A four-year experience in the public sector: An analytical study of a governance model for the achievement of Saudi Arabia’s vision 2030

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Abstract:

This research studies the effectiveness of Saudi Arabia’s new governance model: Saudi Vision 2030. It examines the quality of governance, coordination between relevant stakeholders, and follow-up efforts in relation to good governance practices. Changes in governance are essential to ease the transition away from financial dependency on oil. This study analyzes the components of the Saudi governance model according to World Governance Indicators. It includes initiatives taken to apply governance principles across the public and private sectors. It also elucidates the extent to which public entities in Saudi Arabia foster good governance in terms of accountability, political stability and absence of violence, government effectiveness, regulatory quality, rule of law, and control of corruption. Finally, the study offers recommendations to overcome obstacles impeding good governance in the Saudi Arabian the public sector.

Keywords: Governance, Saudi Arabia, Saudi Vision 2030, The public sector, Rule of Law, Worldwide Governance Indictors
1. Introduction:

Comparatively examining history reveals an ever-shifting kaleidoscope of social, political, and economic diversity. Each faceted shift influences government management and risk mitigation, as well as the delegation of powers within entities providing public services to citizens. In recent years, Saudi Arabia has committed itself to significant changes through Saudi 2030 vision; a response to economic challenges facing the country in the years to come\(^{(1)}\). With Saudi Arabia’s main economic driver (oil) losing value and power in recent years, the nation launched vision as a way to transition to an economy beyond oil. To maintain strength in the economy, the vision is centered around two of the country’s strengths: its central location in the heart of the Arab and Islamic world, and its strategic position in the global trade market nestled between three continents.

Indeed, there is an overall dearth of studies examining the practice of governance in Saudi Arabia \(^{(2)}\). In fact, the majority of literature on the subject is rooted in theory, with limited explanations of the practical application of corporate practices of governance\(^{(3)}\). The present research will analyze public practices of governance in Saudi Arabia based on worldwide governance indicators (WGI) set forth by the World Bank Group.

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(1) Saudi Vision 2030 is a transformation plan that was set by the Council of Economic and Development Affairs in April 2016. It defines clearly the strategies and programs as well as the future objectives of the country with regard to society, economy, and the government.

(2) See, Bassam. Al-Bassam, Governance for The public sector, (Riyadh, 2016)1st. ed.; Saeed. Al-Maliki, Analysis and Implementation of Factors Affecting e-Governance Adoption in the Kingdom of Saudi Arabia, International Journal of Strategic Information Technology and Applications, (2014), 5, PP. 20-29.

(3) See, for instance, Amina. Buallay, Allam. Hamdan, and Qasim. Zureigat, M. Corporate Governance and Firm Performance: Evidence From Saudi Arabia, Australasian Accounting, Business and Finance Journal, (2017), 11, PP. 78-98; Hamad. Alhumoudi, Corporate Governance in Saudi Arabia: An Analytical Study of Saudi Stock Market, (USA, 2016), 1st. ed.
to accurately determine whether the public sector practices of governance in Saudi Arabia transcend current models and theories, or simply converts them into practice \(^1\). A further aim of this research is to examine obstacles to good governance, while exploring recommended reforms.

The proven reliability and validity of WGIs make them suitable for the scope of this research analysis. The indicators will facilitate the illustration of the practices employed by governing bodies as they pertain to governance. The research methodology is grounded in a synthesis of publications: books, national and international reports, and journal articles in both Arabic and English. This study hopes to answer the following questions:

- What role have governing bodies had in promoting accountability, political stability, government effectiveness, regulatory quality, rule of law and mitigation of corruption?
- What is the nature of vision 2030 and how does it impact the practices of governance in the public and private sectors?
- What are the main obstacles inhibiting the implementation of the governance model in the public sector and what are the most effective solutions?
- What are the components of the Saudi governance model and what is the role of parties within it?

For a thorough analysis, this research comprises five sections addressing specific issues related to the practice of good governance in the Saudi public sector. Section one briefly introduces the topic, including an outline elucidating the significance of the research and the questions it aims to

\(^1\) D. Kaufmann, A. Kraay, and M. Mastruzzi, The Worldwide Governance Indictors: Methodology and Analytical Issues, (Policy Research working paper; NO. WPS 5430, 2010) P. 3.
answer. Section two will clarify the definition of the public sector by discussing the framework through which it functions, and the major themes of vision, followed by an in-depth explanation of initiatives launched by the Saudi government to improve governance across public, private, and nonprofit sectors. Section three will provide an overview of the Saudi governance model and the elements of good governance as stated under WGI. Section four will discuss practices adopted by Saudi Arabia regarding the six governance indicators. This will clarify how the governing body’s practices can improve the standard of governance principles, and pinpoint obstacles. Finally, section five will propose targeted recommendations to eradicate the obstacles impeding the implementation of best practices of governance within organizational bodies.

2. The public sector in Saudi Arabia: The Experience of Saudi Vision 2030:

Due to the complexity of Saudi Arabia’s sociopolitical climate, one must first deconstruct the concepts of the public sector and its idiosyncrasies, vision 2030, and governance at the highest levels before attempting an analysis of practices of governance in the nation.

2.1. The Framework of the public sector in Saudi Arabia:

The power in most states is comprised of three main organs: the executive, the legislature, and the judiciary. However, the way these systems are organized within and beyond the body of the public sector tends to vary significantly between nations because of differences in culture, constitutions, and legislations. Islamic tradition and Arab customs are present from the first and second states, into the third (and current) Saudi State, established in 1932 (1) when the Basic Law of Governance (Basic Law) defined the power of three authorities: legislative, executive,
and judicial\(^{(1)}\). It also allocated the founding principles of the state based on the idea that “Governance in the Kingdom of Saudi Arabia shall be based on justice, *shura* (consultation), and equality in accordance with the Islamic *Shari‘ah*”\(^{(2)}\).

The public sector in Saudi Arabia is comprised of the national government, regional government, state-owned enterprises (SOE), and various other government entities. One caveat to this is that certain SOEs, such as Saudi Aramco, are not fully within the public sector; only some board members are employed as public ministers\(^{(3)}\). At the upper hierarchy of the public sector is the king, who exercises unlimited power and serves as prime minister for the Council of Ministers\(^{(4)}\).

**Figure (1)**

**The Governing Body in Saudi Arabia**

![Diagram of the Governing Body in Saudi Arabia](image)

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\(^{(1)}\) See, Article 46, 55, 56 Basic Law of Governance, Royal Order No. (A/91) 1. March 1992.

\(^{(2)}\) Article 8, Basic Law, (1992).

\(^{(3)}\) See The Organization for Economic Cooperation and Development (OECD), State Ownership in the Middle East and North Africa, (Lisbon, 2018), P. 29.

\(^{(4)}\) Article 44, Basic Law, (1992); Article 29, The Law of Council of Ministers, Royal Order No. (A/13) 20. August. 1993.
It was not until 2015, when the central government noted minimal development, that Crown Prince Mohammad Bin Salman formed two new councils to balance out the previously lone Council of Ministers: the Council of Economic & Development Affairs (CEDA) and the Council of Political and Security Affairs (CPSA). Both are structured as non-executive supervisory boards reviewing progress while providing studies and initiatives to the Council of Ministers.

Within the executive branch, ministries are led by appointed ministers with direct control over ministry management, services, and activities. The structure and scope of ministries often change through the consolidation of two or three smaller ones. Similarly, other public sector entities, commissions, and SOEs are governed by a royally appointed board. Furthermore, smaller government entities are run by their boards with the power to decide methods and actions. Four years into Saudi vision, one must evaluate the best practices of the framework by assessing elements of governance such as rule of law, transparency, accountability, participation, effectiveness, and efficiency. This will help guide the adoption of the best methods to consider for decision-makers in the future.

### 2.2. Saudi Vision 2030

In 1970, Saudi Arabia began adopting new methods to develop strategic planning, implementing a comprehensive framework for the nation’s future across several sectors. For decades, the country followed five-year plans as the basis for its development strategies. The theme of development plans varies by multi-faceted changes to the economy or response to global crises. The primary objective is to attain significant economic growth while safeguarding the nation’s resources. While the Saudi economy ranks among

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(1) The establishment of CEDA and CPSA by Royal Order No. (69/A), 29. January 2015.

(2) All development plans of the country (1970, 1975, and so on) are available on the official website of the Ministry of Economic and Planning.
the world’s top 20, statistics show that the bulk of the economy is rooted in the petroleum industry\(^{(1)}\). In fact, only 10-20% of Saudi Arabia’s Gross Domestic Product (GDP) comes from non-oil sources\(^{(2)}\).

In 2016, Saudi Arabia took launched the Saudi vision to ease the transition away from economic oil dependency. Major shifts in the global energy market (with the advent of alternative energy sources) and demographic changes in the nation necessitate the implementation of such sweeping economic and governmental changes. Such changes are crucial for the government to continue funding development projects, and subsidies, while government spending on defense, health, and education is very high.

Government leaders recognized that previously effective short-term plans were no longer sufficient to address these major challenges. Thus, the nation’s solution was the establishment of a longer-term plan: vision 2030. Most simply, the vision is a strategic plan comprising 96 specific and measurable goals for various factors\(^{(3)}\). It is founded upon three main goals: a vibrant society, a thriving economy, and an ambitious nation.

2.3. The Application of Governance in the Public, Private, and Non-Profit Sectors in Saudi Arabia:

In times of financial crisis, such as the Asian Financial Crisis of 1997, or the global financial crisis of 2007-2008, interest in the application of good private sector governance increases. These events heightened attention paid to the role of governance in dealing with potential threats and risks and

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\(^{(1)}\) According to International Trade 2019 of Saudi Arabia, the share of oil export in the total export of the country reached to 77.4%. See, General Authority For Statistic, International Trade 2019 (Saudi Arabia, 2019).

\(^{(2)}\) See, SAMA, 52nd Annual Report 2016.

\(^{(3)}\) Saudi Vision 2030, (2016) <https://vision2030.gov.sa/en>
in strengthening stakeholder relationships\(^{(1)}\). Governance was no longer exclusive to private sector institutions or companies, but expanded to public sector entities in developed countries, all acting for public interests, with strong commitments to integrity, the rule of law, and accountability.

The goals and parties involved in good governance vary greatly between the public and private sectors in terms of purpose and stakeholders\(^{(2)}\) yet there are similarities in that both require a management framework and executive structure for compliance with applicable legal limitations\(^{(3)}\). Many initiatives were carried out by the Saudi government to enhance the practice of good governance across sectors including the establishment of Family Corporate Governance\(^{(4)}\), Corporate Governance Regulations\(^{(5)}\), Insurance Corporate Governance Regulations\(^{(6)}\), Principles of Governance for Banks Operating\(^{(7)}\), Corporate Governance Regulations for entities not

\(^{(1)}\) See, The Organization for Economic Co-operation and Development, Corporate Governance and The Financial Crisis: Key Findings and Main Messages, (OECD, 2009), p. 29.

\(^{(2)}\) Adelina. Dumitrescu, The Role and Importance of Governance for the public sector Case Study for Romina, Review of International Comparative Management, (2014), 15, 4, P. 510; Meredith. Edwards, and Robyn. Clough, Corporate Governance and Performance: An Explanation of the Connection in a public sector Context, (University of Canberra, Australia, 2015), 1, P.15.

\(^{(3)}\) Adelina, The Role and Importance of Governance, P. 509.

\(^{(4)}\) Guide for Family Corporate Governance, Ministry of Commerce and Industry, (2014).

\(^{(5)}\) Corporate Governance Regulations, Capital Market Authority, Decision No. 8-16-2017, (2017).

\(^{(6)}\) Insurance Corporate Governance Regulations, Saudi Arabian Monetary Agency (SAMA), (2017).

\(^{(7)}\) Principles of Corporate Governance For Banks Operating, SAMA, (2014).
listed in the Saudi Stock Exchange\(^{(1)}\), and Governance Standards for Non-government Organizations.\(^{(2)}\)

3. The Governance Model of Saudi Arabia: A Way Toward change

The socio-complexity of nations and even the regions within them results in countless unique structures of public-sector governance: there is no one-size-fits-all approach as each nation or region must develop governance suited to its individual needs across time. The way that Saudi Arabia approaches the economy is laid out in its own Saudi Governance Model. This section will explain the role of each governmental body within the Saudi governance model.

3. 1. Definition of Governance in The public sector and The Role of Parties in Saudi Arabia

Universally, good economic governance aims to enhance confidence between the nation, and all government levels by increasing effectiveness and efficiency associated with delivery services, performance and decision makings\(^{(1)}\). The definition of the public sector governance varies from one scholar or jurisdiction to the next\(^{(4)}\).

\(^{(1)}\) Corporate Governance Regulations for Entities Not Listed on Saudi Stock Exchange, Ministry of Commerce and Investment, (2018).

\(^{(2)}\) Governance Standards for NGO, Ministry of Human Resources and Social Development, (2019).

\(^{(1)}\) International Federation of Accountants and The Chartered Institute of Public Finance & Accountancy (CIPFA), International Framework: Good Governance in the public sector, (London, 2014), P. 7.

\(^{(4)}\) Jill. Solomon, Corporate Governance and Accountability, (USA, 2007) 2nd.ed., PP. 2-4; CIPFA, The Good Governance Standard For Public Services, 2004, P. 4.
The notion of public and private sector governance varies according to the desired outcomes unique to each nation or company. (1) The desired outcomes of governance in Saudi Arabia can be summarized as follows:

- Defining the country’s purpose, economic and social outcomes, functions, and roles to enhance societal well-being.
- Facilitating collaboration between regulatory and enforcement authorities.
- Developing the processes of decision-making and control of governing bodies to operate in an effective and efficient manner.

The objective of public sector governance is to ensure that the administration is acting on behalf of the people, the nation, and the economy. Saudi Arabia then promoted a new standard for managing relationships and responsibility via changes to organizational culture for official governing bodies to instill in them the idea that they should not be profit-driven like the private sector.

3. 2. The Governance Model of Saudi Vision

In 2016, the Saudi government launched a clear governance model for the future of the nation. This model aims to enhance accountability and coordination amongst public entities. It states clearly that “this comprehensive governance model is aimed at institutionalizing, enhancing its work, facilitating the coordination of efforts among relevant stakeholders and effectively following-up progress.” (2)

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(1) See, Ian. Jordan, Corporate Governance in the public sector, Observatoire De La Societe Britannique, (2014), 16, P. 40.

(2) The Governance Model, The Official website of Saudi vision 2030.
The current Saudi governance model is built around three organizational levels. Level one comprises two main boards (Council of Ministers & CEDA). CEDA acts independently in the role of defining the vision for the future and national priorities. Level two is made up of a strategy committee working to outline specific programs and execution mechanisms; each program has two divisions: program committee and program office. Finally, level three includes the execution bodies (ministries) whose role is to implement initiatives and track progress. Further, the governance model is supported by myriad supporting government entities such as the Ministry of Economy and Planning, Project Management Office at CEDA, Delivery Unit, and so on. These units typically play a supportive role at all organizational levels to measure performance.
One development from this model is the effective obstacle-resolution process developed by CEDA which lays out procedures to overcome obstacles, responsible committees, and actions to be taken within a set timeframe (1). The obstacles-resolutions process can be illustrated as follows:

**Figure (3)**

The Obstacles - Resolutions Process

Source: The Obstacles- Resolutions Process to Achieving Saudi Arabia’s Vision 2030

Four years after the establishment of this new governance model, there has been a positive impact on decision-making processes and the ways in which the public sector handles challenges and threats.

(1) See, Figure (3).
3.3. The Element of Good Governance in the public sector:

To effectively review the practice of public-sector governance in Saudi Arabia, it is essential to break down the analysis into specific indicators. WGI established by the World Bank defines governance in terms of traditions and institutions through which a nation’s authority is exercised. From 1996 to 2018, WGI was used to review the practices of governance in over 200 countries and territories according to three main areas: “a) the process by which governments are selected, monitored and replaced; (b) the capacity of the government to effectively formulate and implement sound policies; and (c) the respect of citizens and the state for the institutions that govern economic and social interactions among them”\(^{(1)}\). The measurement for these three areas is built based on six dimensions of governance: Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law, and Control of Corruption\(^{(2)}\).

The data for WGI analyses are derived from official public-sector reports, business quantitative assessments, and reports from NGOs. While there is some skepticism about the credibility of these sources, the longitudinal nature of WGI assessments makes them uniquely broad in scope allowing the reader to develop a large-scale picture of the practices and development of good governance in developed and developing countries. WGI reports show that the practices of governance in Saudi Arabia are wavering with little significant development of certain principles.

4. Analysis for the Practice of Good Governance After the Establishment of Saudi Vision Based on the WGI:

In Saudi Arabia, the public sector saw significant reforms following serious social and economic changes. Reforms as early as 2005 focused on

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\(^{(1)}\) See, Kaufmann and Others, The Worldwide Governance Indicators, P. 3.

\(^{(2)}\) See, Kaufmann and Others, The Worldwide Governance Indicators, P. 4.
developing the legal system and building institutions within the nation. Saudi Arabia’s legislative system implemented several regulations to improve performance within the judicial and executive branches with the goal of eliminating corruption and other professional violations (1). Concurrently, the governing body began institutionally developing authority delegation and the decision-making process by resurrecting public sector agencies like the National Center for Performance Measurement (Adaa) (2). The following subsections will elucidate the extent to which public entities in Saudi Arabia practice good governance using the six WGI elements.

4.1. Accountability and Voice

The principle of accountability is a key factor in public contexts and is enforced to ensure that organizational bodies are exercising their powers in the people’s best interest. Accountability requires public entities to take responsibility for decisions and actions via systems to control roles and responsibilities, funding, and financing. Accountability is not the responsibility of any singular institution; rather, it is a “shared responsibility between members of the organization.” (3)

When Saudi Arabia launched its vision, the government realized the need to reevaluate the countless boards and committees to eliminate the redundancy of roles within and between them. Though not explicitly expressed by the government, the governing bodies reached a general consensus on the process of accountability for public entities. The process of accountability goes through the legislature (Council of Ministers, CEDA, CPSA), executive branches (Ministries and authorities), and oversight bodies.

(1) For instance, the establishment of Law of the Judiciary and The Law of the Board of Grievances, Royal Decree No. (M/78) 1. October 2007.
(2) (Adaa), Resolution of Council of Ministers No. (3), 20. October. 2015.
(3) Peter. Yao Lartey and others, Corporate Governance Issues in the public sector: Board Perspective and Peculiarities, Brazilian Journal of Operations & Production Management, (2020), 1, 17, P.3.
In Saudi Arabia, the legislature is responsible for defining roles and responsibilities and may enact sanctions on all public entities. Regulators include The Control and Anti-Corruption Authority and The Control and Investigation Authority which oversee the process of compliance to regulations. In the last two years, these entities uncovered the problem of overlapping responsibilities for oversight bodies with redundancies impeding the process of accountability. In 2019, to streamline accountability efforts the government consolidated oversight to the Control and Anti-Corruption Authority. (1) The oversight bodies provide annual reports for the legislature which helps clarify the roles of institutions for government employees and the nation. The executive branch plans and ensures compliance with obligations and regulations and measures the effectiveness of initiatives through continuous performance reports to legislators.

(1) Royal Decree A/227 (12. Dec. 2019) combines the Control and Investigation Board and Administrative Detective to be under Anti-Corruption Authority and change its name to The Control and Anti-Corruption Authority.
Moreover, the governing body aims to enhance accountability in conjunction with specified roles and responsibilities for top boards under the Council of Ministers; these managed responsibilities derive from associated government arrangements among boards, committees, and agencies.\(^1\) The extent to which each board (like CEDA or CPSA) exercises its role is clearly defined with shared outcomes. In terms of accountability, the relationship between the Council of Ministers and top boards relies on horizontal governance meaning each board or ministry understands that the governing body needs to actualize accountability, and each body oversees the reviewing and evaluating of set accountability standards. In such an accountability process, executive bodies or organizational units face certain risks such as operational, financial, and fraud risk.

For managing risk and performance, General Auditing Bureau plays a significant role in upholding accountability.\(^2\) The Ministry of Finance enhances and the preservation of public money via several regulations and policies such as State Revenue Laws with regulations regularly subject to amendment. The General Authority Bureau has the power “To have subsequent oversight over the expenditures of the country and its revenue, control movable and immovable money, control the good use of this money, commercialize and maintain that.”\(^3\)

Concerning participation, the governing body has made the accountability process available to all various stakeholders in the country including citizens and the Consultative Assembly of Saudi Arabia (called Shura council). Both may communicate with the governing body and participate if they find anything that violates the law or impedes the implementation of

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\(^1\) Australian National Audit Office, Achieving Better Practice Corporate Governance In The public sector, (Australia, 2002), P. 29.

\(^2\) See, Law of the General Audit Bureau, Royal Decree No. (M/9), 11. February. 1971

\(^3\) Article 7, Law of the General Audit Bureau, (1971).
accountability and good practices in transparency. (1) Citizens may contact all oversight bodies and expect high transparency for matters impacting effective accountability.

Ultimately, there is a general culture that jobs at all the public sector levels involve three factors: power, responsibilities, and bearing the consequences of decisions. Despite significant efforts by the governing body, accountability is still lacking in practice because of limited awareness of the shared responsibility between top boards and individual public sector employees. Accountability must be addressed first through individual performance, and then throughout all ministerial organizations.

4.2. Political Stability and Absence of Violence

Generally, this element covers government stability through changes and the efficiency of political reforms. The political system in Saudi Arabia is relatively stable with a clearly outlined power structure operating with a high level of transparency. Many scholars cast doubt on the political stability of Saudi Arabia, yet there is little evidence to support the idea of instability within the system of monarchy itself (2).

Prior to the Saudi vision, the legislative body took many steps to facilitate the relationship between the legislative, executive, and judicial branches of government via the establishment of the Basic law in 1992. By 2006, Saudi Arabia launched the Succession Commission Law to foster political stability among members of the royal family while protecting the public interest (3). This law organizes the seamless transition of power between the royal

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(1) See, Article 15, Shura Council Law, Royal Decree No. (A/91), 1. March. 1992.

(2) See, Stig. Stenslie, The End of Elite Unity and the Stability of Saudi Arabia, The Washington Quarterly, (Washington, 2018) e41, PP. 61-82; Michael Herb, The Saudi Succession and Challenges Facing Saudi Arabia, (Norwegian Peacebuilding Resource Center, 2014), PP. 1-4.

(3) The Succession Commission Law Royal Order (A/135), 19. October. 2006.
heiresses\(^{(1)}\). Article 3 states their role as follows: “Maintain the State’s entity, uphold the solidarity and cooperation of the royal family, and guard against its dissention and preserve the national unity and the interests of the people.”\(^{(2)}\).

In 2017, King Salman issued a royal order to edit Article 5 of this law to ensure that monarchical power was not limited to one single branch of King Abdelaziz’s family tree\(^{(3)}\). As an example, if the current king is the son of King Salman, then the position of a crown prince should be allocated to the son of any other king apart from Salman. In 2018, the government implemented a new approach over the executive bodies and regional governments to support youth leaders with sufficient experience and knowledge. Ratification of a governor or minister's decisions is not a simple process and depends heavily on government administrative processes.

Saudi Arabia has a rich cultural heritage of traditions and customs often tied to Islam and there are two major sects of Islam: the majority Sunni and minority Shia. Accordingly, political discourse supports a balance between all constituencies in the country Sunni and Shia, liberal and conservative, tribal and non-tribal. The governing body shows that the nation is a safe space for all people through inclusivity in dialogues and the criminalization of hate speech. Recently, women gained the right to drive and travel freely, and are now empowered to work in leadership positions such as Reema Al Saud who works as Saudi Arabian ambassador to the United States since 2019.\(^{(4)}\) To prevent abuse, the governing body has launched laws and regulations to eliminate rights violations against individuals and groups\(^{(5)}\).

\(^{(1)}\) Article 16, Succession Commission Law, (2006).

\(^{(2)}\) Article 3, Succession Commission Law, (2006).

\(^{(3)}\) Article 5, Basic Law, (1992).

\(^{(4)}\) Another Example of Saudi Women who reaching to leadership positions is Professor Lilak Alsafdi which appointed in 2020 as a Rector of Saudi Electronic University.

\(^{(5)}\) For instance, Anti-harassment Crime Law (2018); Anti-terrorism Crime Prevention Law (2017); Anti-money Laundering Law (2017); Anti- Forgery Law (2014); and Anti- Bribery Law (2018).
Furthermore, the Public Prosecution established in 1989, can bring charges against those who participate in bribery, embezzlement, and abuse of power\(^{(1)}\). For a long time, this responsibility was divided across the office of Public Prosecution and the Ministry of the Interior until it was consolidated within the Public Prosecution in 2020. Article 1 of Public Prosecution Law states, “The Public Prosecution is a part of Judicial Branch, it is organizationally linked to the king, with complete independence and no one can interfere its works\(^{(2)}\)”. This will hopefully streamline judicial processes within administrative and general courts and will help to eliminate violations in the public entities.

4.3. Government Effectiveness:

Effectiveness is a government’s ability to provide quality public services on time while committing to the serving public interest and the well-being of all citizens. Citizens in Saudi Arabia frequently complained about the efficiency of government services, employees, or institutions. As a response, the Saudi vision includes increasing government effectiveness as a major goal\(^{(3)}\). To start, the vision was translated into achievable targets which clarified performance expectations for all ministries and commissions. After that, it established a Vision Realization Office in each ministry to provide periodic internal reviews to reach the intended outcomes\(^{(4)}\).

Over the last three years, most development of government performance has been driven by the people through education and awareness building. Fostering the development of manpower increases executive power in

\(^{(1)}\) See, Public Prosecution Law Royal Decree No. (M/125), 6. May. 2020.

\(^{(2)}\) Article1, Public Prosecution Law, (2020).

\(^{(3)}\) One of the vision’s goals is to make remarkable progress in order to raise the country ranking in the government Effectiveness Index, from 80 to 20.

\(^{(4)}\) See, The strategic Objectives of Saudi vision 2030, <https://vision2030.gov.sa/en/vision/roadmap>
ministries and organizational bodies by lifting standards and expectations in evaluations of institutional performance. The government of Saudi Arabia is transparent in performance expectations for achieving set objectives and mitigating risk to facilitate institutional performance. Unfortunately, there is a disparity between ministries in terms of performance improvement. Most individual employees see good governance as purely theoretical and have not yet adopted it into practice.

E-government is a newer governmental tool to facilitate and improve the delivery of government services\(^{(1)}\). E-government was first introduced in 2006 with the establishment of a program called "Yesser" (to facilitate) “the productivity and efficiency of the public sector" \(^{(2)}\). This proved useful to citizens who now had easier access to government services with sites or applications like Absher, an application connecting citizens to over 150 government services. In 2017, to expedite digital initiatives for e-government, the governing body united previous committees and programs under one committee: The National Committee for Digital Transformation. This huge project significantly impacted public sector operations. To date, the committee has successfully connected citizens to nearly 3,500 services across 142 departments\(^{(3)}\).

One challenge to effective government in Saudi Arabia was the lack of measurements and data to drive decisions. Consequently, the government instituted an independent assessment body (\(Adaa\)) linked directly to the

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\(^{(1)}\) See, Abdullah. Al-shehry and others, The Motivation for Change Toward E-Government Adoption: Case Studies from Saudi Arabia, (London, Brunel University, 2006), P. 7.

\(^{(2)}\) The National Committee for Digital Transformation constituted pursuant to the Royal Order No. (1/43801560), 24. July. 2017.

\(^{(3)}\) Another example for governmental application is Meras which is a governmental application that providing 144 services for doing business in Saudi Arabia.
Council of Ministers\(^1\). *Adda* is headed by a board of eight members and its mission is “to implement processes that measure public entity performance and offer the support to achieve the Kingdom’s Vision 2030, associated development plans, and improve communication with beneficiaries.”\(^2\). *Adda* helped the governing body to erect three pillars of measurement: the realization of intended objectives and targets, the realization of initiatives, and beneficiary satisfaction. *Adaa* not only provides consistent data reporting, but it also takes an active role in discussions and recommendations where necessary.

Restructuring and consolidating or dividing up and expanding ministries is another method the government used to clarify roles and responsibilities \(^3\). Meanwhile, young citizens noted for their experience, knowledge, and skills were appointed to leadership positions to improve performance. Here, the government has paved a path to ease the transition between the old and new leadership with an emphasis on open-mindedness and encouragement of constructive criticism unveiling mistakes to solve them in the best way to achieve intended targets\(^4\).

In addition, performance reports showed the bureaucracy of procedures was a barrier to performance; to solve this obstacle the governing body took two serious steps. First, it dissolved unnecessary governmental committees and agencies while promoting essential committees to larger commissions linked directly with CEDA and CPSA. Second, they transformed certain commissions into ministries after determining their importance in developing

\(^1\) See, Statute of The National Center for Performance Measurement, Council of Ministers No. (323), 9. May. 2016.

\(^2\) Mission of Adaa, The Official Website of Adaa, (2016).

\(^3\) Ministry of Foreign, Saudi Arabia and Political, Economic & social Development Report, )2017(, P. 42.

\(^4\) CIPFA and other, International Framework: Good Governance in the public sector, P. 21.
the future of the nation. New ministries include the Ministry of Sport, the Ministry of Investment, and the Ministry of Tourism. Unfortunately, many programs in the Saudi vision, including the public investment fund, lack transparency and are not reported on by the executive branch. The government structure is still developing and adapting to real-time changes to the global political and economic variables. Thus far, the government has proved itself to act quickly to find solutions in times of crisis.

4.4. Regulatory Quality

Quality regulations are essential to good governance. This measure encompasses a governing body’s ability to formulate rules and policies that benefit both the private and public sectors. After the implementation of the vision, the governing body sought to align regulatory systems and policies with the goals of the vision. Regulations are one of three building blocks in Saudi Arabia’s legal framework along with the basic law and rules. Rules are the general rules of law established by regulatory authorities and regulations are the detailed legal principles for statutes enacted by executive ministries\(^{(1)}\).

The enactment of laws throughout Saudi Arabia’s history has always been complicated with new laws taking nearly three years to enact on average. Most developments came from the revision of laws proposed by the legislative and executive branches, or by the Shura Council and its committees\(^{(2)}\). In the past two years, the legislative body expedited the process of enacting laws to facilitate the achievement of goals laid out in the vision.

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(1) Abdullah F. Ansary, A Brief Overview of the Saudi Arabian Legal System, (New York, GLOBALEX, 2008), P. 2-3.

(2) See, Article 15, of Shura Council Law, (1992).
Regulation quality is divided into two categories: laws relating to organizational structure and procedures, and laws regarding the economy and private sector. Certain organizational or procedural laws were issued such as the Universities Law(1) which privatizes universities, Statutes of Public fund Investment,(2) Statutes for the Center for Strategic Development(3) are intended to expedite decision-making and facilitate independence. Second, the formation of other rules and regulations supporting social welfare and economic growth such as Commercial Courts Law and Bankruptcy Law(4).

Seeing significant changes to Saudi Arabian regulations reveals the procedures governing bodies use to improve the quality of the regulatory system to enhance economic growth and protection(5). The steps and their aims can be summarized simply:

• Across all realization programs of the vision, the government implemented initiatives for legal reforms focusing on rules and regulations to facilitate projects. the governing body reviewed all rules necessary to support the economy. Legal revision of economic laws led to the enactment of several laws including E-commerce Law, and Franchise law(6). This boosted the e-commerce sector in Saudi Arabia to rank among the top 10 developing economies on the United Nations Conference on Trade and Development (UNCTAD).

(1) Universities Laws, Royal Decree No. (M/27), (2019).
(2) Statutes of Public fund Investment, Royal Decree No. (M/92), (2019).
(3) Statutes for the Center for Strategic Development, Council of Ministries Resolution No. (364), (2016).
(4) Commercial Court Law, Council of Ministers Resolution No. (M/511), (2020); Bankruptcy Law, Royal Decree (M/50), (2018).
(5) See, Vision Realization Programs Document, The Saudi Vision (2016).
(6) E-commerce Law, Royal Decree (M/126), (2019); Franchise Law, Royal Decree (M/22), (2019).
e-commerce index in 2019\(^{(1)}\).

- The judicial branch, specifically the Ministry of Justice showed strong performance in providing unbiased monitoring of independence and transparency in the implementation rules and regulations. An online portal called "Najiz" now provides access to more than 100 judicial services operating within highly transparent compliance with rules and regulations\(^{(2)}\).

- The governing body has strengthened competition rules through the establishment of the National Competitiveness Center “Tayseer” in 2019 to identify the challenges facing investors and to develop the dimensions of competitiveness including the rules and regulations\(^{(3)}\). This led the country to rank 26 globally in 2019 according to the IMD annual World Competitiveness\(^{(4)}\) and to be ranked 62 in World Bank Doing Business Report 2020\(^{(5)}\). The legislative body reviewed all regulations to eliminate legal barriers and that caused to eliminate the requirements of investment licenses with a percentage of 54% based on the global best practices\(^{(6)}\).

Despite progress within the regulatory system, sustained development is still necessary, particularly in litigation and the courts. The efficiency of the new rules and regulations has not yet been examined. Companies and

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(1) UNCTAD, UNCTAD B2c E-Commerce Index 2019, (Geneva, 2019), P : 6.
(2) The Official Report of National Transformation Program, (Saudi Arabia, 2019), P. 35.
(3) The National Competitiveness Center established in 2019 under CEDA.
(4) IMD Annual World Competitiveness Center, IMD World Digital Competitiveness Ranking, (Lausanne, 2019), P. 136.
(5) World Bank Groups, Doing Business: Comparing Business Regulation in 190 Economies, (Washington, 2020), P. 16.
(6) See, The Official Report of National Transformation Program, P. 10.
individuals are still not fully aware of all new rules and the extent of their application. Moreover, there is no consolidated site documenting all rules and regulations. Translation efforts from the Bureau of Experts are weak and there are no official English translations for most rules and regulations, making it difficult for non-Arabic speakers to understand the changes.

4.5. Rule of Law

The rule of law is the main principle for governance involving equality before the law, the enactment of law-based neutrality, and avoiding arbitrary enforcement. The foundation for the rule of law in the country is stated in the Basic Law to be “based on justice, shura (consultation) and equality.”(1) Also, rule of law affirms this perception by monitoring government institutions in the performance of their duties as well as the legal compliance of public entities (2).

In 2016, several cases marked a turning point in how governing bodies and the King upheld the rule of law. For instance, the governing body began the so-called fight against corruption with the biggest legal prosecution in Saudi history. More than 350 persons were charged with fraud and stealing public funds. This case was brought against all detained, including members of the royal family, ex-ministers, chief executives, businessmen, and so on. All detained persons had the right to a private investigation under the independent control of public prosecution. The public prosecution provided certain solutions, settlements, and explained to the nation how the investigators conducted the investigation without any arbitrary decisions or abuse of power. Ultimately, the government recovered over 80 billion dollars in public funds (3).

(1) Article 8, Basic Law, (1992).

(2) Article 80, Basic Law, (1992).

(3) The Public Statement, The General Attorney of Public Prosecution, 5. December, 2017 <https://www.spa.gov.sa/1695075>
In the case of Jamal Khashoggi, a Saudi journalist killed in the Saudi consulate in Istanbul, the public prosecution showed another example where the oversight body respected the rule of law. Public Prosecutors released a public statement detailing the case and indicating that the crime was committed by members of the Saudi Government. All involved were arrested regardless of their status. Similarly, the five who committed the murder itself were given the death penalty, with other associated parties punished according to their level of involvement. These are all examples reflecting the fact that the public sector understands the importance of the rule of law. Respect for the rule of law encouraged the governing body to restructure the mechanism of oversight bodies and their roles and to continuously develop legal provisions to protect public interests.

The governing body serves the nation in compliance with laws by augmenting the independence of the judiciary branch and oversight bodies to handle violations of justice. The Basic Law states that all people (citizens and residents) are entitled to file suit on an equal basis. The Law specifies procedures for this purpose.” (1) In cases where public entities exercise their power arbitrarily, citizens and residents are free to sue the public sector in administrative court (2). The public entities spread the culture of adherence to the rule of law by providing guidance about policies, procedures, and tasks for employees to ensure they are respecting the rule of law. However, not all departments are equally invested in these efforts, and there is still no unified effort across all ministries.

(1) Article 46, Basic law, (1992).
(2) Article 13, Board of Grievances Law, (2007).
4.6. Control of Corruption:

The government prioritizes anti-corruption efforts against bribery, abuse of power, fraud, or embezzlement. Corruption in Saudi Arabia could be defined as dishonest or illegal behavior by an individual or organization using their authority against the public interest. In 2011, the governing body launched an independent anti-corruption commission linked directly with the king. While several committees existed before, their efforts against corruption were ineffective, due in part to the duplication of roles within public entities dealing with financial and administrative abuses.

In 2017, Saudi Arabia launched a high supervisory committee comprised of six members led by Prince Mohammed Bin Salman to inventory corruption for the first time. This committee acted with unlimited power for one year to provide a report of cases. It successfully recovered public money and stopped grand corruption among the highest administrative levels of the public sector. The governing body expanded the role of the control and anti-corruption authority to include controlling administrative investigations in 2019. This led to serious changes wherein the authority published monthly statements detailing the number of corruption cases involving abuse or misuse of power, bribery, and the actions taken in response.

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(1) Anja. Pohwer, Measuring Corruption: A Comparison Between The Transparency International’s Corruption Perception Index and The World Bank’s Worldwide Governance Indictors, CESifo DICE Report (Munich, 2009), P. 43.

(2) Article 2, Statutes of the National Anti-Corruption Commission, Council of Ministers Resolution No. (165), 18. March. 2011.

(3) High Supervisory Committee to Control Corruption, Royal Order (A/38), 4. November. 2017.

(4) Arrangement of Regulatory and Financial Policies to Control the Corruption, Royal Order (A/277), (.2019).
The methodology for anti-corruption is based on both internal and external control. In internal control, the vision formed ministerial and internal audit committees to exercise their power to oversee practices inside organizational bodies. Regarding external control, the control and anti-corruption authority have unlimited independent power over all the practices within the three branches of government. In three years, this has led to several goals. First, it led to the 2016 establishment of a code of conduct and ethics for public employees laying out professional ethical guidelines for employees involving integrity, security, roles and responsibilities, and so on \(^{(1)}\). Second, the legislative body revised all rules concerning bribery, fraud, or money laundering by increasing punishments to be more suited to each crime. Third, it reviewed and updated procedures for using tools to assess corrupt practices based on the best global practices.

In the past few years, Saudi Arabia climbed to rank 51\textsuperscript{st} in the transparency of 180 countries according to Transparency International in 2019 \(^{(2)}\). Efforts against corruption are still ongoing with great support from all oversight bodies through continued changes to policies and regulations. In addition, the governing body enhanced the independence of the judicial branch by granting the freedom for citizens and residents to report cases of corruption with full protection and immunity for reporters. Efforts included the creation of guidelines for procedures as well as policies to clarify roles and responsibilities for all public entities.

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\(^{(1)}\) The code of Conduct and Ethics of Public Job, Council of Ministers Resolution No. (155), (2016).

\(^{(2)}\) See, Corruption Perception Index, Transparency International, (Berlin, 2019).
Presently, there are many obstacles to address regarding anti-corruption efforts. One of the most prominent obstacles is the lack of clear channels and procedures for reporting corruption by individuals and organizations. The nature of internal reports and recommendations for changes between the executive ministries and the control and anti-corruption authority is still unclear and not yet available to the public. Additionally, without consistent annual reports, there is no unified platform to publish reports of corruption.

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(1) Saudi Arabia Corruption Rank 2003 - 2019 Data, Treading Economics.
5. Conclusion:

Ultimately, the analysis of the reality of governance practices in the Saudi public sector reveals the experimental nature of recent efforts. This experiment involves rapid changes in institutional performance at all levels of the public sector in line with current challenges and future goals for the government. Indeed, there was widespread support for all bodies to foster a culture of governance that adds value to the organizational bodies. Efforts extended beyond simply developing new governance models, to clarifying the role and responsibilities of authorities and the relationships between them.

Four years in, this experiment has encountered a number of challenges that must be solved in order to continue developing the practices of good governance in the Saudi public sector:

- This research affirmed that lack of awareness of governance’s importance and its best practices inside the public sector is a major challenge. This obstacle stands in the way of good governance in both executive bodies and regional governments in that they interpret governance and general principles as they please without specific guidance on their application. To solve this obstacle, CEDA is recommended to establish an independent governance committee, dedicated to educating all ministries and regional governments. This committee must consist of both academic and non-academic members including specialists in law, management risk, institutional performance, and representatives from Adaa to provide diverse perspectives. The main function of this committee would be to enhance the culture of governance in public entities by launching extensive workshops and seminars regarding principles and practices of governance covering topics such as transparency, integrity, and accountability in the subcommittees and departments. It is also important for this committee to provide reports and studies to the
heads of each ministry and regional governors about the practice of good governance, as well as challenges to overcome.

- The concentration of decision-making power in the hands of senior leaders is a serious impediment to progress towards good governance. While the governance model of Saudi vision diversified the roles and responsibilities of each ministry, there are several entities failing to restructure or form subcommittees linked to leaders, promotion, and recruitment. In several instances, governance lacked details about the hierarchy and cooperation between relevant committees allowing for certain individuals to exploit the system to maintain or enhance their own power. In response to this, this research recommends that CEDA request Adaa develop a public sector governance index to measure the practice of governance in the public entities. Any index should be built around three main pillars: boards and committees, stakeholder rights, and transparency. Without such explicit measures, employees or subcommittees may continue to interpret governance according to their own interests while ignoring set goals and values. The purpose of such an index would allow the governing body to continuously evaluate the effectiveness of government agencies’ practice of governance according to quantifiable elements. It is vital for any measurement index to be developed around global best practices, with consideration of the strengths and weaknesses of the past four years’ application of the governance model.

- This research highlighted the risk presented by the lack of concrete documentation of the practice of good governance in the public sector. The lack of documentation allows government agencies to continue to hide corruption, while those successfully implementing the vision may not be recognized for their efforts. Documentation additionally promotes the ideal of transparency in the public sector.
governance. Within the governance model hierarchy, there is nobody tasked with measuring the practice of governance in the country. Hence, CEDA’s intervention here should essentially be to request supporting government bodies (Project Management Office and Delivering Unit) to provide periodical reports about the practice of governance to shed light on the pros and cons of its application. It must also measure executive practices based on the public sector governance indexes to study prevailing abuses of power and obstacles in the way of good governance.

- The research underscores the necessity to develop clearer standards of transparency and disclosures regarding the institution performance of executive entities. Thus, it is recommended that executive bodies review transparency strategies and continuously update their official websites with reports and information about their performance and achievements.

Finally, government efforts to transfer governance from principle to practice were generally successful. This does not indicate that development should stop here. Instead, practices must be continuously developed as a means of enhancing confidence between the nation and governing bodies by improving the performance of all public sector entities in Saudi Arabia.
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List of Figures
The Governance Model for Achieving Saudi Vision 2030
The Governing Body in Saudi Arabia
The Obstacles- Resolutions Process
The Process of Accountability in Saudi Arabia
The Saudi Arabian Corruption Rank