

## **Diminishing Returns and Policy Options in a Rentier State: Economic Reform and Regime Legitimacy in Saudi Arabia**

Robert E. Looney

*Naval Postgraduate School, Monterey.*

### **Abstract**

This paper examines the implications for political legitimacy of the fundamental structural changes taking place in the Saudi Arabian economy. Traditionally the Saudi Royal Family has based its legitimacy on its ability to provide a wide variety of services and subsidies to its citizens. In addition government expenditures in Saudi Arabia have provided the main economic stimulus. With declining oil revenues, diminishing returns on government expenditure and severe cutbacks in economic services to sustain defence expenditures, the Royal Family is losing much of its traditional justification for rule. The paper concludes that the only way the regime will be able to sustain its legitimacy is through opening up the political system to greater participation. This will first involve increased economic freedom, with political freedom following the successful transition to a private sector led economy.

### **Introduction**

After more than twenty years of relatively high oil revenues certain realities appear to be setting in for the Saudi Arabian Royal Family. In particular, the economy remains overwhelmingly dominated by the petroleum sector (Flanders, 1985; Kanovsky, 1994; Looney, 1995). While considerable industrial diversification into non-oil sectors has been achieved, the results, other than those achieved by the Saudi Arabian Basic Industry Corporation (SABIC) have been below expectations. It is apparent that adequate demand can not be maintained without a steady infusion of government expenditures.

Oil revenues aside, government expenditures appear to be losing their effectiveness in stimulating private investment. In turn the productivity of private sector investment is falling and its ability to stim-

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ulate non-oil GDP growth appears to be very limited. In the past political stability and generous subsidies have been essential to induce local investors to become involved in the economy. The gulf conflicts, together with slack oil markets have undermined this approach towards the economy (Kanovsky, 1995).

The main proposition developed in the sections that follow is that in the future the Saudi Royal Family will have to sustain its legitimacy through demonstrating that it is capable of adapting in ways that are compatible with sustained economic growth. In doing so the government will have to structure its liberalization programs in ways that stimulate private sector development and investment. In this regard, increased economic freedom will likely proceed any movement toward political liberalization (Field, 1994).

## **Overview**

During oil boom years Saudi Arabia (Looney and Frederiksen, 1985; Nehme, 1994; Prestly and Westaway, 1989) and the other GCC States were economies characterized (Chaudhry, 1989; Nagi, 1982; Looney 1989a) by the lack of binding budgetary constraints which, in turn, reduced and sometimes even eliminated the need to set spending priorities and allocate scarce economic resources. Financial resources were so large that even with a highly skewed income distribution all sectors of society saw some measure of improvement in their standard of living. Unemployment was unimaginable as governments showed a seemingly infinite capacity to hire both citizens and foreigners in public jobs.

The oil boom created a lasting legacy which in turn is now stifling growth and development in the region. In particular the oil boom (Luciani, 1994; Zanoyn, 1995):

- Created a parallel escape from politics in which ruling elites rarely faced the need to share power, renew their legitimacy and credibility or tolerate any meaningful public debate over major economic, social or political issues such as oil and budgetary policy.
- Brought about a system which had neither taxation nor representation.

Perhaps the greatest burden imposed by the oil boom years was the creation of an illusion that the oil bonanza would last indefinitely. This has result in government's being slow to adapt to the new reali-

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ty of lower revenues. In particular, governments ran chronic deficits averaging well in excess of 5 per cent of GDP, reaching 15 per cent in Saudi Arabia. Budget shortfalls were almost entirely reflected in the external accounts, leading to large current account deficits (Murray, 1995).

In most cases, external and domestic deficits in the Gulf region were initially financed by drawing down the substantial foreign resources accumulated during the 1970s and early 1980s. With exception of the UAE (United Arab Emirates) most gulf countries depleted their assets and turned to borrowing which for the first time exposed their economies and economic policies to serious international scrutiny. Governments have finally responded by reducing spending—Saudi Arabia has had some major reductions in expenditures and increases in many fees for services.

In addition several longer run structural problems are confronting the Saudi Authorities. The kingdom's population is growing rapidly. According to most projections, population growth will average 3.5% pa over the next five years. Some 60% of the population is less than 24 years old, and the 15-24 age group is the fastest-growing in the country. Even economic growth of 3.8% per annum, as expected under the new five-year plan, will barely generate enough jobs for a labour force expanding at these rates. In addition, some fear that employment levels could actually fall because of technological advances and increasingly capital-intensive investment. This would leave a rising number of young nationals chasing even fewer jobs.

Public-sector employment has become a means of disguising unemployment, and government jobs are still seen as having a high status (Aarts, 1995). Nevertheless, low oil prices have put increased strain on Saudi government finances. With wages and salaries accounting for almost 50% of government spending, rationalization has become unavoidable. This is unlikely to mean redundancies. The government will rely on natural attrition, in combination with a freeze on new recruitment, to cut its wage bill.

Bringing in expatriate workers has been a major factor in Saudi Arabia's economic development. The government now feels that the economic and fiscal costs are growing too fast and without commensurate benefits. Foreign workers are a major burden on the state's finances—like everyone else in Saudi Arabia, they are not liable for income or sales tax. However, they do enjoy free government services, in particular free health care. In addition, foreign workers in the king-

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dom sent home almost \$16 billion in earnings in 1993, thereby contributing to a current-account deficit of \$14.2bn (equivalent to around 15% of GDP).

The authorities recognize that preventive action is needed if these problems are not to worsen. Thus, the new development plan sets out measures to increase the job opportunities for Saudi nationals. This may mean restrictions on the recruitment of expatriates into skilled and semi-skilled jobs. The government may also publish "targets" for private-sector companies, while tying government financing to progress on Saudiisation.

These measures are hardly draconian, and it is clear that pressure on the government to create jobs is less severe than in neighbouring countries, where unemployment is more of a problem. Saudi Arabia will therefore persist in its cautious approach to "localization"—the Minister of Health said recently that it would take at least 47 years to get Saudis into only 62% of jobs in the Saudi Arabia health sector.

### **Saudi Arabian Growth Patterns**

Another way of identifying some of the underlying problems currently facing the Saudi authorities is through examining the changes in several key macroeconomic relationships that occurred during the 1980s and into the 1990s. With regard to the all important pattern of investment:

- Government investment as a share of non-oil GDP has declined fairly dramatically since 1979, a pattern that also appears associated with the government's fiscal deficits.
- On the other hand private investment has retained a fairly stable share of non-oil gap, although experiencing a slight downward trend.
- The fiscal deficit share of non-oil GDP peaked in 1987 and after that date stabilized somewhat with regard to its share of non-oil gap.

Several interesting patterns have also developed with regard to consumption:

- As with its investment, the public sector's consumption has declined with regard to its share of non-oil GDP.

- Also as with investment, government consumption has shown a slight tendency in recent years to increase its share of non-oil GDP.
- Private consumption has also experienced a gradual decline with regard to non-oil GDP. This expenditure category appears to be stabilizing at slightly over sixty per cent of non-oil GDP.

Finally several distinct patterns characterize the pattern of total private and public sector expenditures:

- As with consumption and investment, both private and public sector expenditures have fallen with regard to the country's non-oil GDP.
- The decline in private sector expenditures has been more stable, with public sector expenditures experiencing much greater fluctuation.
- The decline in public sector expenditures (as indicated by its trend) has also been somewhat sharper than in the case of private expenditures.
- GDP associated with the oil sector has shown the greatest fluctuation of all, falling below non-oil GDP for the first time in 1983. Since that date oil GDP seems to be stabilizing at somewhere between 40-60 per cent of non-oil GDP.

Numerous statistical tests (Looney 1989, 1989a, 1992, 1994a) for several of the key linkages between government expenditures, private sector investment and the non-oil economy reveal that several key patterns characterize the 1970-82 period. Most import for longer run growth is the link between private investment and non-oil GDP.

- During this period private investment had a positive impact on non-oil GDP. This relationship was not particularly strong, but it did indicate that the private sector's activities were flowing into productive ventures.
- Private investment itself was mainly stimulated by defence expenditures, non-infrastructure investment. Government consumption and infrastructure investment provided considerably less of a stimulus to private investment.
- Non-oil GDP received its strongest stimulus from government con-

sumption, followed by defence expenditures. Ironically infra structural investment had a negative impact on the growth in non-oil GDP.

While other researchers (Metwakky and Ghars El-Din, 1996) have arrived at more optimistic conclusions, several distinct changes appear to have taken place since 1982. The most important of which was the severing of the link between private investment and non-oil GDP. In particular, non-oil GDP was also no longer simulated by defence expenditures or government consumption. In addition the country may not be able to effectively utilize monetary policy (Rosser and Sheehan, 1995). Several other patterns were also of importance:

- The only macro variable that had a statistically significant link with non-oil GDP was non-infrastructural investment and this link was rather weak.
- Private investment's link with defence expenditures weakened during this period, but was still positive. In contrast the stimulus provided by government consumption strengthened during this period. On the other hand, the earlier stimulus provided by non-infrastructural investment shifted to a negative impact.
- A major change from the earlier period was the shift from private sector investment affecting private consumption to that of private consumption providing a stimulus to private investment.

No doubt part of the declining effectiveness of government expenditures stems from the fact that defence expenditures account for over thirty per cent of the government's budget. The real problem however is in the manner in which defence expenditures interact with other budgetary categories. Although Saudi Arabian budgetary categories differ from the standard IMF classification, the country appears to follow fairly closely the budgetary patterns characteristic of other high defence burden middle eastern countries (Looney, 1991, 1992a, 1993, 1994, 1994a).

- In particular increases in expected defence come largely at the expense of economic services. In addition, these reductions carry over to transportation/communication and infrastructure.
- These categories are also reduced when the government experiences fiscal stress in the form of unanticipated increases in the fiscal deficit, with economic services also reduced with expansion in

the anticipated deficit. However the Kingdom's various subsidies are often funded with unexpected increases in the fiscal deficit.

- Also characteristic of high defence countries, allocations to human resource development are increased along with expanded defence expenditures.
- In addition to economic services, Saudi Arabia tends to reduce allocations to municipal services and government lending programs during periods of expanded defence expenditures.

Saudi infrastructure is facing severe capacity shortages because of its defence expenditure burden together with the enormous pace of economic development over the past 20 years, coupled with poor maintenance. The government wants to construct extra capacity, but could have difficulty financing this, given its aversion to foreign debt. Attempts have also been made to dampen infrastructural demand via tariff increases, but these increases have been insufficient.

The government will be compelled to confront the issue of expatriate-dependence in the next few years. Saudi Arabia is a reluctant host to nearly 5 million expatriates, on whom the country depends for its cheap labour, and almost all of its technical and managerial workforce. Yet because of rapid population growth, rising unemployment among young Saudis is becoming an increasingly contentious issue. Even if oil revenues pick up, there will have to be a major structural change in the environment the private sector operates in before that sector will be capable of generating self sustained growth and sufficient employment opportunities for the growing Saudi workforce.

The implications of these relationships, together with an overview of the main political economy linkages are outlined in *Figures 1 and 2*. Clearly, the authorities will have a difficult time undertaking necessary economic reforms due to vested interests, both within and outside of the government. On the other hand, the stagnation of non-oil Gross Domestic Product together with the inability of the government to maintain its role as the initiator of growth, makes these reforms imperative.

Although government emphasizes its basic commitment to free enterprise, it maintains a monopoly role in the oil sector and a virtual monopoly in infrastructure development and the provision of most utilities and communications services. Moreover the government appears to prefer public-private ventures in key heavy industries.

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While there may be only limited privatization in the near future, Saudi government is likely to expect private sector to provide a growing proportion of financing for infrastructure projects:

- Objective of Sixth Development Plan (1995-99) is to place increased reliance on private sector involvement in capital formation within the kingdom. Likely to contract out some utilities to private sector and sell off parts of the basic industries or another tranche of SABIC (already 30% publicly owned).
- Increased use of private capital (estimated \$150) to finance government projects.
- More foreign investment in joint ventures
- Offset program to be expanded to include large scale civilian projects.

Summing up, economic policy in the 1990s will be difficult (Dunn, 1995), and will be largely aimed at reducing the twin current-account and fiscal deficits. No doubt the authorities will attempt to do this without introducing new taxes or recourse to direct foreign borrowing. Deficit financing will be undertaken mostly with treasury bills and development bonds with external borrowing a last resort. In this regard, government domestic borrowing will crowd out private investment, making transition to a new growth path difficult, financing of current account deficits difficult without eventual external public borrowing. Repatriation of private capital increasingly necessary to finance this gap (Moham, 1992). Clearly the Saudi Royal Family's willingness to cooperate with the private sector will be critical in affecting the future course of the economy and political system.

### **Issues in Regime Legitimacy**

As Professor Nakhleh (1994) has noted, however, prior to Gulf War, the Saudi Royal Family had rejected participation on the grounds oil wealth permitted them to provide citizens with free health, education and welfare services without collecting any taxes. The lubricant of abundant wealth allowed them to make the transition from classical tribalism into urban tribalism. However, he warns that the rentier state's ability to provide services is reduced the demands for accountability increase. The traditional tribal basis of accommodation between the ruler and the ruled becomes less acceptable to those who are provided less. At this point, the tribal state begins therefore to

apply other methods to enforce allegiance, thereby making it more urban and less tribal. The implications of these trends are that (Nakhleh, 1994: 120-121):

- The rentier state is slowly and surely being replaced by the security forces state.
- The ruling family has become a regime not much different from other authoritarian regimes in the region.

### **Factors Responsible for Regime Legitimacy**

The regime's willingness to expand participation is evolving. The 1980s witnessed adaptation and readjustment. Perhaps the most basic characteristic of the Saudi System, at least through the late 1980s has been its remarkable stability which was the result of:

- consciously balanced and carefully supported tribal traditions
- accommodation of religious groups
- family size and power
- oil wealth.

This combination is the heart of traditional political dynamics in Saudi Arabia. Over past decade several factors have particularly contributed to this stability:

- Enormous oil-generated wealth and the widespread distribution of this wealth in the society.
- The size and closeness of the Royal Family.
- Large expenditures on the armed forces and the corresponding rise of a satisfied military officer corps.
- Presence of a massive infrastructure in commerce, industry, agriculture transportation communication and other public services.
- The ability of the Saudi leadership to adapt to changing social, economic, political conditions and demands.
- The relatively small indigenous population and the dispersing of that population throughout the territory.

In 1990 new factors have begun to disturb the equilibrium.

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- On social level, the growth of cities and rural to urban migration has upset traditional patterns of settlement. In 1970, 26% of the population lived in cities. In 1990 it was 73%.
- Modernization in culture, education and technology has fuelled the development of a well- educated, politically conscious middle class. This had ripple effects in government and the army, where a technocratic elite has filled the ranks of an expanded government and military bureaucracy.
- Whereas in 1960 only 2 per cent of girls attended school, the rate had increased to 41 per cent by 1981 and exceeded 80 per cent by 1991.
- Women now comprise the majority of graduates, though they are still excluded from certain fields—engineering, journalism and architecture, and the labour market is practically closed to them.
- At the highest level a second generation of princes—extremely wealthy and foreign educated have shown signs of emerging as a powerful political class, distinct from the ruling group of princes.

The growth in importance of these groups underscores the dichotomies that will be the prime source of pressure for Saudi rulers in near future (Nakhleh, 1994: 1231 24):

- Traditionalism versus modernity
- Tribalism versus urbanism
- Islamic Wahabi social rigidity versus secular mobility
- Family autocracy versus participatory government and
- Customary tribal rules of conduct versus written legal regulations.

The durability of the Saudi political system will be determined by the reconciliation of these dichotomies. Within this context, demands of democratization will also be fuelled by:

- shrinkage of oil revenues
- the competition for government contracts and jobs, and
- the return of thousands of university graduates from abroad.

In addition demands for democratization are growing because of declining confidence in the ability of the Royal Family to meet current challenges (The *Economist*, 1995):

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- The main problem is lack of confidence due to the inability of the kingdom to defend itself despite purchasing billions of dollars worth of highly sophisticated arms, and
- the inability to maintain improved standards of living despite still receiving \$40 billion or so per annum in oil revenues.
- all these factors will stretch and test the existing domestic political structures.

### **Political Opposition**

While there are clear incentives for the ruling family to increase political participation, the main threat to the regime appears to come from disaffected religious groups (Fuller, 1995): Here the main Islamist complaints (Dekmejian, 1994) centre around the Royal Family's (Murphy, 1994)

- mis-management of economy
- personal corruption
- Lack of adherence to Islamic values, and
- Close alliance with USA

Demands made by religious groups (Henderson, 1994) are outlined in the 1992 Memorandum of Advice. The Memorandum, signed by more than 50 religious scholars, prescribed remedies for the ills of Saudi life, calling for:

- the establishment of a Consultative Council
- the betting of all regulations to ensure that they accorded with Islamic law
- the cancellation of all taxes
- the reduction of fees for government services and
- the removal of usury from the financial system

The demands with economic content appear to be in opposition to the economic reforms needed to put the economy on a new sustainable growth path.

For the present opposition inside kingdom appears to be disorganized. The Royal Family's main problem is that very need to introduce austere economic policies during the next five years will raise prospect of public dissent. In such a climate the Royal Family faces a difficult period of rule. Such difficulties will be compounded by the

need to manage a smooth transfer of power and result in internal disputes within the Royal Family.

The Saudi Royal Family is from the Central region and in recent years has succeeded both in imposing the attitudes of the Central region on other areas of the kingdom and in having citizens from this region assume important positions throughout the kingdom. Opposition to this is not openly expressed, but regional differences could become important if fissures appear in other areas of Saudi society, for example, if there were a prolonged crisis over the succession, or chronic economic recession.

Summing up, the present situation is vigorously testing Saudi Arabia's ability to adapt to political dissent and severe economic rationalization.

- It is apparent that from a purely economic viewpoint the steps that are necessary to reform the economy come into direct conflict with basis of the regime's legitimacy and the agenda of the main opposition groups.
  - The constraints on economic reforms together with flat revenues over the remaining years up to the year 2000 will no doubt be a source of tension and resistance.
  - In this regard increasing income inequalities may present a major problem for the government.
  - Income distribution data for the kingdom are not available, but unofficial reports clearly indicate that there is a wide disparity of income between Saudis. In particular, King Fahd is thought to have assets totalling tens of billions of dollars, while the thousands of royal princes and princesses, and well-placed technocrats, are often perceived as benefiting financially from their positions.
  - The perception that oil wealth is not fairly distributed is likely to become an increasing source of social tension, particularly as the government is expected to cut back on subsidies and restructure the public sector in its efforts to curb the budget deficit during 1996-2000.
  - The existing system of subsidies, high levels of employment in the government sector, and free education and health care have helped to distribute the kingdom's oil wealth to the ordinary Saudi citizen.
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Its erosion can only accentuate perceptions of income disparities.

While there may be only increased discontent, the situation could become volatile along the lines of a model originally proposed by Hirschman (1973) which centres around problems associated with increased inequality, unfulfilled expectations, and discontent over further advancement. Hirschman's model is based on the tunnel effect. In this model early tolerance for inequality turns to hostility if those who do not advance feel that they never will and those who do advance feel that further improvement is impossible because they lack the necessary family or tribal ties.

## Conclusions

Whereas the early oil boom years enabled the Saudi economy and society to prosper through a state led development model, the government's programs have run into diminishing returns and are no longer capable of enabling the country to sustain improvements in the standard of living. On the other hand, rapid change and regional warfare have undermined the private sector's sense of security.

For some time to come, this insecurity will encourage the private sector to preserve existing political arrangements, whereby the government and its external allies provide security while the merchant community continues to profit from the oil-based economy. Thus, rather than take advantage of the government's current problems to become an agent of political change, the private sector in Saudi Arabia will not attempt to transform its consultative relationship with the state into one of competition characteristic of a working democracy.

Given the combination of traditional Saudi politics based on kinship and exclusion and rapid modernization, the transformation from the pre-industrial era has been managed by links between the private sector and the state based on patronage attachments and the state's distribution of oil wealth.

Since it is unlikely that the country's political institutions will shed these powerful traditional social practices in the near future, the shape of politics in the coming decade will not resemble the workings of a democracy, even if the private sector acquires greater strength than it currently possesses.

In states like Saudi Arabia, heavily influenced either by the rentier effect or by an authoritarian political culture, the agent of change is

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still the state. Brought into being to increase economic efficiency and to relieve the government from much of the pressure to stimulate growth and employment, the private sector has achieved neither the independence nor the dynamism required to meet the economic and employment challenges of the 1990s.

On the other hand, it is fairly clear that without economic reforms (Richards, 1993, 1995; O'Sullivan, 1995) the kingdom's economy will stagnate and be incapable of meeting the demands place on it by a growing population. The real issue is not whether the kingdom will reform, but rather how far will it take economic reforms and at what pace.

Here, the empirical evidence is not very encouraging. A recent examination (Frederiksen and Looney, 1996) of these issues found that for a sample of twenty countries, three key ingredients tend to be associated with success: (1) existence of a visionary leader, (2) whether or not a comprehensive reform program exists, and (3) the presence of a crisis in the country. Out of a sample of nineteen countries, this study found that by simply knowing whether or not these three conditions were present was sufficient to predict the outcome in all but one country (Mexico).

Unfortunately, none of these conditions appears to be present in Saudi Arabia at the current time. In addition, it should be noted that recent studies on economic freedom have placed Saudi Arabia in one of the lower groups in terms of the level of freedom currently present.

On the other hand, the Saudi Royal Family has shown more flexibility and adaptability than it is often given credit for. It is true in the current economic crisis that the government was slow to react. Whether the reforms made so far are sufficient is not the issue: the reforms show that the Saudis can and will tighten the belt and impose increased discipline when needed, precisely because they are shrewd enough to recognize that the alternative is far worse for their own family interests.

Even though the economic crisis is real and has existed for some time, the Kingdom is dealing with it. In another country this might be a case of too little too late, but the Saudis still possess enormous resources and have barely begun to try to generate available revenues.

The whole history of the House of Saud suggests that if a leader or

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group of leaders proves unable to cope with a challenge to the family enterprise, the family will find someone else. There is no shortage of trained and capable leaders within the family itself. And in the past the family has shown its skill in reviving old tribal links, co-opting opponents and responding to popular discontent. In short there is no reason to doubt that they will do so again. If they do not, they may very well face more serious challenges soon, but there is no reason for assuming they will not preempt those challenges as they have done so often in the past.

If the Saudis do not do enough or revert to the denial of some periods in the past, they may turn what is currently a fairly civilized Islamist dissent into a genuine dissident movement. But unlike some other Arab ruling establishments, they are unlikely to let that happen.

### **Future Prospects**

In this regard, does the future hold any promise for an expanded and more efficient private sector that could play a part in the development of pluralistic politics in the kingdom? There are at least three reasons why this may occur:

- Saudi society will have to learn how to compete in a highly competitive international economy based on the instantaneous processing of information. Recent technological revolutions and the importance of rapid exchanges of massive amounts of information are incompatible with a state-led economy. Under these conditions, the private sector appears to be well-placed to participate in the country's gradual economic reform process.
- The diversification of the economy has reached a point where the government must consult with the private sector on the breadth and depth of any policy, or, as was the case with the failed Saudi attempt in 1988 to tax foreign businesses, suffer a potentially dangerous state failure.
- Finally, the government will be compelled to expand and rationalize the private sector in view of the already established impact of high rates of population growth, high expectations produced by the oil boom and the continuing external and internal threats to the state. Saudi rulers will eventually have to increase the private sector's political space. They will do this first through capital market reforms as in Kuwait, eventually allowing foreign investment and

the development of an efficient stock exchange.

If the government can enact modest reforms that provide more economic freedom (Messick, 1996), the longer run prospects for democracy may improve. Robert Barro (1991) has examined the links between economic freedom, development and democracy. His findings suggest that:

- The favourable elements for growth include small distortions of market prices, and the inclination and ability of the government to maintain the rule of law, high levels of health and education, low government spending on consumption and a low fertility rate. If these variables and the level of per-capita income are held constant, the overall effect of more democracy on the growth rate is moderately negative.
- There is some indication that more democracy raises growth when political freedom is low, but depresses growth once a moderate amount of freedom has been attained.
- There is a stronger linkage between economic development and the propensity to experience democracy. Specifically, non-democratic countries that have achieved high stands of living—measured by real per capita GDP, life expectancy and schooling—tend to become more democratic over time. Examples include, Chile, South Korea and Taiwan.
- Conversely, democratic countries with low standards of living tend to lose political rights. Examples included the newly independent African states in the 1970s.

In conclusion, the Saudi state will be hard pressed to meet its employment targets for the growing supply of labour. Improving the position and efficiency of the private sector offers a major opportunity to encourage wealthy Saudi savers to invest in the kingdom. Finding a greater role for the private sector in the politics of the country will broaden the state's legitimacy while weakening the claims of populist leaders who offer superficial approaches to modern problems.

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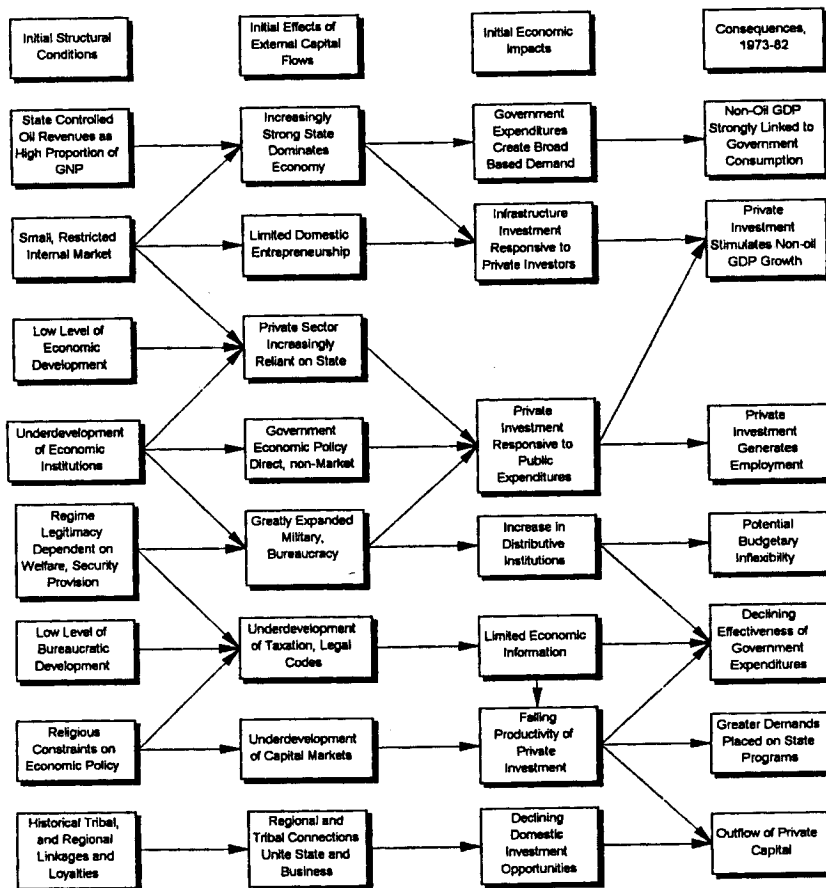
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## Appendix

**Figure 1:**  
**Saudi Arabia: Development During the Oil Boom Years**



**Figure 2:**  
**Saudi Arabia: Development During the post-Oil Boom Years**

