

Notification No:- Ph.D/Notification/507/2022 [10/02/2022]

27/04/2022

Date of Admission :- 02/11/2016

Name of Candidate: Fazlul Karim

Supervisor - Dr Javed Ahmed Khan

Centre for West Asian Studies

Title :- Economic Diversification and Sustainable Development in Saudi Arabia

Findings: - In the not-too-distant future, Saudi Arabia will run out of oil. It has two possibilities for this era. The first choice is to keep going in the same direction. If oil runs out, this will result in a 60 percent reduction in GDP, as well will result in social problems and dissatisfaction. The second is to adopt measures now leading to a more diversified private sector economy, which will make the decline in GDP and living standards much less severe when Saudi's oil resources are exhausted.

However, it's important not to lose sight of what diversification techniques can and can't do. First and foremost, it is essential to recognise that there is no one-size-fits-all solution for achieving diversification overnight. Diversification promotion is a difficult task that should be approached as a long-term goal. It is a difficult mechanism that necessitates the commitment of policymakers. Diversification in Saudi Arabia remains a difficult task to complete because systemic improvements in production and jobs are too sluggish to be implemented. For example, the problem for nations such as Saudi is that their dependence on oil that drives the diversification process is not connected (weak forward and backward linkage) to many other sectors of economic growth such as tourism, banking, and so on. It is undeniable that economic development is and will remain the primary long-term target for oil-based economies (e.g., Saudi Arabia), as well as the sole way of replacing oil reserves until they are exhausted. Energy, particularly oil, will continue to play a unique role in organising economic and social development and supporting economic growth for a long period until a diversified economic system produces new alternative sources of revenue.

We may infer that the economic growth of the country is unsustainable as it continues to rely on oil supply. Whether the government addresses the country's structural issues, If the Government works more efficiently and implements a well thought out diversification strategy (coupled with good management of natural resources), the nation would be less reliant on oil, which would make the development route more feasible. To put it another way, while structural adjustment is a necessary prerequisite for long-term economic growth and the abolition of reliance on the oil industry, development policies involving the distribution of accessible financial resources are a critical component in achieving that aim.