Saudi Bureaucrats' Incentives Jeopardize the Vision 2030 Implementation Plan

by Mohammed A. Alsuwayed

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INTRODUCTION

In early 2016, King Salman Ibn Abdulaziz approved his country's new transformation plan, Vision 2030, as the best means to reinvigorate Saudi society, reduce the nation's reliance on oil, and diversify the national economy. This goal is not new. Since the 1970s, the correlation between economic growth and government spending has been nearly perfect, except for the period between 1990 and 2000, when it fell below zero as economic growth diverged from government spending. (See figure 1.) In fact, right after oil prices fell in 2014, followed by various actions taken with the fiscal budget a year later, the economy went into a recession, which started as early as 2017. The fiscal budget was reduced in 2016 to 840 billion Saudi Riyals (US $224 billion), which represents a 32% reduction from the actual fiscal spending in 2014. As a result of this reduction, the country's real GDP shrunk by 0.86% in 2017. Real GDP fell for the years 2016 and 2017, respectively, from 2,587,758 to 2,565,591 million Saudi Riyals (US $684,158 million). [1] It is interesting to note that the goal to diversify the economy away from oil was not new either,
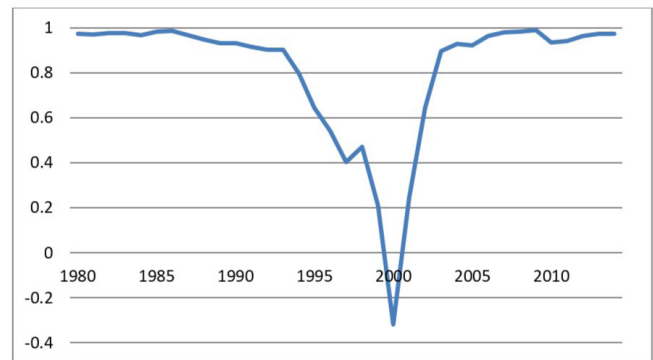

Figure 1: Ten-Year Moving Correlation from 1970 to 2014

Source: Bloomberg.

especially to Saudi bureaucrats, since it had been embedded in the country's successive five-year plans in the years before Vision 2030 was created. Why did the Saudi bureaucrats fail to achieve this goal? What caused such a letdown— or were the true causes those approved plans? Will the Saudi bureaucrats succeed now within the Vision 2030 plan? Or, perhaps, could there be a different angle to their failure? The paper intends to discuss the Saudi bureaucrats' failure from the standpoint of bureaucratic behavior; specifically, existing incentives to fulfill their executive roles, based on the assumption that they, as individuals who

"recognize[d] their alternatives, anticipate[d] potential although uncertain outcomes, and rationally attempt[ed] to maximize their well-being in the face of incentives and constraints," were responsible for what actually occurred. [2] At the same time, an attempt will be made to shed light on the outcomes when the incentives of Saudi bureaucrats become unintentionally mixed up with legislators' incentives within the same institution, due the lack of separation of powers within government structures.

In addition to discussing various implications, the analysis will focus on the organizational traits of key government entities, specifically to understand the implications caused by this lack of separation of executive and legislative powers (or function) within government institutions. Moreover, the analysis will highlight whether any roles and responsibilities overlap within the Vision's governance model, to further understand how the allocation of power within the state system influenced, and continues to encourage, the outcomes of the Kingdom's development strategy.

Finally, and in an effort to draw specific lessons from past experiences as Saudi embarks on the implementation of major new socioeconomic platforms, the paper offers a few recommendations, including the separation of the legislative and executive power centers within the government structure in order to avoid a lingering shortcoming within the bureaucracy. Practically speaking, it is important to emphasize that "the executive, it may be said, is not supposed to be a talking shop; or, the kind of talk executive officials have to engage in is much more a matter of strategizing and planning public administration than debating the general merits of policy." [3]

THE MIXED ROLES AND RESPONSIBILITIES OF SAUDI BUREAUCRATS

Compared to a number of developed countries, contemporary Saudi bureaucracy is considered to be relatively young, having emerged during the 1950s, under the rule of King Abdulaziz Al Saud. Since then, government institutions have gone through several design and redesign processes, which may not have been necessary. As an illustration of the fundamental challenges the government confronted at the time, in 1952, "six different entities were supposed to be in charge of economic planning."[4] And despite the constant change in the government's governance structure, the Council of Ministers held legislative, executive, and judicial powers all in one body, which meant that its functions were cascaded down to subordinate bureaucrats and public entities, with negative outcomes at all levels.

Consequently, Saudi ministers became atypical bureaucrats as they acted in various capacities, which saw their roles mixed between the executive and legislative functions. These could thus be summarized into four main areas, creating four roles for officeholders that, realistically, was not the most efficient way to employ their talents. As executives, cabinet officers assumed additional duties, including legislative and strategic functions, as well as regulating and monitoring. To be specific, Saudi ministers (or, more precisely, the ministries they

run) juggle executive and legislative roles that are similar to those that US senators, along with civil servants, state governors, and the US president, oversee today.

As a legislator, each minister (and his ministry) can engage in statutory law making by proposing a new or adjusted "NIDAM" project (the Arabic term for a statutory law), which is then shared with the other ministers to get their feedback. Afterward, the proposed law is reviewed by the Bureau of Experts at the Council of Ministers, and then continues through the government's decision-making process.[5] After the approval of the "NIDAM" is secured from the prime minister, the ministry naturally develops all related administrative laws for the purpose of implementation. The current minister of housing, Majed Alhogail, is one of the ministers who publicly discussed his work on creating statutory laws, which he revealed in the course of several media appearances as well as during his last Shura Council hearings, when he acknowledged that the ministry was able to pass several new pieces of legislation that governed the housing sector, such as the homeowner's association called the "Mullak Program" and other similar laws governing the sector, with some success. [6]

As a "strategy maker," the minister (and his ministry) was thus responsible for setting the

strategic direction of the sector that was regulated by the ministry, which became quite clear after his media appearances clarified the procedures in place. We can thus see from this example how every single minister with a portfolio, whether a ministry or an authority, is responsible for identifying a long-term strategy, and how it is provided with the necessary resources to go about implementing it. For instance, in January 2018, the Council of Ministers finally approved the national environment strategy, which was drawn up and submitted by the minister of environment, water, and agriculture, in yet another significant illustration of the procedures in place. [7]

If we now turn to the minister's executive role, which is that of an agent assigned to implement specific projects, we can better determine how the minister (with his ministry) is responsible for executing the country's regional, operational, and infrastructure projects, as well as performing government interventions within the ministry's scope. The health and education ministers (and their ministries) have the most sensitive and critical responsibilities, as these two vital service ministries are directly responsible for building facilities and operating them as efficiently as possible to provide various services to citizens around the country. In particular, in 2017, the number of hospitals run by the Ministry of Health stood at 282, while about 26,200 schools were operated by the Ministry of Education. [8]

Finally, in his capacity as a regulator, we see how the minister develops the sector's administrative laws within the scope of his ministry to govern their implementation, both regionally and cross-regionally. For example, the Ministry of Commerce regulates local trade within the companies' law, and the Ministry of Housing regulates white (vacant) land ownership with the White Land Tax. Both these regulatory efforts necessitate specific attention by high-ranking officials even though they could be handled, perhaps far more efficiently, by specialized bodies, which would also free the cabinet of these micro-management duties.

IMPLICATIONS OF SAUDI BUREAUCRATS' INCENTIVES

The fact that the bureaucracy in Saudi Arabia shares the legislative power (or function) with legislative authorities throughout the country adds complexity to their behavior and incentives as well. Yet, in order to understand such complexities, it may be necessary to understand how bureaucracies function in a developed country, such as the United States, where the executive and legislative powers are separated. Basically, and unlike for Saudi bureaucrats, the American bureaucratic function—at least in the Western theoretical literature—does not include proposing statutory laws. That is a duty reserved for legislators at the federal and state levels. Nonetheless, bureaucracies are not excluded entirely from the process since they engage in it as "expert opinion givers," who are called on to help legislators with law making. To be sure, such experts may use that interaction to advocate specific policy agendas to influence the outcome of the law, using the information they are privy to or control, to maximize their interests or to benefit their constituencies. [9] The well-being of bureaucrats could be anything from maximizing budgets, to securing personnel benefits, to exercising discretion and power, among other advantages that may be accrued from any specific laws.

This is where the benefits of a separation of powers come into play, and specifically, the principle of checks and balances, which "hold[s]

that the exercise of power by any one power-holder needs to be balanced and checked by the exercise of power by other power-holders," as stated by a leading observer. The principle can be upheld by ensuring that the government entities can check on each other and may reject their actions if that is deemed to be in the best interests of the proposed law's constituents. In this way, the separation of powers provides legislators with the power to manage bureaucrats' incentives and apply specific constraints as required by socioeconomic conditions. [10]

In Saudi Arabia, the executive and legislative powers are both wielded by the Council of Ministers, but they are chiefly held by the president of the Council of Ministers, or "prime minister," who is the king himself. Still, the powers' functions are cascaded down to the members of the council, several subcouncils, and attached entities, such as the ministers, the Council of Economic and Development Affairs, the Council for Security and Political Affairs, and the Bureau of Experts. Article 19 from the law of the Council of Ministers, regulating its powers, states:

Subject to the provisions of the Basic Law of Governance and the Shura Council Law, the Council of Ministers shall draw up the internal, external, financial, economic, educational and defense policies as well as the general affairs of

the State and shall supervise their implementation. It shall also review the resolutions of the Shura Council. It shall have the executive authority and be the final authority in financial and administrative affairs of all ministries and other government agencies.

As described in this paper, cascading the executive and legislative functions down to the ministers produces clear consequences and, in the past, has created particular implications related to Saudi bureaucrats' behavior that have clearly influenced bureaucratic performance. In fact, instead of simply analyzing the issues, this paper also analyzes them as collective symptoms and identifies the Saudi bureaucrats' incentives as the source of the problem, either directly or indirectly.

One of the specific implications that arose from such a phenomenon, and that still lingers today, is the misrepresentation of priorities for the bureaucrats at the ministry level. Influenced by political interactions, bureaucrats' priorities may be diverted or make them focus on their well-being and against the interests of other stakeholders, who may include the monarch, members of the ruling family, senior government officials, other officials, prominent members of society, leading private-sector principals, and other factions of government. For instance, despite the lack of a statutory law banning women from driving an automobile, before 2018 they were simply not allowed to drive or to get a driver's license, based on unwritten social norms. However, in an interesting contradiction, during the 1980s, the Ministry of Interior issued driver's licenses to non-Saudi women, a contradiction that was not publicized but that spokes volumes, especially to Western media pundits who lambasted the Kingdom for denying such privileges. (See figure 2.) In effect, this meant that the ministry was able to issue driver's licenses to Saudi women too, starting as early as the 1980s, but chose not to do so for social reasons. In this case, the Ministry of Interior's bureaucrats did not fully implement such policies to the fullest for sociopolitical reasons, and consequently were not held accountable. These bureaucrats, including the minister, issued several statements emphasizing that the issue of women driving was a matter for the society at large to decide; His Royal Highness Prince Naif Bin Abdulaziz Al Saud, the former minister of interior, made

Figure 2: Copies of the Saudi Driver's License Issued to Women during the 1980s

several relevant comments to the press, and on one occasion declared that "it is a social matter decided by society."[11] In the aftermath of the June 24, 2018, resolution of this matter, when King Salman lifted the ban and allowed women to drive, the purposeful decision provided additional confirmation of how this particular piece of legislation was settled; the resolution came out as a letter addressed to the minister of interior, reasonably explaining the different religious point of views related to the matter, in addition to an approved administrative law to be implemented by the ministry. [12] This was effective but was also thoroughly protected by the law itself.

An equally critical point focuses on identifying the potential differences if the ministers, who are considered to be legislators, performed bureaucratic roles rather than the bureaucrats performing legislative roles. In this reversed perspective, it must be assumed that a Saudi minister's legislative incentives would influence his behavior, which relies on his access to the bureaucracy in order to implement projects that deliver immediate and visible benefits, or in other words, to secure "quick wins." What if that were the case?

In September 2018, assistant professor Alexander Fouirnaies of the University of Chicago and associate professor Andrew B. Hall of Stanford University published a study about the impact of electoral incentives on legislator behavior. The authors studied a dataset of approximately 780,000 bills and 16 million voting records for about 6,000 U.S. state legislators with three different term limits. It was found that legislators who could not pursue re-election (and were thus "termed out," to use a common expression)

became far less engaged in the legislation process; remarkably, they performed less in committee service, sponsored fewer bills, and, on average, were absent more often from roll-call votes. Nevertheless, the authors pointed out that "Some state legislators who are termed out go on to run for other offices, and may consider these future campaigns when structuring their behavior in their final term," which provided incentives for different outcomes, including efficiency. [13] It may therefore be possible to extrapolate from this American study and assume that the goal of Saudi bureaucrats could likewise become far more efficient if officeholders based their strategies on quick wins, such as a desire to be reappointed by the king and to serve an additional term of service. This study is clearly a useful paradigm, and there are specific Saudi examples to buttress the assumption.

One of the best illustrations of a quick-win tactic can be explored through the experience of Tayseer, a supreme government committee, which was established in late 2016 and headed by the minister of commerce. Shortly after it was introduced (in August 2017), Tayseer developed a process improvement program called MERAS to expedite trade license applications processed by different regulators; MERAS, whose mandate was to "provide . . . high quality integrated services through . . . online and physical One-Stop-Shop centers," was intended to cut out unnecessary procedures that lingered within the bureaucracy. [14] In fact, MERAS claims that trade licenses can be made available in one day, and its hubs provide businesses with support to process about 78 related government services rather efficiently.[15] It has the character of a quick win and offers immediate and visible

benefits all around. Nevertheless, if other government agencies decided to change their approval process or requirements, MERAS could become obsolete since, its activities are closely attached to such bureaucratic actions. whims.

An equally important implication involves the repeated change in the ministries' management team that occurs whenever a minister is replaced, regardless to the length of the appointment. Unfortunately, it is a common practice within the Saudi bureaucracy that whenever a new minister is appointed, the old executive and operation leadership staff will be replaced by new team members, who may or may not agree with the new minister's political and strategic agenda. Such changes can be so disruptive that carrying out day-to-day operating activities becomes challenging, because they may include posts in the middle and lower levels of management. Consequently, ministries with execution duties that include infrastructure projects suffer the most from the constant changes in management, and they can find over 50% of their infrastructure projects delayed for peripheral reasons that have little to do with the merits of the case.

To try to remedy these shortcomings, the government published the delivery plan for its first Vision Realization Program, titled "The National Transformation Program," in 2016. In that delivery plan, the Ministry of Municipality and Rural Affairs reported, as part of its Key Performing Indicators that about 66% of its infrastructure projects were delayed by much more than 20% of the completion time. This example illustrated one of the fundamental challenges that Saudi confronted and, it is critical to note, service ministries like Municipality and Rural Affairs was not the only institution that faced such dilemmas. The Ministry of Transport, for example, reported that according to their execution plans, 60% of road infrastructure projects were delayed. Obviously, the projects could be delayed for several reasons, running the gamut from capacity problems to various procurement processes, as well as any of the other usual management issues. Still, it can also be safely assumed that each successive new management team lacked the time to implement their specific plans, including developing work policy and procedures, to solve issues successfully before they, in turn, were replaced by another team.

In fact, there is no apparent timeline as to when this disruption started to happen in contemporary Saudi history, but few would deny that the phenomenon occurred and lingers, with some critics insisting that it extended even further than merely delaying certain projects. Several years ago, some ministries started building part of their capacities outside the national merit system (the Saudi Civil Service Law). In 2013, a local newspaper reported that the Saudi General Auditing Bureau learned that the Ministry of Commerce and Industry, for example, had appointed over 150 personnel, hired by a private company called THIQAH that was, in turn, owned by the Industrial Cities Authority. THIQAH employees were paid higher salaries than their equivalents employed under the Saudi Civil Service Law. [16] Later, in May 2018, the Ministry of Civil Services made some significant amendments to the Saudi Civil Service Law, which suspended fresh appointments to the deputy and assistant deputy positions from within the civil service system while, simultaneously, ministries were allowed to hire

personnel for the same positions privately or through private contracting firms from outside the Saudi merit system (the Saudi Civil Service Law). [17]

Although this amendment to the merit system provided bureaucrats with needed flexibility and removed various constraints against hiring and firing employees based on performance, it could also be used for patronage purposes and served to add additional complexity to the Saudi bureaucrats' incentives. That was, in fact, what happened. In comparison, in the United States, for example, there are constraints on making political appointments such as . up to 10% of the total number of senior executive service positions within the government can be political appointees. [18]

What this example illustrates is the importance attached to a merit system tenure, as explained by leading scholars, should serve as a clear lesson:

The degree of job tenure that now exists [for rank-and-file civil servants in the U.S. federal bureaucracy] appears to go beyond that which would have been sought by the President and Congress to maintain the integrity of the merit system. All that would have been necessary to reduce the temptation to fire and reclassify merit employees for patronage purposes was a provision to prevent arbitrary dismissal, along with a process for appeals and review. The tenure guarantees that exist, however, exceed these requirements. Under civil service rules, it is very costly for supervisors to remove employees. . . . To understand the degree of tenure guarantees that exist today requires consideration of the role of federal employee groups in influencing legislation regarding the civil service system. [19]

It may thus be useful to note that dramatic transformations underway in the Kingdom ought to take this matter into consideration in order to secure long-term stability whenever government positions are available.

OVERLAP OF THE ROLES OF SAUDI BUREAUCRATS WITHIN THE VISION 2030 GOVERNANCE MODEL

The Vision 2030 governance structure was approved in 2016 as part of the implementation plans and was designed to assign the implementation roles and responsibilities within the bureaucracy. However, the same members of the Council of Ministers were assigned to the roles on all three levels of the structure, adding another layer of complexity to the bureaucracy by creating power overlaps between the levels. According to the structure, at the first level, which holds absolute powers, ministers participate in defining the strategic direction for the country. At the second level, which hold less power but has authority over the lower levels, some of the ministers, who are also members of the Strategy Committee of the Council of Economic and Development Affairs, engage in developing strategies by chairing Vision Realization

Programs (VRP) that include legislative and executive plans. At the third level, ministers implement the strategy through their portfolios and the authorities that they chair. (See figure 3.) [20]

It is not new to see such overlaps in the responsibilities and roles of Saudi bureaucrats within the government, but this high degree of overlap within the governance model may well result in unbalanced powers or a disproportionate amount of authority given to some bureaucrats over their peers. For instance, if minister A is a member of the Strategy Committee as well as working as the chairman of a Vision Realization Program (statewide program) as an individual, while he simultaneously manages his ministry portfolio, one can identify various complex
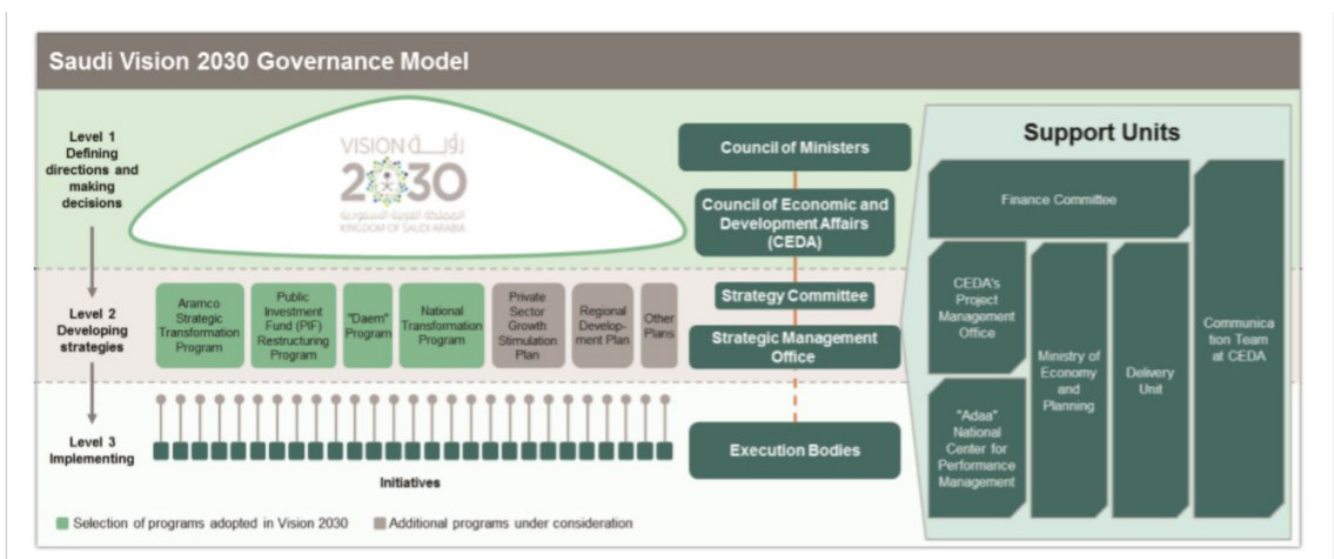

Figure 3: Governance Model for Achieving Saudi Vision 2030

potential permutations that will not serve the nation well. In this case, the portfolio of minister A is functionally separate from that of the Strategy Committee, as well as that of the Vision Realization Program. In contrast, another official, minister B, may only be responsible for a single portfolio because he has only a single role. Complications could arise in scenarios that would involve budget requests and plans, when ministers A and B submit requests to minister A's Vision Realization Program, which may get approved or rejected through a process that is under the discretion of minister A. In this scenario, minister B, along with his ministry, is only the member of an execution body in the Vision Realization Program, and has little impact on the decision-making process. Moreover, as the minister who serves as chairman is the ultimate authority within the program and can assign ownership and responsibility of initiatives to execution bodies within that program, stakeholders may fail to achieve desired goals to run their ministries at optimum levels. [21]

Given that bureaucrats are individuals who tend to maximize their well-being and keep budget-maximizing goals in mind, granting power to some Saudi bureaucrats over their peers would be expected to create unnecessary challenges and conflicts that could jeopardize the success of the execution. Despite the fact that the strategic goals of Vision 2030 cascade in a top-down direction, the dynamics within the program are expected to be dominated primarily by a political cultural frame, which has unwanted consequences. Toward that end, the frame considered organizations as "rolling arenas," according to five assumptions:

Organizations are coalitions of different individuals and interest groups.

Coalition members have enduring differences in values, beliefs, information, interests, and perceptions of reality.
Most important decisions involve allocating scarce resources—deciding who gets what.
Scarce resources and enduring differences put conflict at the center of day-to-day dynamics and make power the most important asset.
Goals and decisions emerge from bargaining and negotiation among competing stakeholders jockeying for their own interests. [22]

In the scenario discussed previously, minister A thus encounters a very thin line between his own portfolio (ministry) and the program, which is generally similar to a ministry but with a bigger scope and has its own discretionary budget. The thin line is not anticipated to hold against the constant demand for better performance from bureaucrats pressuring minister A to defend partial interests to ensure them a better outcome and to let his ministry's dynamics influence those of the program.

This situation indicates why the political organizational culture within the Vision Realization Program system is worth studying, especially in the resulting tendency for peer bureaucrats to have unbalanced powers, while it is equally important to focus on the incentives of the Saudi bureaucrats and how they influence the program outcomes. In fact, the Program system is no different than other government entities, given that Saudi bureaucrats can use the new platform to plan for legislative changes, thus making it vulnerable to their incentives, with the implications that were already discussed. For example, at the National Transformation Program, an initiative concerned with improving living standards and safety had a legislative scope

that included the mandate to "develop legislation and specifications for utilities installations to ensure the development of high-quality infrastructure networks and the assurance of road quality, to allow [for] engaging the private sector," a requirement that can raise all kinds of questions, running the gamut from differences in policy to interest-driven objectives. [23]

POLICY RECOMMENDATION: SEPARATE THE LEGISLATIVE AND EXECUTIVE FUNCTIONS

To reduce implementation risks for the Saudi Vision 2030, the role of Saudi bureaucrats must focus exclusively on the executive function of the government; otherwise, Saudi will confront serious challenges down the line. At the same time, the legislative functions of the government must be allocated to the legislature, an enhanced institution with statutory control over the bureaucrats. Such an allocation is, admittedly, a long-term project. This new structure should better enable Saudi bureaucrats to focus on public administration (strategizing and planning) and avoid being persuaded or distracted by the powers of legislative incentives. Moreover, it is essential to introduce the principle of checks and balances in support of separate government institutions that will dramatically enhance governance and help Saudi navigate future policy challenges.

A recommended structure will have two councils of ministers, one to wield the legislative powers and the other to wield the executive powers, and both headed by the king. The restructuring simply serves to spin off the executive powers and associated institutions from the current Council of Ministers into a newly structured government institution called the Executive Council of Ministers. As for the current council, it will keep its legislative powers and be renamed the Legislative Council of Ministers. (See figure 4.) Additionally, to prevent roles and responsibilities from overlapping, either between the two councils or within the councils themselves, and to avoid the implications of the wielding of unbalanced powers among peer bureaucrats or legislators, no official should be assigned more
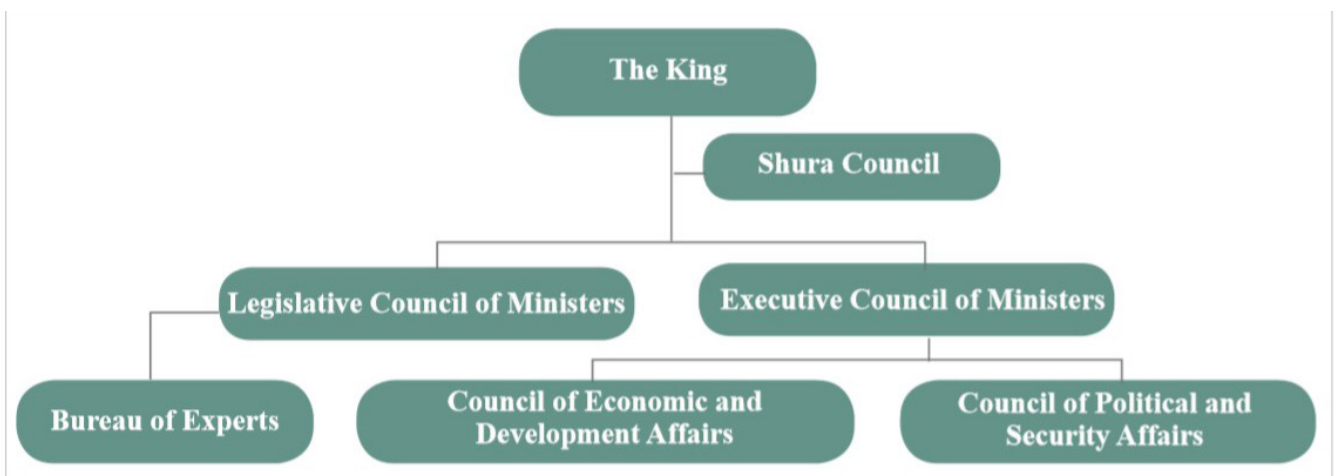

Figure 4: Proposed Structure of Governance to Separate the Ministers' Roles

than a single portfolio.

Under the proposed structure, the member ministers of the Legislative Council would be responsible for the role of creating statutory laws, on behalf of either a specific sector or a region within the country. During that process, the legislative ministers are to treat the Executive Council members as sources "expert opinion" and as stakeholders just like any other stakeholders in the country, specifically to benefit from their input in the legislative process. Likewise, the Bureau of Experts should carry out its current responsibilities and provide the necessary support for the legislative ministers to carry out their responsibilities too, including]: [24]

- Review and study case-files referred by the prime minister, deputy prime minister or the second deputy prime minister, the Council of Ministers and its subcommittees.
- Prepare draft laws and their required studies, in cooperation with the agency concerned with each law.
- Review and propose amendments to current laws.
- Study agreements and case-files establishing general rules or requiring issuance of royal decrees or those that concern more than one government agency.
- Draft appropriate forms for high orders, royal decrees, and resolutions of the Council of Ministers.
- Join government agencies in reviewing issues brought before the Supreme Authority, the Council of Ministers, and other supreme councils.

Additionally, the Shura Council should still assume its current responsibilities as intended by serving as an independent institution reporting to the king, and, within the proposed structure, to review the performance and resolutions of both of the councils of ministers councils. The Shura Council's current responsibilities, in addition to making statutory law, mainly focus on these features:

1. A discussion of the general plan for economic and social development.
2. The ability to revise laws and regulations, international treaties and agreements, concessions, and to provide whatever suggestions it deems appropriate.
3. Analyzing laws.
4. Debating annual reports submitted by government agencies, to which the institution may attach new proposals when it deems it appropriate. [25]

Simply stated, and totally separated from the legislative functions, the new Executive Council of Ministers should include Saudi bureaucrats, their portfolios, the Council of Economic and Development Affairs, and the Council of Political and Security Affairs. Its members would be responsible for implementing policies, including the roles of implementing infrastructure and operational projects, as well as regulating and monitoring. An important point is that members could also perform strategy development within the Executive Council of Ministers, exclusively for the purpose of policy implementation. They could perform exclusive duties within the Vision's governance model, such as managing Vision Realization Program, and would be responsible for the success of the developed strategies starting from the creation of the content and the management of change plans, to the execution of plans performed by the ministries.

A point worth reiterating is that a separation

of the functions of the executive and legislative powers is necessary from the perspective of management, since of two functions are assumed to have different organizational traits. The Competing Values Framework, a model used by several organizations to implement business and change strategies, describes organizations in four quadrants—Control, Compete, Create, and Collaborate. Each quadrant is specified in terms of its own attributes, such as the type of culture, leader, value drivers, and effectiveness. For example, the Control quadrant is based on hierarchy culture, its leader type is mostly the organizer, it is driven by efficiency, and it uses capable processes to ensure efficiency and effectiveness. On the other hand, the Create quadrant is based on an adhocracy culture, its leader type is mostly visionary (the entrepreneur), it is driven by innovation (agility), and it stays in a state of constant change to produce effectiveness.

The bureaucratic and legislative institutions are assumed to have a mixed combination of these quadrants because they influence each organization together, but only one quadrant can be dominant. Indeed, the framework assumes a quadrant map for each function within the organization, which theoretically may look like a diamond with its tail pointing at the direction of the dominated quadrant. For example, while the production function tends to have a map dominated by the Control quadrant, a product development's function map may be dominated by the Create quadrant; that of sales and marketing, by the Compete quadrant; and that of human resources, by the Collaborate quadrant. (See figure 5.) [26]   Eventually, the function producing the most value for the organization is supposed to expected to dominate the organization's overall map.
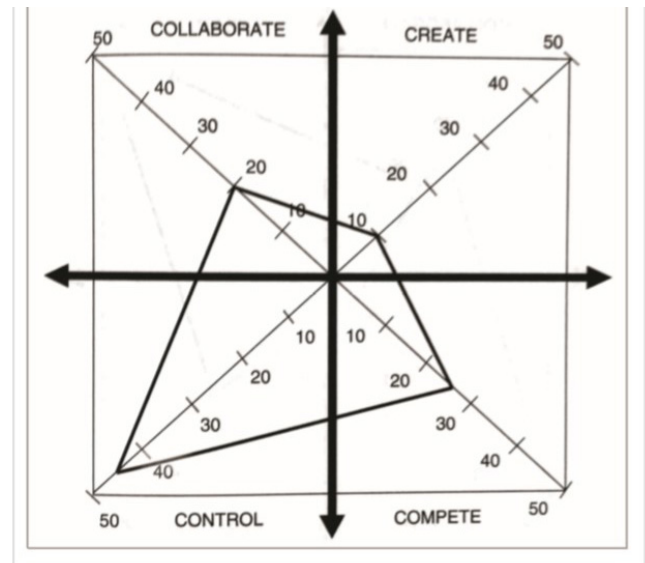

Figure 5: Production Function Map

In the case of the Saudi bureaucratic institutions of today, the natural organizations' quadrant maps are supposed be dominated by the Control quadrant in order to ensure a sustainable and efficient implementation of policy. However, it appears that the institutions' legislative role, which is driven by entrepreneurship (innovation) and constant change, pulls the quadrant map in the opposite direction, toward the Create quadrant. This underlines the need to introduce clear changes that will affect bureaucratic performance and implications, as was already discussed. As emphasized in this paper, a separation of executive and legislative powers may well be vital to keep the functions separated and avoid such predicaments for management in the future.

THE VISION 2030 MODEL
OF GOVERNANCE

In conjunction with the new recommended policy, the Vision 2030 governance model should include the two separated councils of ministers alongside the Shura Council. At the first level, the Legislative Council of Ministers would be responsible for defining the overall strategic direction, as approved originally,[27] except for any roles related to bureaucratic functions.

At the second level, the Executive Council of Ministers and its subcouncil, would be responsible for developing strategies, as approved originally, based on the direction and decisions made by legislatures at the first level. This council would be statutorily controlled by the legislative council and develop required policies within the granted incentives and applied constraints, through Vision Realization Program and initiatives. Finally, at the third level, the ministries and authorities would be responsible for executing the strategies as part of the entities' annual operating plans. (See figure 6.)
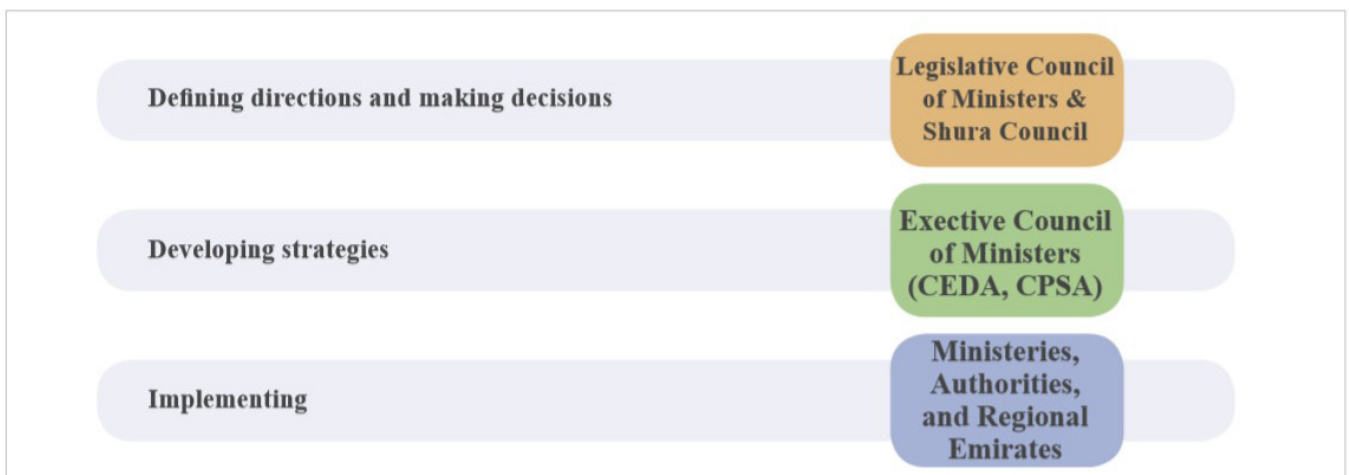

Figure 6: The Recommended Governance Model for Vision 2030

GOVERNANCE MODEL FOR ACHIEVING SAUDI ARABIA'S VISION 2030

The Council of Ministers has entrusted the Council of Economic and Development Affairs with the task of establishing the mechanisms and measures necessary to achieve Saudi Vision 2030. The Council of Economic and Development Affairs has developed a comprehensive governance model aimed at institutionalizing, enhancing its work, facilitating the coordination of efforts among relevant stakeholders, and effectively following-up progress.

Roles and Responsibilities

Level One: Defining directions and making decisions

Council of Economic and Development Affairs. The Council of Ministers has mandated the Council of Economic and Development Affairs to establish the mechanisms and measures necessary for achieving Saudi Vision 2030. This includes identifying and presenting visions, directions, and programs; as well as deciding on any amendments or updates to the programs and initiatives. The council shall also make decisions on any matter under its jurisdiction that could prevent programs from achieving their goals.

Finance Committee. The committee shall establish and update the approval mechanisms for funding programs and initiatives, including medium-term expenditures. It shall also prepare and update the detailed mechanisms for examining the financial requirements of programs and initiatives, for planning of cash flows and for reporting on progress.

Communication Team at the Council of Economic and Development Affairs. The Communication Team shall work to instill a clear image of Saudi Vision 2030. It shall unify the publicly communicated messages, correct any miscommunication, develop communication plans and implement the programs that will be publicly launched and strengthen our transparency principle.

Level Two: Developing strategies

Strategy Committee at the Council of Economic and Development Affairs. The Committee shall support the Council in strategic affairs. It shall propose strategies for achieving Vision 2030 and translate those strategies into implementation programs. The Committee shall also monitor the implementation process, by supervising the Strategic Management Office and examining all its reports. The committee shall also undertake the important role of resolving issues and problems that might impede the implementation of the strategies, programs, and initiatives: it

shall resolve any issue escalated by the Strategic Management Office or shall present them to the Council. The committee shall convene at least once every three months at the invitation of the chair or whenever deemed necessary.

Strategic Management Office at the Council of Economic and Development Affairs. This office shall operate under the Strategy Committee and act as its executive branch. It shall be entrusted with the study and analysis of methods for translating Vision 2030 into action plans and implementation programs, and it will be responsible for continually supervising and monitoring the progress of those programs. It shall determine the progress of the objectives by reviewing reports, identifying gaps, and submitting its periodic reports with relevant recommendations to the Strategy Committee. Furthermore, the office shall assume an important role in overcoming the issues and problems brought to its attention and in examining any delayed or stalled initiatives. For the purpose of clarifying facts and converging views, it shall also prepare a complete dossier that will be used as a basis for review or will be forwarded to the Strategy Committee for resolution.

Project Management Office at the Council of Economic and Development Affairs. This office shall be responsible for monitoring the projects and decisions of the Council. It shall follow up on the progress toward achieving Vision 2030 goals and commitments; and on the Council's priorities and most important initiatives. Accordingly, the office shall ensure adherence to project management methodologies and classify any goals, commitments, and initiatives into portfolios. Furthermore, the office shall analyze the relevant dependencies and risks that could interfere with the achievement of the desired results. The office shall also monitor the progress of exchanges to/from the Council. The office shall communicate with relevant stakeholders, collecting relevant reports, following up on implementation, and managing risks. This process will involve identifying, escalating, and regularly reporting challenges to the Strategic Management Office. It shall also monitor the level of commitment and collaboration of stakeholders.

Ministry of Economy and Planning. The ministry shall provide support to relevant stakeholders and government agencies involved in strategic and executive planning, pursuant to the instructions of the Council of Economic and Development Affairs or upon the request of the aforementioned parties. It shall also provide any necessary information—including, data, statistics, and studies—to relevant stakeholders. Finally, it shall harmonize the sectoral and regional plans of relevant stakeholders.

Delivery Unit. The Delivery Unit shall support the Council of Economic and Development Affairs in its work with executive bodies to achieve Vision 2030. It shall assist with designing, implementing, and achieving initiatives. The Unit shall also intervene, upon the request of the Council, to resolve any issue that confront initiatives of the Vision 2030 implementation programs. It shall also submit periodic reports to the council on its assigned programs, projects, and missions.

Level Three: Implementing

Execution Bodies. On the path toward achieving Vision 2030, the ministries and other execution bodies shall be primarily responsible for the development and implementation of programs,

projects, and initiatives. They shall coordinate efforts and collaborate with each other to achieve desired results. The head of each agency shall resolve internal problems and challenges that could obstruct the achievement of objectives and initiatives. The head shall be responsible for providing reports and required information to the relevant parties.

"Adaa" National Center for Performance Management. The center shall be entrusted with promoting transparency to all concerned parties by following up on the progress toward implementing programs and initiatives; and attaining objectives. It shall also measure progress regularly, validating the commitment of the parties to the achievement of the common national goals and detecting delays or issues that impede the progress of initiative implementation. The center shall actively engage the public in monitoring the performance of the various Vision 2030 implementation programs and relevant bodies: it shall regularly publish performance dashboards and audited reports, as required by its bylaws in coordination with the Communication Team. It shall also establish and activate mechanisms for measuring and monitoring the performance of government agencies responsible for implementing programs and initiatives.

NOTES

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2.   Bruce L. Benson, "Understanding Bureaucratic Behavior: Implications from the Public Choice Literature," Journal of Public Finance and Public Choice 8, nos. 2–3 (1995):   89–117.

3.   Jeremy Waldron, "Separation of Powers in Thought and Practice," Boston College Law Review 54, no. 2 (March 28, 2013): 433–68, p. 464.

4.   Steffen Hertog, "Shaping the Saudi State: Human Agency's Shifting Role in Rentier-State Formation," International Journal of Middle East Studies 39, no. 4 (2007): 539–63, http://www.jstor.org/stable/30069487.

5.   King Fahad, telegram to the deputy prime minister, Prince Abdullah bin Abdulaziz, Number 7/B/12661, dated 17/03/1424H (May 18, 2003), https://www.boe.gov.sa/M/ViewTemplate.aspx?lang=ar&TemplateID=3.

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8.   Statistical Yearbook of 2017, 53 (Riyadh: General Authority for Statistics, 2017), https://www.stats.gov.sa/en/932-0.

9.   Benson, "Understanding Bureaucratic Behavior," p. 114.

10.   Waldron, "Separation of Powers."

11. Mohammed Algonaim, "Prince Naif: The Issue of Women Driving Is a Social Matter Despite Any Argument," Alriyadh.com, 13491st ed., Local sec., June 1, 2005, http://www.alriyadh.com/69082.

12.   "A Royal Decree to Allow Woman to Drive Vehicles," Al-Jazirah.com, September 27, 2017, http://www.al-jazirah.com/2017/20170927/ln21.htm.

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14.   MERAS, "About Meras," accessed November 26, 2018, http://ic.meras.gov.sa/en/about/.

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16. "The Saudi General Auditing Bureau Builds up a Team to Investigate Violations within the Ministry of Commerce and Industry," AJEL, May 27, 2013, https://ajel.sa/bdL2fW.

17.   Saeed Alzahrani, "New Policies for Deputy and Assistant Deputy Position's Appointment to Improve Performance," Al-Madina.com, May 23, 2018, Local sec., https://www.al-madina.com/article/575005.

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19. Benson, "Understanding Bureaucratic Behavior," p. 119.

20.   Kingdom of Saudi Arabia, "Governance," Vision 2030, accessed November 29, 2018, https://vision2030.gov.sa/en/node/259. And see the Appendix.

21. Kingdom of Saudi Arabia, "KSA Vision 2030: Strategic Objectives and Vision Realization Programs," accessed November 23, 2018, http://www.vision2030.gov.sa/download/file/fid/1319.

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27. See Appendix A.

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