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Saudi Arabia's Vision 2030 and Economic Diversification: Stakeholder Evidence on Business Transformation, Institutional Capacity, and Investment

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Abstract

Saudi Arabia currently has Vision 2030 to reduce its dependence on hydrocarbons, increase the private sector's contribution, and create new productive capacity. This research aims to examine stakeholders' perceptions of Vision 2030's role in economic and business diversification, as well as the institutional and operational challenges affecting its implementation. A qualitative, exploratory approach was used with 20 purposively selected stakeholders from both the public and private sectors. Data were collected from May 2025 to February 2026, and data from the UAE were used to provide a regional context, structured and presented as a document-based comparison. The six themes identified are: institutional capacity and implementation risk; mega-projects and economic diversification; renewable energy and the post-oil transition; human capital and educational reform; technology, innovation, and regulatory reform for investment; and tourism, mega-events, entertainment, and privatization. Regarding the different themes, the key cross-cutting issue that impacts investment in sustainable productive activity is the state of institutional capacity for implementation, including coordination, regulatory stability, staff training, project management, and implementation speed. The outcomes suggest that Vision 2030 should be viewed as a process of change across many aspects: sectoral growth relies on institutional and human capital capabilities, as well as private-sector capabilities.

Keywords: Saudi Arabia, Vision 2030, Economic Diversification, Institutional Capacity, Private-sector Development

1. Introduction

Saudi Arabia's Vision 2030 is a comprehensive economic and business transformation initiative aimed at reducing reliance on hydrocarbons, expanding the role of the private sector, diversifying non-oil sectors, and creating new avenues for productivity and job creation. The program is thus not only a macroeconomic diversification program but also one that entails sectoral restructuring of economic activity and new opportunities for tourism, technology, logistics, manufacturing, renewable energy, and services for businesses and investors. The sustainability of these opportunities will depend on how much large-scale investment can be converted into commercially viable activity within an effective institutional and regulatory framework (Alam et al., 2023; Saudi Vision 2030, 2024).

The reasons for diversification are intricately linked to the historical importance of oil in the Saudi economy. The evidence suggests that oil is structurally important, and political economy studies highlight the long-term impacts of oil revenues, public expenditure, public employment, and state intervention on the Kingdom's growth model. Diversification is not only the diversification of sectors other than oil, but also the diversification of productive activity and sources of income. (Alabdulwahab, 2021; Havrlant & Darandary, 2021; Hertog, 2024).

There is some positive economic news of measurable growth in non-oil activity. In 2024, the growth rate of real non-oil GDP in Saudi Arabia was 4.5%, while real oil GDP contracted by 4.4% amid OPEC+ production cuts. In the third quarter of 2024, the private sector's contribution to GDP was 47%, exceeding the 46% target set in Vision 2030 for 2024. These indicators suggest diversification of current economic activities and not just a policy goal. (International Monetary Fund, 2025; Saudi Vision 2030, 2024).

It is occurring in several interrelated ways, including regulatory and investment reforms, tourism, manufacturing, renewable energy, entrepreneurship, digitalization, and private-sector development. The value of new technologies, including AI, digital infrastructure, and automation, in improving productivity and enabling new industries is increasingly important. The following points suggest that these shifts can establish new markets, supply chains, investment models, and public-private partnerships for businesses, and the demand for coordination between institutions and sectors will grow. (Al-Roubaie, 2025; Alam et al., 2023; Saudi Vision 2030, 2024).

There may also be implementation challenges with the investment program, such as scale and speed. The results of the macroeconomic analysis suggest that, for the investment push to achieve its growth potential, complementary public-sector efficiency measures, labor-supply reforms, and fiscal measures are necessary. Other structural factors, such as labor market constraints, productivity, and the legacy of the state-led growth model, also apply, as do continued structural reform and competent public investment management to maintain the non-oil sectors' growth momentum. So, the business potential of new industries depends not only on the availability of funds but also on regulatory predictability, labor availability, administrative efficiency, and project delivery (Hertog, 2024; International Monetary Fund, 2025; Moreau & Aligishiev, 2024).

The dimensions of the transformation are treated as distinct areas of study, with substantial research on each. The studies have focused on macroeconomic and sectoral restructuring, the growth effects of the National Investment Strategy, modern technologies, and reform policies aimed at attracting investment to the non-oil sector. The existing literature offers helpful information on these dimensions. However, it leaves scope for a more detailed understanding of the linkages among institutional, regulatory, human capital, technological, and sectoral development from the perspective of actors who either implement them or are affected by them. (Al-Roubaie, 2025; Alam et al., 2023; Havrlant & Darandary, 2021; Moreau & Aligishiev, 2024).

This study aims to address this shortfall through qualitative data gathered from 20 key informants, drawn from a purposive range of public- and private-sector stakeholders, including senior executives, public officials and advisers, academics, consultants, and sector specialists. The United Arab Emirates (UAE) is the subject of a separate document-based analysis for context. It is useful to compare the UAE, as it is a hydrocarbon-driven economy in the Gulf, but has also been developing its non-oil economy and investing in renewables for longer. The comparison is not intended to imply that UAE policies and outcomes are directly applicable to Saudi Arabia. (Reiche, 2010; Shadab, 2023).

The study makes a valuable contribution by linking institutional and business conditions with implementation in various diversification channels. Instead of analyzing tourism, technology, renewable energy, investment, human capital, and mega-projects individually, it considers stakeholders' perceptions of the relationships among these areas and of the overall transformation process. This comprehensive approach is crucial, as the success of investment results will depend on both complementary institutional reform and implementation capacity, as well as on the size of capital expenditure. (Hertog, 2024; Moreau & Aligishiev, 2024).

Based on the literature on sectoral restructuring and the institutional conditions that favor diversification, the following research questions are posed (Havrlant & Darandary, 2021; Moreau & Aligishiev, 2024):

- *RQ1: How do stakeholders perceive Vision 2030 as contributing to Saudi Arabia's economic and business diversification across major non-oil sectors?*
- *RQ2: What institutional, regulatory, financial, technological, and human-capital factors enable or constrain the implementation and long-term sustainability of Saudi Arabia's diversification strategy?*

2. Literature Review and Theoretical Background

2.1. Resource Dependence and the Theoretical Foundations of Diversification

Three lenses can be used to interpret Saudi Arabia's economic transformation in the context of Vision 2030: Resource Curse Theory, Rentier State Theory, and Economic Diversification Theory. The resource-curse scholarship proposes a relationship between resource abundance and volatility, low diversification, and institutional problems, although this is not universal across countries. An institutional aspect is added by the rentier-state theory, which emphasizes states that depend largely on external rents rather than on internal taxation and production. History has shown that oil revenues affect the Saudi labor market, the state, and the relationship between the State and business. (Hertog, 2010; Mahdavy, 1970; Ross, 2015; van der Ploeg, 2011).

The concept of economic diversification theory is founded on structural responses to resource dependence, aimed at diversifying productive activities, income-generating sources, employment, and investment away from the primary commodity. Diversification also includes shifts in the fiscal base, private-sector involvement, labor market characteristics, and the institutional framework that facilitates the emergence of new industries in Saudi Arabia. The three perspectives are complementary: on the one hand, resource dependence scholarship studies vulnerability; on the other, the rentier state scholarship studies institutional legacies; and diversification theory focuses on the productive restructuring needed to reduce hydrocarbon dependence. (Havrlant & Darandary, 2021; Hertog, 2024; Luciani, 2024).

2.2. Vision 2030, Investment, and Private-Sector Transformation

Vision 2030 is a blend of massive investments, regulatory reforms, sector development, and greater private-sector involvement. There is existing research that covers a wide-ranging reform program to encourage investment in non-oil industries and models changes in output, income, and private economic activity. The ability to build up company skills and maintain viable business activity is also a key component of diversification, beyond the level of investment committed. (Alam et al., 2023; Havrlant & Darandary, 2021).

Macroeconomic analysis also indicates that investment is not enough. Conditions for unlocking and delivering the potential growth benefits of the National Investment Strategy include complementary fiscal policy, labor-supply reform, and public-sector efficiency. In contrast, the legacy of the state-led growth model persists in private-sector incentives and labor market structures. Institutional and market conditions are therefore found in the literature to affect the productive and sustainable use of capital investment in new sectors. (Hertog, 2024; Moreau & Aligishiev, 2024).

2.3. Mega-Projects, Institutional Capacity, and Implementation

One of the most prominent and recognizable tools of Saudi diversification is the mega-project. Mega-projects can create infrastructure, demand for the supply chain, jobs, new markets, and business opportunities for domestic and international companies. The long-term contribution, however, will depend on whether the activity they create is financially sustainable beyond the construction period. The quality of implementation is, therefore, a key factor in understanding and assessing mega-projects as diversification tools. (Hertog, 2024; Moreau & Aligishiev, 2024).

Implementation is closely related to institutional capacity. Under Vision 2030, there is a restructuring of ministries and the establishment and/or redesign of public institutions, as discussed by Thompson and Quilliam (2024), and

the coordination difficulties this brings about. There may be cross-sector needs or overlapping responsibilities that impact delivery. The key to achieving sustainable outcomes from diversification is to coordinate administration, regulation, and project implementation effectively, alongside strategic ambition and capacity to finance projects. (Hertog, 2024; Thompson & Quilliam, 2024).

2.4. Technology, Human Capital, and Renewable Energy

Technological and human capital are key enabling factors of diversification. While digitalization, artificial intelligence, and modern technologies can help enhance productive capacity and knowledge-based growth, technology-based diversification also relies on regulation, infrastructure, institutional coordination, and the workforce's skill sets. Therefore, the development of human capital is not only a policy domain but also an essential condition for the success of new industries, and educational reform is needed to align learning outcomes with the capabilities required for a knowledge-based economy. (Al-Roubaie, 2025; Allmnakrah & Evers, 2020).

The industrial, technological, and sustainability aspects of renewable energy are also important. Saudi Arabia has significant potential in solar, wind, and related technologies; however, to develop a domestic renewable-energy sector, it is necessary to build infrastructure, develop specialized expertise, establish regulations, invest, and establish value chains. Renewable energy can thus play a role in diversification beyond environmental policy alone by altering capital allocation, industrial capabilities, technology, and human capital. (Al-Gahtani, 2024; Moreau & Aligishiev, 2024).

2.5. The UAE as a Comparative Gulf Benchmark

The UAE is a useful regional benchmark as it is also a hydrocarbon-based economy in the Gulf and diversified earlier than the Kingdom of Saudi Arabia. The UAE exemplifies the importance of looking at diversification over time and helps to inform thinking on sequencing, institutional development, and sector building. Comparisons of the two policies should not be regarded as a direct policy-transfer model, given the differences in populations, sizes, institutions, and fiscal structures between the two countries. (Shadab, 2023).

In this regard, research on Masdar City in Abu Dhabi illustrates how hydrocarbon wealth can be leveraged to attract investment and spur technology development in the renewable energy sector. It highlights the role of policy and institutional measures. The UAE is considered a context for diversification in investment, institutional learning, technology, and sector development. It is not considered a model for replication in other countries. (Reiche, 2010; Shadab, 2023).

2.6. Synthesis and Research Gap

Many have addressed the individual elements of Saudi Arabia's diversification efforts – macroeconomic restructuring, investment, institutional overhaul, technology, renewable energy, and growth of the private sector. These dimensions are frequently examined at the level of various policy elements and/or in conjunction with one another. The interactions among institutional capacity, regulation, investment, technology, human capital, and implementation have not yet been studied extensively with respect to stakeholders' perceptions. (Al-Roubaie, 2025; Alam et al., 2023; Havrlant & Darandary, 2021; Hertog, 2024; Moreau & Aligishiev, 2024).

This study attempts to fill this gap by leveraging stakeholder evidence and a carefully structured, document-based comparison of the UAE. It draws on an analytical framework that combines elements of resource dependence, rentier-state institutional nature, and economic diversification to understand new industrial growth and its determinants of sustainability. The diversification concept is therefore understood not as an array of autonomous sectoral programs but as an economic and institutional process (Havrlant & Darandary, 2021; Hertog, 2010, 2024; van der Ploeg, 2011).

3. Methods

3.1. Research Design

In this study, a qualitative exploratory design was adopted to understand stakeholders' perspectives on possibilities, implementation challenges, and implications for business in Saudi Arabia's economic diversification in accordance with Vision 2030. A qualitative research method was deemed appropriate, as the research questions concerned professional experience, the interpretation and assessment of an active process of institutional and economic change that cannot be adequately captured by aggregate indicators alone (Bryman, 2016). The main part of this was the qualitative contributions of the stakeholders, collected primarily through semi-structured interviews, and compared with a stand-alone document-based comparison with the UAE for the regional context.

A total of 12 open-ended questions were formulated based on the literature review and the identified issues for the research questions in the interview guide. Questions included implementation challenges, government initiatives, renewable energy, human capital development, technology and innovation, underutilized areas, foreign investment, NEOM, progress towards Vision 2030 targets, international mega-events, entertainment, and privatization.

3.2. Participants and Sampling

A purposive sampling technique was used to select 20 participants with knowledge of or relevance to the economic transformation of Saudi Arabia. The sampling aimed to ensure diversity and representation across professions and sectors, so that a range of actors impacted by different facets of Vision 2030 are included. Three participants were directly involved in, or had professional ties to, Vision 2030-related projects. It aimed to gather information-rich views rather than a statistically representative sample (Bryman, 2016).

Thirteen participants came from the private sector and seven from public institutions. They came from senior management, public servants, policy analysts, academics, the consultancy profession, and the manufacturing, tourism, energy, technology, IP, food, and other sectors. The Respondents have been referred to by Respondent 1 to Respondent 20 only for consistency and privacy, and no names have been quoted or found in this report.

3.3. Recruitment

The potential participants were selected based on their professional background and relevance to the research topic. The researcher reached out to more people than eventually took part; some declined or were hesitant to be identified, while others referred the researcher to relevant contacts. These were not used to implement a formal snowball sampling design but were used as a source of feedback in recruitment efforts.

Responses began to repeat themselves on the main topics being explored; thus, 20 participants were recruited. There was no predetermined number of contacts to be recruited, as recruitment was stopped when additional contacts provided only a small amount of added information beyond the already covered main topics, and the sample covered the different areas and professions.

3.4. Data Collection

Primary data were collected from May 2025 to February 2026. The interview questions were given to participants about 1 day in advance so they could reflect on them. The interviews lasted about 15-30 minutes. 18 participants contributed in Arabic, and 2 contributed in English. For analysis, Arabic materials were translated into English. No independent translator was employed, nor was a formal back-translation method used.

There were different approaches to documenting across participants. Face-to-face interviews were audio-recorded (nine), phone interviews were not audio-recorded (two), and contemporaneous and post-interview notes were taken

(eight), with one participant (an academic at Al Yamamah University) providing written answers via WhatsApp. The differences are reported explicitly because the qualitative material was not documented uniformly.

3.5. Interview Documentation and Translation

The researcher used the Voice Memos application to record nine interviews with participant permission. The researcher listened to the recordings and prepared English transcripts, translating Arabic-language interviews himself. The two telephone interviews were documented through notes rather than recordings. For the eight other unrecorded interviews, notes were taken during and immediately after each interview and then organized into summaries of participants' responses. One participant supplied written answers through WhatsApp.

The final qualitative corpus, therefore, consisted of nine researcher-prepared transcripts from audio-recorded interviews, notes from ten unrecorded interviews (including the two telephone interviews), and one written response. The analysis is not presented as if it were based on 20 verbatim transcripts. Variation in recording, note-taking, and translation procedures is treated as a methodological limitation because it may have affected the depth and comparability of individual accounts.

3.6. Data Analysis

The qualitative data were analyzed thematically using the 6 phases of Braun and Clarke (2006): familiarization with the data, initial coding, developing candidate themes, review and refinement of themes, theme definition and theme naming, and production of accounts of the analysis. The researcher manually coded the material. Descriptive codes were created from the gathered interview records and then subsumed into a series of more focused analytical categories. The researcher went back to the underlying recordings, notes, and written material several times to verify that the emerging themes were not merely a repetition of the interview guide but rather reflected the participants' accounts.

This analysis yielded six major themes: institutional capacity and implementation risk; mega-projects and economic diversification; renewable energy and the post-oil transition; human capital and educational reform; technology, innovation, and regulatory reform for investment; and tourism, mega-events, entertainment, and privatization. Multiple interview questions contributed to the themes. No intercoder reliability assessment or independent double coding was conducted, as one researcher performed the coding and interpretation. This is an analytical process conducted by a single researcher (as explained in the limitations section).

3.7. UAE Comparative Analysis

No interviews with the UAE stakeholders were conducted, and the UAE component relied solely on secondary documentary evidence. Peer-reviewed studies, government publications, sovereign fund publications, national statistical data, and reports from international organizations were used as sources. The comparison used eight predefined categories: economic diversification strategy; tourism and mega-project development; foreign direct investment policy; technology and digital transformation; renewable energy; institutional governance; human capital; and sovereign investment. The same categories could be used to compare the two countries in a structured way, rather than merely narratively. (George & Bennett, 2005; Yin, 2018).

As a hydrocarbon-producing GCC economy with a diversification track record that began earlier than Saudi Arabia's, the UAE was chosen as a contextual reference for the Gulf. The comparison was intended only to highlight differences in sequencing, institutional development, and sectoral transformation, not to suggest that UAE policies or outcomes can be directly applied to the Saudi context.

3.8. Ethical Considerations

Informed consent was obtained verbally prior to participation. Participants agreed to have their responses and quotations used for academic purposes; when audio recording was used, they also agreed to be audio-recorded.

Participation was voluntary. A few participants agreed to be identified by name, but this manuscript has anonymized the participants and refers to them only as Respondent 1–Respondent 20.

Approval from the research ethics committee prior to data collection was not obtained. The researcher received an administrative letter from Cyprus International University confirming his status as a student, his research thesis topic, and facilitating data collection; however, it was not an ethics approval letter for the research. An institutional clarification has been requested in writing regarding whether the study was exempt from formal ethics review. This situation is disclosed openly because it is relevant to the journal's ethics requirements.

4. Findings

4.1. Overview of the Findings

Six themes were identified in the thematic analysis examining participants' perspectives on diversification opportunities, progress, and barriers to implementation. Institutional capacity and implementation risk appeared in 18 of 20 accounts; mega-projects and economic diversification in 20 of 20; renewable energy and the post-oil transition in 19 of 20; human capital and educational reform in 20 of 20; technology, innovation, and regulatory reform for investment in 19 of 20; and tourism, mega-events, entertainment, and privatization in 20 of 20. These prevalence counts are not inferential statistics or measures of effect size; they are simply descriptive indicators that a theme was present in an account.

Table 1: Summary of Themes and Their Prevalence Across Participant Accounts

Theme	Focus	Prevalence
Institutional capacity and implementation risk	Coordination, implementation speed, financing, and skills	18/20
Mega-projects and economic diversification	New industries, FDI, supply chains, and international positioning	20/20
Renewable energy and the post-oil transition	Solar, wind, hydrogen, export capacity, and sustainability	19/20
Human capital and educational reform	Scholarships, STEM, digital skills, vocational training, and skills alignment	20/20
Technology, innovation, and regulatory reform for investment	Digitalization, AI, new industries, FDI rules, and investment climate	19/20
Tourism, mega-events, entertainment, and privatization	Tourism, Expo 2030, World Cup 2034, domestic spending, and state–market reform	20/20

4.2. Institutional Capacity and Implementation Risk

Institutional capacity was the most salient concern in implementing. Coordination among government departments and procedures, implementation speed, project management, financial constraints, and workforce skills were recurring themes. They separated the Saudi nation's capacity to finance Vision 2030 from its capacity to implement several reform interventions simultaneously. Respondent 4 said that “bureaucratic processes and coordination across multiple stakeholders often slow execution,” while Respondent 12 said, “non-oil economic growth is robust, but it is sensitive to efficiency of execution and control of spending, while the volume of investment is not the issue.” All of these reports had in common the capacity to bring together investment resources and then implement them in a coordinated fashion. This was reiterated by the concerns raised by respondents (4, 12, 13) about the shortage of skills in advanced industries and large projects.

4.3. Mega-Projects and Economic Diversification

All participants discussed mega-projects, and the most visible aspect of Vision 2030 was them. Projects including NEOM, Qiddiya, and the Red Sea projects were linked not only to infrastructure but also to new industries, supply chains, foreign investment, jobs, technology, tourism, and international positioning. Respondent 4 called them “economic ecosystems” that will generate jobs, bring in international partners, and help develop new industries. Despite this, participants were able to differentiate between strategic opportunities and business outcomes. Financial needs, coordination, and the feasibility of executing and delivering several large projects simultaneously were raised as concerns. The majority felt that mega-projects could serve as a tool for diversification, but had differing views on the size, duration, and reliability of the economic benefits (Respondents 1, 4, and 13).

4.4. Renewable Energy and Post-Oil Transition

19 participants discussed renewable energy as an important pillar of diversification. Three themes became prominent: the substitution of domestic hydrocarbon use, the establishment of renewable energy industries and value chains, and environmental and climate challenges. Participants highlighted the manufacturing industry, hydrogen, R&D, specialized jobs, technological skills, and exportability, areas not necessarily assessed through an environmental lens. They also highlighted other factors, such as the speed of project implementation, infrastructure development, availability of skills, technology, and institutional coordination, which are important to the sector's economic value (Respondents 4, 12, and 13).

4.5. Human Capital and Educational Reform

Human capital was seen as key to diversification by all participants. It was the theme of the times of awarding scholarships, curriculum reform, STEM education, and other links between education and industry. Some felt that abilities and skills are related to past investments in education. In contrast, others questioned whether there will be a match-up between the rate of skill acquisition and the needs of new industries. Respondent 13 talked about the move towards “critical thinking, problem solving, and digital literacy.” There was consensus regarding the direction reform, although concerns were raised about respondents lacking specific technical, managerial, and digital skills (7, 8, 9, and 13) and about the overall readiness of people for labor market entry.

4.6. Technology, Innovation, and Regulatory Reform for Investment

19 out of the 20 participants connected technology and investment reform. They discussed digitalization, artificial intelligence, smart infrastructure, research and development, new sectors, and new regulations on foreign investment. Technology was primarily seen as an enabling capability across all sectors, not an industry. This sentiment was captured by Respondent 4, who said that “Technology is not a support function here, it is at the core of the transformation.” Other terms mentioned were digital government, automation, smart city applications, advanced manufacturing, data-driven decision making, agri-tech, cybersecurity, fintech, recycling, and creative industries. Although most of the regulatory changes were considered positive, some respondents noted issues of bureaucracy, uncertainty, employment restrictions, technical capabilities, and ease of doing business as being relevant to investor confidence and institutional credibility (Respondents 1-20).

4.7. Tourism, Mega-Events, Entertainment, and Privatization

Discussing the Kingdom's overall transformation, the state, and the role of the private sector, all participants referred to tourism, mega events, and entertainment, or privatization. The respondents associated Expo 2030 with the tourism, investment, infrastructure, international visibility, hospitality, retail, services, and employment sectors, and FIFA World Cup 2034 with the same sectors. Others talked about the difficulty of distinguishing direct and indirect financial gains from other positive spillover effects. The attitude towards privatization and the involvement of the private sector was that it can change the nature of operation, investment, market development, and services (Respondents 1, 2, 3, 4, 11).

4.8. Cross-Theme Synthesis

In general, the participants viewed Vision 2030 as a holistic, multisectoral transformation process rather than a set of independent sectoral initiatives. The themes were well interwoven: skills and institutional coordination were needed for mega-projects; technology and infrastructure were key to renewable energy; human capital and regulatory frameworks were key to technological modernization; institutional credibility was essential for investors; and private-sector capacity was important in tourism and privatization. The common thread across the themes was the capacity for institutional coordination—specifically the capacity to coordinate investment, regulation, skills, technology, and project delivery across sectors—understood as institutional execution capacity. This is a recurring pattern that underlies the interpretation developed in the Discussion (Respondents 1-20).

5. Discussion

The findings provide a cross-sector view of stakeholder understanding of Vision 2030 and conditions that impact its implementation. The members were not only focused on non-oil sector diversification but also considered diversification as a multifaceted economic restructure in the context of mega-projects, renewable energy, technology and skills, tourism, regulatory reforms, and private sector participation. In each of these areas, the ability to execute was always a problem for strategic investment and continued business and economic activity.

5.1. Institutional Execution Capacity as a Cross-Cutting Constraint

The central distinction in participant accounts was between financial capacity and execution capacity. Respondents expressed greater concern about institutional coordination, administrative processes, project-management capability, timelines, regulatory consistency, and workforce readiness than about the availability of financing or the overall direction of Vision 2030. Because these concerns appeared across multiple sectors, they are better interpreted as cross-cutting implementation conditions than as industry-specific problems.

This interpretation is consistent with research describing the institutional restructuring undertaken to deliver Vision 2030 and the challenges associated with newly created or reconfigured agencies operating alongside existing bodies, sometimes with overlapping mandates. The stakeholder concerns identified here, therefore, reflect a broader process of institutional adaptation under rapid policy change (Thompson & Quilliam, 2024).

Macroeconomic research agrees. Complementary fiscal measures, labor-supply reform, and public-sector efficiency influence the growth effect of the National Investment Strategy. In contrast, the structure of the labor market, productivity, and the legacy of the state-led growth model can affect the path of diversification even in the presence of a large investment program (Hertog, 2024; Moreau & Aligishiev, 2024).

These arguments are macro-economic and institutional and are complemented by qualitative evidence, which provides a stakeholders' perspective. From this perspective, it is not just a question of how much investment Saudi Arabia can afford, but of whether institutions, companies, and the labor market can absorb it and make the most of it. This shifts the emphasis away from project-size announcements and towards the organizational and institutional needs for their sustainable implementation.

5.2. Interconnected Sectoral Diversification and Business Transformation

Mega-projects were seen as major diversification projects, but as the participants' testimonies revealed, they can offer more than just a construction price tag. Potential supply chains, foreign partnerships, jobs, technology, tourism, and new business were associated with NEOM, Qiddiya, and Red Sea developments. In the meantime, participants raised questions about when and how returns would materialize, and they consistently linked long-term value to discipline, coordination, skills, and project delivery.

Such knowledge of diversification is consistent with scholarship that views diversification in terms of sectoral structure and income mix, rather than in terms of more non-oil activities, and with a focus on complementary

reforms. The value of giga-projects depends not only on their size but also on whether they support the creation of commercially viable capabilities and activities that will continue to have value beyond the project itself (Havrlant & Darandary, 2021; Moreau & Aligishiev, 2024).

It goes without saying that the same applies to renewable energy and technology. Renewable energy was linked to industrial development and manufacturing, technology capacity, specialized employment, new value chains, and environmental goals. Digitalization, AI, and smart infrastructure were perceived as technologies that can be applied across sectors, rather than as stand-alone technologies.

The linkages across sectors are important for understanding diversification. Investment in renewable energy, for instance, relies on technical capacity, infrastructure, regulation, technology, and business involvement, and digital transformation relies on human resources and an innovation-friendly institutional landscape. It aligns with studies highlighting the importance of emerging technologies for enhancing productive capacity and facilitating diversification (Al-Roubaie, 2025).

Service sector and state–market dimensions are added to the transformation by the tourism sector, entertainment, mega-events, and privatization. The participants associated these developments with increased private-sector involvement, stronger international positioning, service-sector activity, employment, and tourist spending. The concept of privatization was interpreted more broadly than asset transfer, and respondents were concerned with the role of private firms in service delivery, their operational responsibilities, and the relationship between public institutions and private firms.

The findings across sectors indicate that a sectoral approach alone is insufficient to understand Vision 2030. Participants talked, among other things, of an ecosystem in which investment, infrastructure, technology, skills, regulation, and private enterprise are intertwined. Such interconnection is also one reason for the recurring appearances of execution capacity throughout different themes.

5.3. Human Capital, Regulation, and Private-Sector Capacity

One of the most evident crossovers between diversification strategy and implementation was in the case of human capital. Participants supported scholarships, STEM and digital education, vocational training, and broader education reform, but they raised concerns about the pace of skills development to meet the needs of new industries. The concerns align with studies suggesting a significant shift in education is needed to meet the demands of a knowledge-based economy, as well as with assessments of human capital development and labor market matching (Allmnakrah & Evers, 2020; International Monetary Fund, 2025).

The results outlined here are relevant to the operational requirements of individual sectors and highlight the importance of human capital. The participants associated workforce capability with large-project delivery, technical skills in the renewable energy sector, digital skills in technology-driven industries, and managerial and professional skills in growing competitive markets. Investment in new sectors depends on investments in workforce capability and vice versa.

The same pattern also held for regulatory reform and private-sector growth. While participants were generally positive about regulatory changes, they reiterated administrative processes, regulatory predictability, labor rules, technical capacity, and the ease of doing business as influencing factors. Thus, regulatory change could be necessary but not sufficient if firms do not feel that the regulatory environment is predictable and implementable.

The 2025 assessment by the International Monetary Fund also highlights structural reforms, investment in human capital, digitalization, access to finance, and effective public investment management as supporting non-oil growth and private-sector investment. This aligns with evidence collected from stakeholders: expanding the private sector is not just about investment opportunities but also about institutional credibility, workforce capability, and a conducive business environment for implementation (International Monetary Fund, 2025).

5.4. Theoretical and Comparative Interpretation

The results also help to guide the theoretical framework employed in this study. The Resource Curse Theory is relevant because Saudi Arabia is looking to develop alternative productive activities using the financial capacity generated by hydrocarbons. The evidence, however, supports a conditional rather than a deterministic interpretation: resource abundance can yield different outcomes, depending in part on institutional quality and the ability to convert resource wealth into productive assets. The stakeholder accounts similarly suggest that financial capacity can enable diversification, while institutional capacity affects how much of that financial capacity translates into sustainable economic activity (van der Ploeg, 2011).

Rentier State Theory provides a complementary institutional lens, but the findings should not be interpreted as proving that rentier structures cause contemporary implementation problems. Instead, participants' emphasis on bureaucratic coordination, state–market relationships, labor-market capacity, and administrative delivery is consistent with debates about the institutional legacies of resource-dependent growth models and with analyses of Vision 2030 as a transition from an older model centered on state spending and employment whose structural features continue to affect private economic activity (Hertog, 2024).

Economic Diversification Theory provides the most direct interpretation of the integrated pattern across the six themes. The stakeholder evidence indicates that diversification involves simultaneous changes in production, investment, employment, technology, human capital, and private enterprise. This supports a broader sectoral view of diversification and adds a qualitative dimension by showing that stakeholders perceive these channels as interdependent (Havrlant & Darandary, 2021).

The UAE comparison should also be kept in mind. The UAE is a good example of how diversification is possible over time through investment, institutional development, renewable energy capabilities, and sector development. Although these cases are not meant to indicate the direct applicability of the UAE's policies or outcomes to Saudi Arabia, they differ in size, population, institutions, and the timing of reforms (Reiche, 2010; Shadab, 2023).

From the stakeholders' perspective, the study's main findings are that mega-projects, renewable energy, technology, human capital, tourism, regulatory reform, and private-sector expansion are not stand-alone diversification channels. They play an important economic role under common institutional and capability conditions. Diversification is not investment portfolio diversification; it is a productive activity resulting from an investment in the system.

6. Business and Policy Implications

The findings apply to the companies, investors, and public institutions involved in Saudi Arabia's diversification. The potential for investment on the scale of Vision 2030 is great, but investment opportunities depend on institutional coordination, workforce capabilities, regulatory predictability, and the capacity to execute projects effectively.

They also pointed out business opportunities beyond giga-projects, such as the creative industries, information and communication technology, tourism, logistics, advanced manufacturing, fintech, agricultural technology, and cybersecurity. It may be worth considering the value chain and service opportunities for the local companies related to the overall transformation (Respondents 1-20).

The findings suggest that investors should take into account sectoral opportunities and implementation maturity. Participants identified some positive reforms, but administrative complexity, a lack of skills, and regulatory predictability can also influence business activity. This reading is consistent with others that point to structural change, human capital, digitalization, private investment, and good public investment management as being important areas for maintaining diversification (International Monetary Fund, 2025).

The results show that the ability to execute is as important as extra commitment of capital for public institutions. The risk of delivery can be reduced by improving agency coordination, project monitoring, regulatory consistency, and a phased approach, particularly in large projects where the economic potential may be a long-term objective requiring substantial funding, coordination, and implementation.

Human-capital policy is another important area of business–policy interaction. There were still some gaps in the education and employment systems, which participants noted, particularly regarding STEM education, vocational education, digital skills, and scholarships. We need more industry-university collaboration, better use of training, and more skills development in industry to better prepare workers for new industries (Respondents 7, 8, 9, and 13).

The results also substantiate the trend towards greater and growing private sector participation. The diversification of the private sector was considered an important part of the strategy, and public–private partnerships and privatization were perceived as means to improve the efficiency of investments and service delivery (Saudi Vision 2030, 2024).

In general, the subsequent process of Vision 2030 focuses more on transforming substantial investments into sustainable productive capacity. For businesses, skills, regulatory, and execution risks should be considered alongside the potential for partnerships; for policymakers, there is a need to enhance the capacity for coordination, implementation, and the institutional conditions conducive to sustained private-sector growth.

7. Limitations and Future Research

The results should not be interpreted without taking several limitations into account. First, the purposive sample of 20 stakeholders offered in-depth sectoral views but cannot support statistical generalization to the larger population of people who work with Vision 2030. Participants' opinions may also be context-specific to their organizational roles and experiences within their sector.

Secondly, qualitative data were not recorded consistently. There were nine audio-recorded interviews; two were conducted over the telephone and recorded in notes; eight were unrecorded and summarized in the researcher's notes; and one participant responded to the interview in writing via WhatsApp. The researcher translated Arabic-language material into English, based on his own translation, without translating the text back into Arabic for independent translation or back-translation. These procedures created inconsistencies in the granularity of information across accounts. Furthermore, no intercoder assessment was conducted, and a single researcher performed the coding and interpretation. The researcher checked themes against the available interview records and also incorporated their interpretation into the analytical process.

Third, Vision 2030 is an ongoing process of change. The data collection period for this study was from May 2025 to February 2026, and several projects and reforms were still underway. The results are thus a snapshot of stakeholders' experiences at a single point in implementation and therefore cannot be taken as proof of long-term economic consequences. The UAE comparison was also based on secondary documentary evidence, resulting in a limited direct cross-country comparison.

Stakeholder evidence may be combined with longitudinal indicators of non-oil GDP, foreign direct investment, renewable energy production, employment, and tourism revenue in future research. Comparative primary research on stakeholders in other GCC economies might help distinguish between implementation challenges in Saudi Arabia and broader regional patterns. The implementation issues identified in this document may also be followed up in longitudinal studies beyond 2030 as reforms develop. Lastly, future studies can explore the emerging industries that the participants raised but did not thoroughly consider in this study, such as fintech, cybersecurity, logistics, agricultural technology, and creative industries.

8. Conclusion

The study focused on stakeholders' perceptions of Vision 2030's economic diversification and business development, as well as the barriers and drivers to its implementation in Saudi Arabia. Based on evidence from 20 stakeholders, which was complemented by a document-based UAE comparison, there was evidence of an interconnected transformation in the following areas: mega-projects, renewable energy, technology and innovation, human capital, tourism and entertainment, regulatory reform, and increased private-sector participation.

In relation to RQ1, participants saw Vision 2030 as more than an extension of individual non-oil sectors. They spoke of the interdependent pathways of mega-projects, technological modernization, renewable energy, tourism, private-sector development, and skills as means of supporting new industries, investment, and a more diversified economy.

With respect to RQ2, institutional execution capacity was identified as the primary cross-cutting condition affecting implementation. These themes of coordination and regulatory consistency, workforce readiness, project management, and speed of implementation were repeated in various sectors. Financial capacity was seen as necessary but insufficient, as its economic contribution would depend on the ability to convert investment into sustainable productive capacity.

The core idea is that the key components of Vision 2030 be considered as a whole, rather than separately. They depend on common institutional, regulatory, human capital, and private-sector conditions. The similarities with the UAE also underscore the importance of sequencing and institutional development and remind us that a country's diversification path in the Gulf is not necessarily replicable elsewhere. The sustainability of diversification will depend less on the visibility of individual projects than on the extent to which investment, institutions, skills, regulation, and the private sector combine to create productive activity beyond the Vision 2030 program's time frame (Saudi Vision 2030, 2024).

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Data Availability Statement: Participants' written responses, researcher-generated transcripts and notes, and audio files of the interviews are not publicly available due to the risk of identification and to respect participant confidentiality. Access can be granted only under conditions consistent with participant confidentiality and institutional requirements.

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