

CHAPTER 14

REGIONAL DEVELOPMENT

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Geographically, Saudi Arabia is classified into five planning regions — Central, Western, Eastern, South Western and Northern — while administratively it is further divided into fourteen Amirates. Each Amirate in turn is subdivided into sub-Amirates. Potentially, each region, Amirate and sub-Amirate constitutes a planning unit, but in this context regional development refers only to the five planning regions and the Amirates.

This chapter traces the main institutional developments during the successive development plans, charts the progress made, emphasizes the role of regional planning in eliminating disparities and sets out the regional strategy, objectives, and policies that will be followed during the Fourth Plan.

14.1 PRESENT CONDITIONS AND REVIEW OF THIRD PLAN PROGRESS

Regional objectives and policies have evolved to reflect contemporary development requirements and the shifting priorities of the planning process. Beginning with the First Plan, the municipal infrastructure of the Kingdom was laid, with high priority given to providing urban areas with water and sewerage systems, while regional development during the Second Plan was viewed in terms of expansion of infrastructural investments and extending municipal-type services and electricity to rural areas. Parallel to these developments, government agencies introduced their own directorates and branches to serve the needs of the various regions.

14.1.1 REGIONAL PLANNING INITIATIVES

During the second half of the First Plan and the early part of the Second Plan, the MOP carried out five regional socioeconomic studies, while MOMRA began its master plan program for the main cities and introduced its Village Cluster program at the Amirate level, which aimed at providing municipal-type services to a cluster of villages from a central location. In consequence, by the end of the Second Plan the Kingdom was surveyed comprehensively, while detailed studies and master plans were underway for the main cities including Riyadh, Jeddah, Dammam, Taif and Abha. These concerted efforts continued during the Third Plan when several innovations were introduced, including the concept of Development Centers, which were directed at coordinating agency services at the national, regional and local level and at providing a more equitable distribution of socioeconomic opportunities. Another innovation was the economic and physical master plans at the Amirate level. By the end of the Third Plan, five Amirates — Baha, Qassim, Hail, Tabuk and Makkah — had been studied and surveyed with the relevant Amirate plans under preparation. The Village Cluster program increased from 16 in 1400 to 43 in 1404, while an additional 26 clusters were approved. Simultaneously, the MOP undertook individual surveys for each of the 14 Amirates with a view to analyzing existing

conditions in the various localities and their productive potential. These initiatives — culminating in the MOP surveys of the fourteen Amirates — provided detailed information on the present conditions and the possible potential for each Amirate, and suggested ways for understanding and realizing balanced regional development.

Hence, a progressive enlargement of the scope of regional planning has been effected, whereby regional, Amirate and village cluster plans and programs have been completed or are under preparation. This process is fully in accord with the Fourth Plan Strategy for creating new productive opportunities, disseminating further social progress and strengthening community institutions.

14.1.2 REGIONAL IMBALANCE

Historically, regional imbalances resulted from the scattered nature of population settlements and from the concentration of natural endowments. Increasingly, inter-regional imbalances arising from the paucity of natural resources are being corrected by advances in technology, by the completion of infrastructure and by the rapid extension of public services to rural and remote areas. In agriculture, technological improvements have enabled Saudi farmers to use the water of deep aquifers, such as the Al Suq and Tabuk aquifers in the north, creating very efficient commercial farms out of land previously regarded as part of the desert. Efficient modes of transport, and the facilities offered by the MIE industrial cities, promoted manufacturing activities in many areas.

The completion of basic infrastructure and the industrial facilities by SABIC and the Royal Commission at Yanbu and Jubail, and the inauguration of downstream hydrocarbon industries, have further strengthened regional diversification outside the traditional urban centers. Industrial and agricultural loans and subsidies have spread opportunities outside the traditional centers for these activities, and the provision of services, including health, education and rural roads, has meant that the quality of life in rural areas has considerably improved. The environmental protection activities of MEPA, including the preservation of areas of outstanding beauty through national parks, have created the necessary framework and guiding principles to enable present and future generations to enjoy the natural wealth of the Kingdom.

However, regional disparities are caused not only by natural imbalances but also by the pace of development, by the pattern of rural-urban migration flows and by cost considerations. Moreover, the standards in the provision of services such as education, health, municipal facilities and telecommunications, are continuously being improved — a process which itself has generated imbalances in the relative levels of service provision.

In general, the Central and Western regions (which include the largest urban centers) are considered the most diversified regions and also enjoy the highest level of service provision. While most regions enjoy a high level of service provision, it is worth noting that large disparities occur within the regions themselves.

14.1.3 INTER-REGIONAL MIGRATION AND THE RURAL-URBAN DRIFT

The five regional socioeconomic studies carried out by the MOP during the First and Second Plans showed significant population migration within the Kingdom. In particular, the Northern and South Western regions were losing population to other more prosperous parts of the country, including the Central and Western Regions. In addition, the urbanization process underway meant that such urban centers as Riyadh, Jeddah and the bigger towns were the recipients of significant population flows from rural areas. Statistical surveys conducted by the CDS and the MOP revealed that migration *within* the same region was usually more significant than inter-regional flows.

During the Third Plan the population of each region increased, although at different rates. In fact, recent evidence for specific areas suggests that persons, having moved from their region of origin, may return to their original Amirate, but not necessarily to their rural birthplace. Consequently, many medium-sized and smaller urban centers in traditionally remote regions are experiencing a swift population expansion, by attracting people from both their immediate rural areas and from outside the Amirate. The improved municipal and social facilities provided in these areas, coupled with increased employment prospects, have meant that Saudi citizens now have more local opportunities to exploit, thus reducing the need to migrate elsewhere in the Kingdom.

14.1.4 REGIONAL COORDINATION

The coordination of sector programs and relevant agencies is of increasing importance to regional development. Implementation of regional strategy and realization of regional objectives do not constitute the responsibility of any single agency. Central agencies are the providers of diverse services and the instigators of policies and programs for the development of resources throughout the Kingdom; each agency has its own network of branch offices. Strengthening the coordination between agencies and their programs at the regional, Amirate and sub-Amirate level is crucial to the provision of cost-efficient services in both urban and rural areas. It is only by giving priorities to development at the regional and sub-regional level, and by offering facilities and services to match local requirements, that under-utilization of public assets can be avoided, their maintenance taken into account, and an efficient service delivery system created.

14.2 REGIONAL DEVELOPMENT STRATEGY

During the Fourth Development Plan the interacting aims of national and regional development policy will continue to create apparent frictions. These arise from three sources and are reflected in the relative levels of disparity.

1. The national strategy recognizes that industrial growth is achieved most efficiently by concentrating industrial activities together so as to generate benefits in the form of common services, and the development of support industries. Concentration of industry necessarily contributes to regional imbalances.
2. Inter-regional differences in the scale of facilities provided is a second source of apparent conflict. Where population is sparse, the provision of even the minimum scale of a particular service may create substantial excess capacity and result in very low levels of productivity. This would conflict directly with the Fourth Plan strategic goal of ensuring efficient use of existing and new facilities.
3. A third area of friction can arise as a result of different time horizons. Development expenditure must take into account the changes in longer-term structural trends in regional development, including rural-urban migration. This may not always coincide with short-term demands within the regions.

The success of regional policy, therefore — particularly in terms of reducing regional disparities — must normally be considered within the context of overall development.

One of the most important roles of regional planning is to minimize these frictions and promote more harmonious and coordinated development. An important objective of the Fourth Plan is to strengthen the institutional and planning framework at the regional and Amirate levels, and to promote further the wider distribution of productive opportunities and provision of services, thereby assisting each region to enhance its development potential. Through this process, the Plan will create opportunities for the private sector, especially in rural areas, while assisting in maintaining the heritage and character of each region.

14.2.1 OBJECTIVES AND POLICIES

An important element of the overall Fourth Plan Strategy is the continuation of fundamental structural change in the Kingdom's economy to produce a diversified economic base. In addition, it specifies the selection of development centers in those areas capable of accommodating and supporting productive opportunities, and the coordination of agencies and programs which will encourage individual and private sector initiative. Hence, regional *objectives* will have three key elements:

- (1) *Pursuing balanced development*, interpreted to mean the encouragement of development in all regions and the extended provision of basic services;
- (2) *Proceeding with the economic diversification of the regions* in accordance with their productive potential and requirements;

- (3) ***Strengthening the coordination of agencies and programs*** at the regional level (and below) and enhancing efficiency in the provision of services.

These objectives are interlinked and continuous. Their aim is to provide a more equitable distribution of services and productive opportunities, while enhancing efficiency of and access to services, especially in rural areas. While their focal point is the Fourth Plan period, their impact will be both immediate and longer-term. Similarly, the policy instruments of the regional strategy are designed to reflect the immediate and longer-term aspects of the regional development program.

Policies

Regional policy instruments are the direct means by which regional objectives are pursued. The Fourth Plan will foster and extend the system of Development Centers to promote development at the national, regional and local levels. The Development Centers are arranged in a hierarchy according to their national, regional or local significance. This system provides the necessary institutional framework for regional development, while enabling each area to realize economic expansion according to its own potential. Furthermore, it supports the extension of the Village Cluster program which is in accord with the needs and potential of the Amirate and settlements concerned. The system of Village Clusters is especially relevant to the coordination of services, and making their provision cost-efficient, by designating a group of settlements as a cluster. In this respect the two systems of Development Centers and Village Clusters are complementary in structure, function and criteria of selection, as can be seen from Table 14-1.

The Amirate-based planning by MOMRA and Amirate Surveys by MOP will continue as the direct means of identifying the economic potential and requirements at the Amirate and sub-Amirate levels. This will enhance the capabilities of individual agencies to coordinate and monitor their own programs, while supporting the private sector to realize productive opportunities at the local level.

The means by which balanced regional growth will be promoted are:

- improvements in coordination between executive agencies in the field, so that both internal coordination between an agency and its branches, and coordination between different agencies, will lead to a more equitable distribution of services;
- the continuation of special surveys and master plans, for regions, Amirates and communities to update their knowledge of present conditions and to highlight particular disparities affecting a given area;
- the direct adoption of the strategic objectives of the Fourth Development Plan, and the direct implementation of the regional strategy and policy instruments as described above.

This approach to balanced regional growth along three levels emphasizes the interaction between regional policy, agency performance and specific studies in dealing with development requirements and encouraging the potential of the various parts of the Kingdom.

14.2.2 PROGRAMS

The programs of regional development cover several fields of activities, with particular emphasis on the 14 Emirates' meeting their local requirements and growth potential. The implementation of development programs is the responsibility of Ministries and their branches, while Emirates are responsible for coordination among agencies, accurate, comprehensive data collection, and follow-up prior to and after program and project implementation.

Programs concerning Emirates' development and approved expenditures were stated in operational plans of government agencies, and most of these programs were described in earlier chapters of the Plan. Regional development strategy and targets of each government agency were taken into consideration upon preparation of Emirate programs and projects. The Ministry of Planning will continue to coordinate development efforts for realizing balanced development in the Kingdom.

Table 14-1

**STRUCTURE OF DEVELOPMENT CENTERS AND THE
VILLAGE CLUSTER PROGRAM**

<u>Development Centers</u>	<u>CRITERIA</u>	<u>FUNCTIONS</u>
National Centers	Given the development potential of an area, the provision of development services is geared to the needs and resources of the center and its host area, whether it is national, regional or district. In addition, specific criteria of selection are: the resource potential of the center and its zone of influence; strategic significance of the center or its area; location advantages and accessibility for services provision.	<i>National Center</i> , fulfilling various economic and administrative functions for the whole country, providing very specialized services, and a growth pole of national significance.
Regional Centers		<i>Regional Center</i> , creating various specialized economic, welfare and administrative institutions, which can reasonably be shared by a number of districts.
District Centers		<i>District Center</i> , creating institutions and services needed frequently by a given population which is termed a district (which can be delineated according to both accessibility to the particular services and the capacity of the services).
<u>Village Cluster Program</u>	The main criteria for this program are: total population of the central village and its cluster, or of surrounding nomadic settlements; distance between the central or model village and where the services are to be distributed; development of the area based on surveys regarding existing conditions and potential.	<i>Village Cluster</i> , providing municipal-type services from a central village to a cluster of villages or to the surrounding nomadic population. Village Clusters have also been given more extensive powers to coordinate the electrification program and health services, and to carry out physical-type planning.
Village Model Cluster Village		

