the economy, low taxes, and large distribution system. Throughout Saudi Arabia's history, oil as a revenue source has allowed the state to sustain low levels of domestic taxation, fund public sector employment, invest in infrastructure, and provide social protection programs, inter alia (Alghitran *et al.*, 2025). But global energy market shifts, population growth and economic uncertainty have put the sustainability of traditional rents at risk. Oil prices have fallen since 2014, unmasking weaknesses of relying on hydrocarbon income and accelerating the need for economic changes. As a result, Vision 2030 is a policy effort to transform the traditional rentier paradigm a plan to use its current resource-based wealth as a starting point to diversify its economy, by creating new economic opportunities in sectors other than oil and gas (Agostinelli Dos Santos & Mattar Nasser, 2026). Some analysts have recently suggested that Saudi Arabia's change does not necessarily imply a definitive shift from renterism. It, rather, shows a process of transition towards a state driven diversification model with the continued ability to generate financial resources through the hydrocarbon sector, but with its new trajectory towards investment, industrial development and institutional change. This distinction is significant as diversification of economic activity does not necessarily mean that a country is financially independent from oil revenues (Ibrahim *et al.*, 2026).

2.2 Vision 2030 and Economic Diversification

Vision 2030 is about economic diversification. The strategy is to boost the output of non-oil industries through activities in the private-sector, foreign investment, industrial development, tourism, logistics, mining, technology and renewable energy.

Past studies on the Gulf economies show that there are two key problems that need to be addressed to make diversification programmes work: the establishment of productive non-oil economies and the lessening of the reliance on state spending. In Saudi Arabia, entities like the Public Investment Fund have been instrumental in directing investments toward strategic sectors and promoting international collaborations (Shirazi, 2026). Despite the observable shift in non-oil economic activities, as noted earlier, scholars still believe that the changes happening in other sectors of the economy constitute an extension of the state-led development and its associated oil wealth. One of the challenges in analysis is thus to identify between:

2.2.1 Economic diversification. Expansion of non-oil industries and economic activities.

2.2.2 Fiscal diversification. Diversification of the government relies on hydrocarbon revenues.

Progress has been shown in the first dimension of Vision 2030, but in the second Dimension, work is still a longer-term challenge.

2.3 Social Transformation, Labour Market Reform, and Human Capital Development

The Vision 2030 is unusual as it takes social transformation into account along with economic transformation. In contrast to previous economic policies and plans that prioritized industrial and fiscal goals, Vision 2030 has made a clear connection between industrial and fiscal policies and social modernization and cultural industries, as well as the labor market. One of the areas where women's involvement has shown prominent changes is in economic activities. Policy changes relating to options in the labour market, mobility and professional involvement have helped to attract more women to the labour-market. But the literature is clear that participation by itself is not sufficient to indicate whether there is labour-market transformation or not. The areas of evaluation such as occupational distribution, wage equality, and productivity and leadership opportunities are still important to address. (Apipudin & Fazlin, 2026)

Likewise, Saudi Arabia's investment in entertainment, sports, cultural and tourism-related industries is an attempt to build new industries while transforming foreigners' perceptions of the Kingdom. These initiatives reflect the multifaceted nature of Vision 2030, which goes beyond mere economic goals to overall social and branding initiatives (Shin *et al.*, 2026).

2.4 Governance Reform and Digital Transformation

Vision 2030's other important facet is governance modernization. The programme focuses on administrative efficiency, provision of e-services to citizens, performance measurement, and the use of information for decision making, as well as institutional coordination (Ikkuoma & Amaechi, 2024). One of the most quantifiable things about Governance Reform is Digital transformation. Online Government service and Digital infrastructure has shown improvement depicting the increase in administrative capacity. But technological modernity does not necessarily bring about wider institutional change (Daoud & Thompson, 2025).

There are still a number of questions to be addressed, as stated in the literature:

2.4.1 Is digital efficiency period with strengthened institutional accountability?

2.4.2 Is there scope for embedding administrative reforms beyond individual programmes?

2.4.3 How sustainable are governance improvements without more general institutional adaptation?

Hence, the issue of digital transformation must be considered not simply technological progress but as part of institutional development.

2.5 Vision 2030 and Saudi Arabia's Foreign Policy Repositioning

Vision 2030 has also had an impact on how Saudi Arabia relates with the outside world. Diversified partnerships between the Kingdom, based on investment,

technology, energy cooperation, and strategic economic relations have been on the increase (Aroua, 2026). This reflects the wider trend of economic diplomacy that considers international relations not just through security dioceses but also through economic investments, technologies and market access (Alkhateeb *et al.*, 2026). Saudi Arabia's partnership with China, ongoing partnership with the Western partners and increased collaboration with emerging economies represent a diversification of its partnerships. This is not to displace conventional alliances but to create more strategic agility in an ever-evolving multipolar world order.

By linking international affairs to economic modernization, investment targets and diversification strategies, Saudi Vision 2030 has played a pivotal role in reorienting Saudi Arabia's foreign policy. Historically Saudi foreign policy had been very much shaped by the necessity of energy security, regional stability and ties to the big powers. Vision 2030, however, brought about a more expansive diplomatic strategy, with greater focus on using international partnerships as a vehicle for economic diversification, technological advancement, foreign investment and global connectors.

The Kingdom's foreign policy shift signifies a shift towards increased strategic flexibility in evolving international settings. Saudi Arabia has strengthened ties with emerging economies in addition to the ongoing collaboration with conventional economies. Elements of foreign policy such as economic diplomacy, investment partnership, technology transfer, and energy cooperation have been gaining significance. Saudi Arabia is aiming to become more influential in world affairs, shifting away from oil diplomacy power plays to position itself as an investment powerhouse through Vision 2030 initiatives. The change also comes with a more aggressive foreign policy under MBS's rule. Saudi Arabia's military operations in Yemen were an unusual departure from Saudi Arabia's traditional foreign policy engagement, as it shows the use of more direct means of securing national and regional interests (Alkahtani, 2022). The study reveals that this transformation is part of a process of change in Saudi foreign policy action and decision-making. Thus, Vision 2030 has not only changed the Saudi economy's composition but has also had an impact on Saudi Arabia's foreign policy. Foreign policy is now viewed as a comprehensive mechanism for achieving national transformation objectives; it moves from close nexus with economic policy to include greater security and strategic perspectives in a now more multipolar foreign policy environment.

2.6 Research Gap

There has been an increasing richness of relevant academic literature and policy debates on Saudi Vision 2030, yet current studies are quite dispersed on the aspects of the transformation program. Past research has focused on one area of Vision 2030 strategies, such as Saudi Arabia's economic diversification, labour

market changes, status of women, tourism, digital governance, or alter in Saudi Arabia's foreign policy direction. Though these have all enhanced the understanding of specific aspects of reform, they do not necessarily inform much about the ways in which discrete aspects of reform together constitute a process of a state's transformation. A major research problem that has prevailed in the literature is concentrating on the indicators of a Vision 2030 in isolation from two core factors: economic restructuring and social transformation (along with institutional modernization and international repositioning). The multifaceted and intricate way diversification strategies, state capacity, governance reforms, and the maintenance of hydrocarbon-related financial resources and capacities for transformation, are interlinked, may be overlooked. Thus, the assessment needs to be a comprehensive layered approach that allows the analysis of Vision 2030 as a multi-dimensional transformation process and not a series of individual policy initiatives. This study fills this gap by analyzing the first decade of Vision 2030 implementation (2016–2026) within an integrated framework linking the economic, social, governance and geopolitical aspects of the Vision. The study does not measure the impact of the transformation by one performance indicator, and it examines the measurable outcomes and ongoing structural issues, to assess the extent of the transformation embodied in Vision 2030 is more profound.

3. METHODOLOGY

3.1 Research Design

This study uses a qualitative research methodology with a longitudinal research design aimed at a systematic documentary analysis to analyze Vision 2030 in Saudi Arabia as an ongoing multiple changes process. The methodological approach is suitable as Vision 2030 is much more than a single economic reform project and requires a restructuring covering economic, social, governance and international strategy. Thus, progress needs an analytical design that considers institutional, economic and societal shifts over time not to be measured with one quantitative result indicator.

This study reflects the Vision 2030 implementation journey from 2016 to 2026 using a policy interpretation and descriptive analysis to investigate issues relating to selected socioeconomic indicators. Such a process helps to identify measurable aspects of progress as well as establish a thorough investigation of existing structural issues of economic dependency, institution-building, and sustainability. The study does not draw conclusions about one-to-one policy outcome connections, but rather considers overall trends of policy changes as instances of transformation over a period of 10 years.

The research adopts a case-study approach with the country of Saudi Arabia as a resource-based economy that is currently being faced with state-driven

transformations. This way allows for a detailed examination of how a national reform strategy plays out in the context of the rentier economy and how endowed countries are able to mobilize their existing resources for the diversification of the economy, institutional reforms and strategic re-positioning.

3.2 Data Sources and Document Selection

This research is conducted based on mix methods which are primary and secondary documentary sources to gain a holistic picture of Saudi's Vision 2030 implementation. These are official publications in the contexts of Vision 2030, like the Saudi Vision 2030 framework document, Vision Realization Program (VRP) reports, Vision 2030 reports (annual), reports of the Public Investment Fund (PIF), and government policy publications. The information includes what the economic diversification, investment, labour-market reform, tourism, digital transformation, governance modernization and strategic development priorities are from 2016 to 2026 (Vision 2030, 2016; Vision 2030, 2024).

The articles are based on secondary sources, such as peer reviewed academic articles and scholarly books, as well as theoretical literature on rentier state theory, Gulf political economy, economic diversification, governance reform, social transformation and Saudi Arabia's foreign policy repositioning. The results from these academic studies offer theoretical interpretation and critical perspectives on the structural changes linked with Vision 2030 (Alkahtani, 2022).

The choice of documents was determined by three criteria: whether it is relevant to the Vision 2030 objectives, whether it dates from 2016 to 2026, and whether the source is reliable. Policy objectives, institutional developments and reported transformation outcomes were identified from official documents and theoretical debates and evaluations of the challenges of Saudi Arabia's transformation process were derived from academic literature. Governmental reports and peer-reviewed research allow for triangulation of the sources and contribute to a reasoned consideration of Vision 2030 as a multi-dimensional transformation programme.

3.3 Document Selection Criteria

The documents were chosen based on the three main criteria; relevance, scope of time, and reliability of the sources. Documents have been included first if they directly addressed the core aims and/or implementation fields of Saudi Vision 2030, such as economic transformation, social and labour-market development, tourism and cultural development, governance and institutional modernization, and foreign policy and strategic reorientation. This criterion helped to ensure that the evidence base was very much attuned to the research questions and the multiple analytical framework of the study.

Second, the review was given boundaries in time, to span from the start of the Saudi Vision 2030, the latest evidence available (2025–2026). This longitudinal coverage was chosen to allow for the assessment of the first decade of implementation of Vision 2030 and to provide a view on the policy signal and subsequent iterations in each of the dimensions of transformation identified. Where possible, more recent evidence was preferred to provide an assessment of the latest phase of the programme within the time period studied.

Thirdly, source-reliability was taken into consideration in the selection and interpretation of documents. Special attention has been paid to official Saudi government publications, such as Vision 2030 and Vision Realization Program documents, and international institutional assessments and peer-reviewed academic works. These sources were used in conjunction with policy and analysis documents which furnished substantive information with respect to the progress and achievement of Vision 2030. Where a document was not substantively related to the reform efforts in Saudi Arabia or was not adding evidence relating to economic transformation, social development, governance modernization and strategic repositioning, it was excluded. This selection process aimed to create an appropriate and valid documentary evidence basis for multirelevant evaluation of Vision 2030 as a multidimensional transformation process, which is valid in terms of time and analysis.

3.4 Analytical Framework

This research aims to investigate Vision 2030 as a multi-faceted transformation process systematically; thus an analytical framework is created: economic transformation, social and labour-market transformation, tourism/cultural development, governance/political and institutional modernization, and foreign policy strategic repositioning. These dimensions are chosen as these reflect the most important goals, or implementation areas of Vision 2030, as the study aims to look at transformation not only in the limited sense of economic indicators.

Economic transformation, the first dimension focuses on the role of whether Vision 2030 has helped bring about a reduction of dependence, structural dependence or otherwise, on hydrocarbons, whether by improving the development of non-oil economic activity, encouraging the development of private sector, increasing investment, diversifying industries, or fixing the fiscal situation. This dimension is looking at the growth itself of new economic sectors and if they have a positive impact on a more sustainable and competitive economic structure.

The second dimension, social and labour-market transformation, assesses changes relating to the structure of the workforce and employment, female participation in the labour market, human capital

development and social changes. This dimension reflects the fact that economic transformation needs to be supported by a change in the participation in the labour-market, skills development and social capacity. The third dimension, on tourism and cultural development, examines how tourism and cultural industries have become an element for economic diversification and image development internationally. Those four areas are examined tourism growth, cultural sector growth, growth of international visitors, and entertainment industry growth as well as their relations to the broader transformation process are examined.

The final dimension of governance and institutional modernization investigates if the administration and the development of institutions leading to digitalization have led to an increase in government capability. This dimension reflects the level of the development of digital government, administrative reform, transformation of services and institutional capacity building as interrelated aspects of the governance modernization.

Foreign policy and strategic repositioning highlights the international impacts of Vision 2030 both with respect to the Kingdom's investment diplomacy and economic partnerships and international cooperation and strategic diversification. This dimension takes into account how the transformation of the economy is now associated with outlooks and relations with the outside world.

3.5 Data Analysis Procedure

Thematic content analysis of the collected documents was done to arrive at Vision 2030 related major patterns, policy development and outcomes of transformation. The analytical process consisted of four stages of subsequent sequence.

Firstly, the documents were grouped by the five analytical dimensions that were outlined in the research framework: economic transformation, social transformation, tourism Development, governance modernization and repositioning foreign policy. This classification allowed for systematic papers of evidence around the broad areas of Vision 2030 implementation.

Second, relevant quantitative indicators, policy processes and institution building were mined from the selected documents. These indicators were adopted to measure any resulting changes during the implementation and assess progress in each transformation dimension.

Third, a comparative assessment was done by comparing the differences between the first available evidence since 2016 when Vision 2030 was launched and the latest available evidence in 2025/2026. In this way the study could see areas which needed work and also

areas where they had ongoing problems which were structural problems in some way.

Lastly, the found patterns were analyzed against the existing theories covering rentier state transformation, developmental state approaches, strategic repositioning approaches, etc. This analytical step links the empirical observations and larger reflections on the process of structural change in resource dependent economies and how they seek to sustain the development capacity of states.

3.6 Reliability and Analytical Limitations

Triangulation of sources is used to check the credibility and reliability of the research, where it is possible through comparing the evidence obtained from various sources such as Saudi government documents, evaluations issued from international bodies, and peer-reviewed publications. The study does not focus on a particular material or category of sources but explores these materials on a comparative basis to map areas of convergence, divergence and variation in interpretation of Vision 2030 implementation and outcomes. This helps minimise reliance on a single institutional point of view and allows a more balanced evaluation to be conducted, enabling official views on the implementation of policies to be juxtaposed with independent analysis from academics and international commentators. However, there are certain points of analysis to be kept in mind. First, official government reports may focus more on policy impacts, policy targets and observable improvements than on implementation challenges or institutional aspects or on any unintended consequences. As a result, official evidence doesn't stand alone, but is weighed together with peer-reviewed academic research and global evaluations. This self-triangulation on the one hand serves as a gauge to gauge what has been accomplished and claimed and on the other hand as a yardstick for wider evaluation of the extent and impact of the transformation process. Second, Vision 2030 is an ongoing transformation programme – some of its prospective economic, social, institutional and strategic outcomes can therefore not yet be fully evaluated. While the changes are measurable during the period studied, their sustainability will depend on how well the economy may evolve, institutional frameworks are consolidated, sustainable private sector capacity is built, and the nascent sectors will develop and work with increasing productivity and decreasing reliance on state-led investment. For this reason, the results should be viewed as a measure of transformation accomplished over the course of the study – as a measure of progress – and as an interim assessment rather than an undertaken assessment of the long-term success of Vision 2030. Third, the documentation used and indicators defined in the study tend to be descriptive and as such, only allow identification of patterns of change, institutional development, and structural moves, but not direct causal links of individual Vision 2030 policies and concrete developments. The study thus does not single out

specific reforms for the sole purpose of ascribing the changes observed to these changes alone, given other factors may have played a role as well, be they of an economic, institutional, regional or global nature. Rather, the analysis looks at the overall trend of transformation, shift in arrangements, and changes in the structures linked with Vision 2030. This method is congruent with the conditions of the research design (qualitative and over time) and it places reasonable restrictions on the causal interpretation.

Besides the qualitative documentary evidence, selected official statistical indicators are used to guarantee measurable evidence of the transformation trends relating to Vision 2030. These indicators are not meant to stand alone to measure causal policy effectiveness, but rather to describe and compare longitudinally. There are also multiple empirical pillars covering economic indicators, labour market indicators, tourism indicators, sovereign investment indicators, and indicators of digital transformation capabilities to assess structural changes during the implementation period. But these signs are understood in the context of a wider document, as multiple domestic and global forces may influence aggregate economic and social outcomes, not just Vision 2030, and the interventions may be quite complex. Based on this, the statistical evidence enhances the qualitative analytical approach that was conducted in the study (General Authority for Statistics [GASTAT], 2025; Public Investment Fund [PIF], 2025; Saudi Vision 2030, 2026).

4. RESULTS AND DISCUSSION

4.1 Economic Diversification and Structural Transformation

Economic diversification is the main Saudi Vision 2030 goal, where the program of reforms is aimed at cutting back structural hydrocarbon reliance and making the productive non-oil sector grow, by inviting the private sector to participate; by drawing in investments; and by nurturing new industries. The transformation agenda in Saudi Arabia is a reflection of the effort to redefine the Saudi economic configuration from being resource-based (petroleum-driven) to diversifying it through multiple sources of economic activities.

The evidence of the first ten years of implementation shows that changes in the Saudi economic activity's composition can be measured. The non-oil industries have been steadily rising in significance, bolstered by a growing tourism, logistics, construction, production, mining, technological and service sector. All of these indicate that Vision 2030 has helped to diversify the economy, and to identify areas for investment apart from the traditional petroleum-derived ones.

However, diversification of the economy does not mean that hydrocarbons have become completely

independent of all other economic activity. Oil has brought significant fiscal space for investments (public and sovereign) and large-scale change projects, despite the growth of non-oil sectors. Thus, it is not that the existing transformation is a move away from the rentier model of economy but that it is moving toward a more diversified economic structure. Existing resource wealth is used to create other economic sectors, particularly in the Saudi case, where existing resource wealth was used as the financial capital to establish other sectors. But whether this can be realised in the longer-term, based on the ability of emerging industries to become autonomous in respect of productivity, competitiveness, innovation capacity and continued private-sector involvement, remains to be seen. (Naeem *et al.*, 2026).

In addition, statistical indicators from the official national accounts can be used to chart the economic diversification process. The Saudi Arabia real GDP performance in 2024 showed a continued upswing in non-oil economic activities as per the General Authority for Statistics (GASTAT). Oil activities contracted 4.4% while the non-oil activities expanded about 6.0% over the same period. Based on the contribution of non-oil sectors to economic growth, this shows that the tourism sector, manufacturing and logistics, technology and services have played a more and more dominant role in the structure of the national economy. However, these achievements should not be viewed as an economic breakaway from hydrocarbons since oil revenues continue to fund substantial fiscal resources which maintain public investments as well as strategic developments (General Authority for Statistics [GASTAT], 2025).

4.2 Fiscal Reform and the Sustainability Challenge

The fiscal reform is one of the key aspects to consider when it comes to assessing the long-term sustainability of the Vision 2030. The fiscal system of Saudi Arabia has been significantly affected in the past by variations of global oil markets, because hydrocarbon revenues have played a significant and controlling role in public finance. Since 2014, falling oil prices have taken their toll on everyone who has been so dependent on petroleum income and led to a growing demand for reforms to boost fiscal resilience and ensure better economic sustainability.

Saudi Arabia, in response, launched a succession of fiscal policies to improve fiscal planning efficiency; manage expenditure; and boost non-oil revenue generation. These reforms include diversifying revenue streams, adoption of value-added taxation, better fiscal planning tools and structures, as well as general investment policy and management by sovereign wealth. Overall, these policies suggest a commitment to building capacity in fiscal management and lessening the risk of shocks from the world oil market.

All of these advancements have not solved fiscal sustainability as one of the key challenges that affect the Vision 2030 trajectory. Large-scale investments in the infrastructure, tourism and technology, as well as industrial and strategic projects, demand significant and ongoing funding for the transformation programme. So, whether Saudi Arabia is able or not to fund the transformation in the short term is not the most significant challenge but the essential question is whether the newly-developed economic sectors can be productive and generate economic returns and revenues to sustain.

This separation is a clear sign of the need for separating economic diversification from fiscal diversification. Economic diversification is the creation of more economic activities and non-oil industries while fiscal diversification involves the shrinking of reliance on hydrocarbon resource revenues as a source of fiscal capacity. Vision 2030 has brought about some success in diversifying economic activity away from oil, but it will take more time to effect the deeper change of financial independence.

4.3 Labour Market Reform and Social Transformation

Social transformation is a unique element of Vision 2030 as the programme does not only include economic restructuring but also reforms in the labour-market, human capital and social modernization. The workforce and skills development and social capacity are future changes that Vision 2030 sees as the need to transform for sustainable economic change as opposed to an earlier development strategy that primarily focused on fiscal and industrial tasks.

The most noticeable side effects of these changes has been the growing involvement of Saudi citizens, especially Saudi women, in the economy. Policy targeting to increase female labour force participation that have tried to remove some of the barriers to participation have played a major role in this shift. These advances have been significant not only in their contribution to developing the social system in Saudi Arabia, but also as a reflection of the linkage between the goals of social change and economic change.

Labour-market transformation, however, is not necessarily measured in participation (rates) only. Improvements in employment quality, productivity, professional advancement and private-sector career opportunities are also a key component to a sustainable workforce transformation. Thus, in order to realize further advances, skilled employment routes need to be enhanced, the level of human-capital development widened, and the participation of the workforce to have greater contribution to the knowledge base and competitive nature of the economy.

Another way to examine the Saudi labour market transformation is by quantifiable workforce indicators. Official statistics for the labour market show very clear differences in the level of economic participation of women during the Vision 2030 implementation. The labour-force participation rate for Saudi females has improved to 36.2% in the third quarter of 2024, demonstrating a higher engagement for Saudi women in economic activities and employment opportunities, according to GASTAT. However, labour-force participation should not be equated with the completion of a labour-market transition; other aspects of employment, such as quality, mobility, the wage structure, productivity, and career progression also play a critical role in assessing medium- to long-term workforce development efforts (General Authority for Statistics [GASTAT], 2025).

4.4 Tourism and Cultural Economy Development

Having thriving industries such as tourism is one of the grandest diversification frontiers of Saudi Vision 2030 and a testament to a wider goal of establishing additional pillars of economic activity outside the hydrocarbon sector. In the past, Saudi Arabia's image in the world was more of a pilgrimage destination and today Vision 2030 has included more aspects for the Saudi tourism image such as the cultural heritage, entertainment industries, international destinations and wider markets. This movement is an effort to change tourism to a major economic domain in order to help build a 'national image'. Evidence of an integrated strategy for a diversified tourism economy is seen in the construction of tourist facilities, heritage sites and cultural festivals and tourist entertainment. The drive behind these initiatives seems to be the government's desire to offer new investment possibilities, draw in foreign tourists and to involve tourism in their extensive economic change and liberalization strategy.

Tourism serves as a tool that can be used to change society, engage countries, and more. Tourism development, via cultural promotion and greater global engagement, contributes to other strategic portfolios such as international visibility, economic openness and economic diversification of Saudi Arabia's international image.

But more than just fast growth in the number of tourists and investment in tourist infrastructure is needed for sustainable tourism development. It will be necessary to reinforce the role of the private sector, create a qualified tourism sector, promote environmental sustainability, maintain the conservation and maintenance of cultural resources and increase the competitiveness and quality of tourism offers. Hence tourism should be viewed not just as a growth industry, but as a maturing transformation industry that needs to be consolidated and supported with long term, ongoing capacity development.

The growth of the tourism sector is another quantifiable Vision 2030 economic diversification parameter. According to official statistical data, tourism activity continues to grow, with the total number of tourists rising from around 94.5 million in 2022 to 109.3 million in 2023 and 115.9 million in 2024. This growth mirrors the Saudi tourism, cultural projects, entertainment sectors and heritage development that are growing parts of Saudi non-oil economic policies. Nevertheless, tourism development sustainability relies on the participation of the private sector, development of technical competencies, quality of service, environmental management and institutional capacity building (see Saudi Vision 2030 2026 and General Authority for Statistics [GASTAT] 2025).

4.5 Governance Modernization and Digital Transformation

Another Vision 2030 key element is governance modernization, which entails the need to modernize governance to boost administrative efficiency, strengthen government service delivery, establish coordination of institutions and develop data-driven decision making. In contrast with the traditional reform measures that focus on the economy indicators, Vision 2030 takes governance transformation as a prerequisite for achieving national reforms and large-scale development goals.

Saudi Arabia has made significant strides in the development of digital government, with a focus on creating online platforms, introducing digital services, and implementing integrated government systems. They represent higher administrative capacity and better means of providing public services. Digital transformation has thus emerged as one of the key and visible elements of institutionalization under Vision 2030 that can be measured.

However, technological progress, per se, does not mean full transformation of governance. While digital systems can boost efficiency and accessibility, complementary efforts around regulatory effectiveness, accountability mechanisms, institution development and ensuring sustainable administrative practices are needed for broader institutional development. Thus, the concept of digital government is not considered as an indicator of the process of institutional reform but as an important part of the aforementioned institution modernization.

An assessment of the scale of digital transformation as per Vision 2030 can also be done through the official indicators for implementing that vision. The Vision 2030 Annual Report also points out significant achievements in the field of Digital Government, with integration and restructuring of Digital Government platforms, as well as the extension of Digital Government services and public uptake of Digital Government systems. Over 1300 digital services have surfaced via the digital-government landscape and

are used by over 35 million customers, and hundreds of platforms have been integrated and/or consolidated. The developments also signify an expansion of administrative capabilities and accessibility of services, but digitalization requires to be considered as part of a governance modernization rather than being an indicator of an institutional modification per se: "accountability, regulatory effectiveness, and institutional sustainability" are the major factors (Saudi Vision 2030, 2026).

4.6 Public Investment Fund and the New Development Model

The Public Investment Fund (PIF) has emerged as a key element in the implementation of Saudi Vision 2030 as it is viewed as a strategic tool to channel capital to new economic industries. PIF, which includes investments in a variety of sectors such as tourism, technology, renewable energy, logistics and entertainment, exemplifies a transformation of government spending from the traditional to an investment-oriented development model that seeks to create new economic opportunities and diversify.

The growing importance of PIF in the Saudi model of development points to a general shift in the kingdom's development model, one which utilizes sovereign investment to drive development in sectors, foster international partnerships and hasten the growth of strategic industries. This is a way the state could actively direct change in the economy and also use funds raised from the inert hydrocarbon economy to build up new up-to-date and development-oriented industries.

But the success of the sovereign investment fueled transformation also relies on the capacity to build additional sustainable economic structures. It has yet to be answered if the private sector can be truly independent; whether it will drive down costs in the market and enhance competition efficiency; and what are the ultimate economic outcomes of PIF-supported projects. So the effectiveness of this model should be measured by its ability to foster innovation, productivity, job creation, and/or growth for the private sector as sustainable.

Two other aspects highlight the critical role of sovereign investment in implementing Vision 2030: the magnitude of the Public Investment Fund's operations and the Vision 2030 project's funding. The PIF has emerged as a major vehicle for channeling investments into sectors deemed as important strategic areas such as tourism, technology, renewable energy, logistics and entertainment. The PIF annual report at the end of 2024 highlighted that assets under management totaled around SAR 3.424 trillion, with investment deployment across Vision 2030 priority sectors continuing. These show how important state-investments can be in the process of economic diversification. However, the long-term success of this model of development will be determined by whether emerging industries can achieve sustainable

productivity, innovation capability, competitiveness and greater involvement of the private sector in development, in addition to government funding through the PIF 2025(Public Investment Fund, 2025).

4.7 Foreign Policy Repositioning and Strategic Diversification

Vision 2030 has affected the Kingdom's international relations by elevating the role of economic diplomacy and its tie with the national transformation goals. New trends in international partnerships involve investment streams, transfer of technology, energy cooperation and economic development agendas. This is representative of an overall dance between goals of domestic transformation and strategic engagement with the "outside.

Saudi Arabia has stepped up its involvement with several foreign partners, and kept active its strategic partnerships. The strategic emphasis towards enhancing strategic flexibility and economic opportunities within a shifting global context. The diversification of external relations is not an effort to replace the current traditional partnerships and thus is indicative of the fact that this process is an effort to expand cooperation networks and bring the cooperation on international affairs in sync with the Vision 2030 goals.

As the Kingdom's ties with the emerging economic powers increase, the expansion of investment, trade, technology cooperation and the economic connections demonstrate the pivot important investment, trade, technology and economic connectivity holds in the Saudi foreign policy. It is important, though, to recognize the nature of this strategic diversification as an addition of partnership options rather than just a change from existing partnerships. They are variously the result of Vision 2030's economic objectives, geopolitical adjustment, and a push to enhance Saudi Arabia's standing in the multi-polar era.

4.8 Overall Assessment of Vision 2030 After Ten Years

The 10-year period of Vision 2030 is marked by notable improvements in various interrelated areas, such as the process of economic diversification, the labour market, the tourism sector, governance modernization, investment planning and the international repositioning. Vision 2030 is not a "reform programme from the top" for any particular sector, but rather a framework for change, which aims at re-imagining the way that society, state, and economy exist in relation to one another.

There has been a process of economic transformation, bringing a growth of the non-oil activities, while the lessening of fiscal dependence on hydrocarbons is still a constant struggle. Labour-market reform has boosted labour-market participation and employment opportunities, and productivity and skills development are key areas for further development.

Likewise, the tourism sector has seen quick growth with sustainability depending on institutional development, understanding workforce and competitiveness of service provision.

The transition towards modern governance has progressed with the development of digital government and the improvement of administration, however, further strengthening of institutions is needed to sustain improvements in governance. Similarly, investments promoted by PIF have facilitated a growth in strategic economic development; however, achieving positive economic results and enhancing private sector competitiveness will be crucial for this investment to yield success in the future. Internationally, Vision 2030 has enabled work toward more global partnerships and strategic balance is also a factor to take into account. Taking these all together, Vision 2030 has had tangible impacts on the national economy and society in Saudi Arabia. Nevertheless, this change is incomplete and whether the new industries become productivity and growth drivers beyond the hydrocarbon-supported financial capacity and investment stimulated by the state is yet to be determined.

5. CONCLUSION

Saudi transformation programme Saudi Vision 2030 is one of the most ambitious transformation agendas to be planned by a resource dependent economy looking to change its development course. The evidence of the past 10 years, however, shows that Vision 2030 has resulted in considerable changes in all aspects, economic, social, institutional and international. But, the process of transformation should be seen as a process, not a transition; there are still a number of structural issues which affect the long-term sustainability of the transformation.

The results show that Vision 2030 has paved the way for the growth of non-oil economic activities, investment in new sectors, impact on the labour market, development of the tourism sector, and in digital governance. This reflects a significant change of strategy and approach in the Saudi development model, which is no longer confined to an exclusive approach regarding growth in petroleum sectors, and looked a step towards a wider diversification strategy.

However, the study points out that economic diversification is not simply a form of fiscal break with hydrocarbons. Oil revenues remain significant in giving the government financial abilities to spend for strategic projects, investment and sovereign investment. Success of Vision 2030 would then be contingent on the sustainability of these new industries to be productive, competitive, innovative and to see a greater engagement from the private sector.

The social transformation aspect of Vision 2030 has yielded remarkable results, especially in the areas of

more women engaged in economic activities and the advent of more and more vibrant sectors of culture and tourism. But sustained investments in human capital, productivity of the workforce, capacity building, and employment and skills opportunities are necessary for deeper change. These factors will have a determining influence on whether or not social reforms help towards a knowledge-based and competitive economy.

Likewise, governance modernization plans are enhancing the government's capacity via institutional reform activities, service innovations and digital transformation plans. But technology is not enough to achieve complete governance change. Regulatory systems, administrative sustainability, accountability mechanisms and institutional capacity needs to be continually developed to achieve long term institutional effectiveness.

On an international scale, Vision 2030 has helped establish a larger strategic reorientation of Saudi Arabia as far as the relationship between economic goals and international involvements are concerned. Incorporating investment partnerships, technological cooperation and relations with the international economy is somehow a move towards strengthening strategic flexibility in an increasingly interconnected and interdependent world.

In part, it is concluded that Vision 2030 is best seen as a process of transformation of which economic diversification is only part, as it is about economic, social, governance, and international transformation, led by the state. The past decade shows significant strides toward progress; however, in the end, the limited economic capabilities it created will hinge on whether the reforms also result in longer-term economic capabilities other than hydrocarbon state revenues. This view can be related to wider debates over the nature and adjudication of the efforts by resource dependent states at structural change and at the same time retaining the state's capacity and the financial stability.

There is a need for future research to include further analysis of long-term productivity impacts of Vision 2030 sectors, impacts on development outcomes in the private sector, sustainability within institutions, and how much Vision 2030 industries are able to stand on their own as drivers of growth.

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