

# Oman's Uncertain Prospects After Qaboos

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For nearly a year, Oman has been preoccupied with the health of Sultan Qaboos b. Sa'id, ruler of the country for an incredible 45 years. After spending more than seven months in Germany undergoing medical treatment, the Sultan finally returned to Oman on 23 March 2015. It is unclear how recovered he is from his illness and therefore speculation on succession remains a hot topic of discussion. Although who will succeed cannot be predicted with any certainty, a good guess is that the process will proceed smoothly. But even under a capable new sultan, Oman's path promises to be fairly rocky over the next decade and beyond.

### **What next**

Three topics dominate conversation among Omanis: succession, falling oil prices, and the disturbed international situation. Oman seems better insulated against the last topic than any other country in the region, although the continuing disintegration of neighbouring Yemen threatens to draw Oman into one fray. The matter of succession naturally is a major preoccupation but Omanis can do nothing about it except wait nervously for it to take place. Similarly, falling oil prices are outside their control but they promise to have the greatest immediate impact on people's lives. Whoever the new sultan will be, economic issues are likely to be his greatest challenge.

### **Analysis**

It is widely assumed, inside Oman and outside, that succession will fall to one of three sons of Sultan Qaboos' late uncle Tariq b. Taymur. There are few even remotely viable choices within the ruling Al Sa'id family and seeking leadership outside the family is not really viable. Whether succession succeeds smoothly seems to depend on whether the three brothers have decided among themselves which is to succeed and what role the other two will play – perhaps in a scenario similar to the agreement of both Shaykh Muhammad b. Rashid Al Maktum in Dubai and Shaykh Muhammad b. Zayid in Abu Dhabi to acquiesce in favour of older brothers and being named heirs apparent in return. If this is indeed the case, then succession should be almost instantaneous as the family undoubtedly will give its stamp of approval and the rest of the country will tender its *bay'ah* (allegiance). If, as is less likely, there is no agreement between the brothers, then the family is likely to be deadlocked and the decision passed on to the Defence Council (expanded recently with a few civilian members). The outcome then is indeterminate.

## **Impact on the ruling family**

Unlike elsewhere in the Gulf, the Al Sa'id ruling family is small and weak. This is a principal reason why there are few other viable candidates for succession in the family. Speculation that the family might unite on a weak candidate to ensure that they won't be dominated again by a strong sultan seems very unlikely. At the same time, the larger Al Bu Sa'id family has no pretensions to the throne but serve as loyal servants.

## **The Muscat elite**

The Muscat elite is likely to be heavily impacted by the change in government. Most of its constituents are from the capital and also from variant ethnic or religious communities that carry little or no weight outside of Muscat itself. The ranks of the original elite that rose to power and influence with the accession of Sultan Qaboos have been winnowed already by age, death, and superannuation. Some of their sons and daughters have become prominent in their stead but the political and commercial elite has broadened as other Omanis have used their official and private positions to create business empires. Nevertheless, the prominence of the Muscat elite depends heavily on the patronage of the current sultan. While his successor almost certainly will be dependent on many members of the present elite, it is equally likely that he will replace present high officials and advisers with others more personally loyal to him.

## **The tribes**

The tribes of Oman have lost most of their political importance but remain vibrant in social terms. Rivalries between individual tribes have been restricted since the 1960s but for the most part Oman remains a heavily tribal society. To a large extent, this means it is also conservative and the great majority of Omanis have no wish to change the present system. It is also true that there remains an enormous reservoir of loyalty to Sultan Qaboos and there is no guarantee that his successor will enjoy the same.

## **Dhufar**

Great strides have been made since the 1970s to integrate Dhufar with northern Oman. Nevertheless, the two halves of Oman remain distinct. While increasing numbers of Dhufaris live and work in the north, particularly in Muscat, their only direct tie with the ruling family is in the person of Sultan Qaboos, born and raised in Dhufar of a Dhufari mother. While the situation and role of Dhufaris is not likely to change – it is long past the time when Dhufaris could think of independence or union with immediately adjoining Yemen – it is also likely that Dhufaris in senior positions will not be retained by future sultans.

## **Security services**

Given that the expanded Defence Council is charged by the Basic Law with choosing a successor if the ruling family is unable to agree on a candidate, the possibility should be considered – however, remote it may be – that the council will ignore the provision that it should read out the name of the successor secretly chosen by the deceased sultan. Given the problems with choosing someone outside the Al Sa'idi, the only viable option would seem to be the imposition of a government led or supervised by the security services. There was a time in Arab politics when this was a frequent occurrence. However, it seems very unlikely in Oman since the choice of any military leader, most likely from a northern tribe, is likely to be opposed by other tribes and Dhufaris. Furthermore, the various services are highly competitive with each other. Most importantly, there has been no sign of the politicization of the security services to date. It can be supposed that the security services are much more likely to accept whatever leader the ruling family or the deceased sultan has chosen and to offer their loyalty to him. Naturally, if a new sultan proves unequal to the task of leadership, there may come a point when the security services expresses dissatisfaction with the leadership. This is very remote, however, since two of the three leading candidates for succession had noteworthy military careers.

### **Alternative Sources of Income to Oil**

Oil has been Oman's engine of economic expansion and development for half a century. Despite repeated and varied efforts, there has been only limited success in economic diversification. As a consequence, Oman has been highly sensitive to oil prices and has endured several severe periods of debts over the last 40 years. Its oil is also the most expensive in the Gulf to produce and the main (partly government owned) producer has turned to tertiary techniques to recover reserves.

A central concern of any new sultan must be expanding alternative sources of government income and, just as importantly, industries that are labour intensive. Partial remedies in recent years have been natural gas and tourism. The former provides foreign exchange through the export of liquefied natural gas and also powers the new industrial centre of Suhar. However, production has reached its expected maximum and the sultanate has found it necessary to import gas from Qatar through neighbouring UAE. Gas is also capital intensive and consequently the sultanate has emphasized tourism. While tourism is important to the Omani economy, not least because of its employment opportunities, it still provides only about 3% of GDP.

### **Domestic Discontent**

Falling oil prices over the past year or so have exacerbated a budgetary crunch, and budgets were not particularly robust in any case. Sultan Qaboos' response to the demonstrations in 2011 – including higher social welfare provisions and new employment opportunities, placed a strain on government coffers and the fall in oil prices means that development plans must be scaled back.

The unrest and demonstration in 2011 and after came as a surprise to many outside observers but grievances had been building for years. The number of young people leaving school is over 60,000 and jobs continue to grow scarcer, despite the emphasis on making Suhar an industrial

centre. Sultan Qaboos carried through on his promise to create 50,000 jobs but this has bloated government rolls. Even more, many of those taking up new jobs have abandoned jobs in the private sector, which frequently have been filled by expatriates whose numbers in Oman are growing.

The protests of the past few years are driven in large part by economic concerns. Opposition to corruption in high places and ostentatiousness by Oman's largely Muscat-based commercial elite also has played a role. But an underlying dissatisfaction can be discerned with the way the present system functions. Sultan Qaboos has been a popular leader and demonstrators were at pains to emphasize that they wished to see the system operate more equitably rather than change the system. But younger generations of Omanis have no memories of how the country was transformed in 1970s and therefore have far less personal loyalty to Sultan Qaboos. More concern for modest political liberalization is emerging, as well as a growing, although muted, trend toward religious conservatism.

These are difficult matters for Sultan Qaboos to handle. They are much more of a challenge to any successor. No candidate played a formative role in the emergence of modernizing Oman, none has had a high profile in the government, none has any personal ties to Dhufar, and none has had an opportunity present the sort of competence, levelheadedness, and capability that the country will sorely need. This is particularly vital since the current system of government is highly personalized and structurally weak at the top. The next sultan faces the challenges of maintaining the country's present cohesion, expanding economic opportunities and raising the standard of living, restructuring the system to fit his needs, and replacing the higher echelons of government officials and advisers.

## **Conclusion**

Many of these problems and constraints fall beyond the capability of any new sultan to solve immediately, any more than the present sultan is able to do so. But no doubt public opinion increasingly will expect the economic situation to improve. Thus a new sultan will need to implement policies and a supporting team that moves the country forward. It is by no means certain that any of the potential candidates is up to the task.