

## Oman's next sultan will face greater social challenges

Tuesday, May 12 2015

After more than seven months in Germany undergoing medical treatment, Sultan Qaboos Bu Sa'id finally returned to Oman on March 23. Qaboos has ruled the country for 45 years and enjoys enormous personal loyalty among Omanis. However, his successor is likely to face a much rockier time in power -- he will lack Qaboos's legitimacy, but will also need to face up to Oman's worsening economic situation, which will present serious challenges even to a capable new sultan.



US Secretary of State John Kerry meets with Qaboos in Muscat (Reuters/Jim Young)

### What next

Oman's next sultan faces the challenges of maintaining the country's cohesion, expanding economic opportunities, and raising living standards amid a highly tightened fiscal environment. However, his first priority will be restructuring the highly personalised system of government created by his predecessor. There is a low risk that Qaboos's death may create a political vacuum, leading to dysfunctional government. This scenario would only be likely to arise following a disputed succession process or if the new sultan proves incompetent.

### Analysis

The succession is widely expected to fall to one of three sons of Sultan Qaboos's late uncle Tariq bin Taimur. There are few choices within the ruling Al Sa'id family and seeking leadership outside the family is not really viable. Although the successors' identity is not known, the succession process itself is likely to proceed smoothly (see OMAN: Legitimacy questions loom over succession - December 23, 2014).

However, the successor will rule over a significantly different political landscape than that of Qaboos, due to their lack of reputation and experience, and the state's much more strained economic position.

### Weaker successor

The next sultan is likely to enjoy far less personal power than his predecessor. Sultan Qaboos's popularity largely rests on the formative role he played in the emergence of modernising Oman; however, none of the candidates being tipped for succession played a similar role.

None have had a high profile in government, or had any opportunity to demonstrate that they have the capabilities needed to run the country. This is due to the highly personalised nature of the current system which was created on an ad hoc basis and developed to serve Qaboos's interests and requirements.

### Political challengers?

The next sultan's first task will therefore be to reshape government to fit his own needs, notably by replacing the higher echelons of government officials and advisers loyal to him personally. He is unlikely to face any significant challenges from other quarters of the Omani political system:

- *Ruling family.* Unlike elsewhere in the Gulf, Oman's ruling family is small and weak. It is therefore unlikely to be a significant political player under the new sultan. Moreover, the larger Al Bu Sa'id family has no pretensions to the throne, but serve the state as loyal servants.

### Impact

- Social protests are likely to become more frequent under Qaboos's successor if he fails to tackle economic problems.
- Despite his weaker position, the next sultan will remain the most powerful actor in the Omani political system.
- Oman will maintain its distinctive regional policy, maintaining close ties with both Iran and Arab Gulf states.

- *The Muscat elite.* Omanis have used their official positions and personal connections to create business empires. Most of the elite are from the capital with no influence outside Muscat, and their position depends heavily on the current sultan's patronage.
- *The tribes.* Oman is a heavily tribal society. The tribes have lost most of their political importance, but retain heavy social influence. This means conservative attitudes dominate, with the great majority of Omanis showing no wish to change the present system.
- *Dhofar.* Omanis from the south-eastern region of Dhofar are unlikely to be retained by future sultans in senior government positions. Their current status is heavily dependent on Qaboos's links to Dhofar where he was born and raised.
- *Military and security services.* The military is unlikely to intervene in the succession process and impose its own candidate from the military, even if the ruling family is unable to agree on a successor. Two of the three leading candidates for succession had military careers. Moreover, there has been no sign of the politicisation of the security services to date.

### Economic concerns

However, even with limited opposition, the new sultan will face significant challenges governing Oman. With far less political capital and economic resources to hand than his predecessor, and no experience of top-level decision-making and governance, the new sultan is likely to struggle to address Oman's mounting social and economic problems.

Falling oil prices over the past year have exacerbated a budgetary crunch and mean that development plans must be scaled back. A central concern of any new sultan must therefore be reorienting government income away from dependence on oil and towards labour-intensive industries (see GULF STATES: Fiscal pressures pave way to austerity - December 3, 2014).

Pressure to increase government revenues is even greater given high public spending following higher social welfare provisions and 50,000 new public sector jobs introduced in response to the 2011 protests.

However, the increase of government pay rolls has made it harder to solve Oman's unemployment problem by further reducing incentives for Omanis to work in the private sector. These jobs are frequently filled by expatriates, and around half of nationals are employed by the public sector (see OMAN: Youth unemployment poses main stability risk - December 10, 2013). Oman's unemployment rate is estimated at 15%, with youth unemployment at just under 20%.

### Political liberalisation

Failure by the new sultan to address these challenges adequately could have significant political consequences.

The protests of recent years were largely driven by economic concerns and popular anger at corruption and ostentatious spending among the commercial elite. Demonstrators have emphasised their demand is to see the system operate more equitably rather than overthrow it.

These concerns appear to be reflected in the wider population, whose main priority is not more democratic rule, but better social and economic conditions, for example through improved government benefits, and a clean sweep of corrupt figures from government.

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20%

Estimated youth  
unemployment rate

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More democratic government  
is highly unlikely

Yet there appears to be an underlying dissatisfaction with the way the present system functions. Younger generations have more concern for modest political liberalisation. If government spending is cut and more direct taxation introduced, then people's attitudes toward the government and the ruler may well change. This could prompt protests and there may be a demand for more accountability. However, this is unlikely to translate into freer elections and more responsible democratic representation in the short to medium term.