

Kuwait Programme on Development, Governance
and Globalisation in the Gulf States

Social Stratification in the Gulf Cooperation Council States

Nora Colton



January 2011

Number 14

The Kuwait Programme on Development, Governance and Globalisation in the Gulf States is a ten-year multidisciplinary global programme. It focuses on topics such as globalization, economic development, diversification of and challenges facing resource-rich economies, trade relations between the Gulf states and major trading partners, energy trading, security and migration.

The Programme primarily studies the six states that comprise the Gulf Cooperation Council – Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates. However, it also adopts a more flexible and broader conception when the interests of research require that key regional and international actors, such as Yemen, Iraq, Iran, as well as its interconnections with Russia, China and India, be considered.

The Programme is hosted in LSE's interdisciplinary Centre for the Study of Global Governance, and led by Professor David Held, co-director of the Centre. It supports post-doctoral researchers and PhD students, develops academic networks between LSE and Gulf institutions and hosts a regular Gulf seminar series at the LSE, as well as major biennial conferences in Kuwait and London.

The Programme is funded by the Kuwait Foundation for the Advancement of Sciences.

www.lse.ac.uk/LSEKP/

Social Stratification in the Gulf Cooperation Council States

Research Paper, Kuwait Programme on Development, Governance and Globalisation in the Gulf States

Nora Ann Colton

Principal Lecturer in International Business

Royal Docks Business School

University of East London

N.A.Colton@uel.ac.uk

Copyright © Nora Ann Colton 2011

The right of Nora Ann Colton to be identified as the author of this work has been asserted in accordance with the Copyright, Designs and Patents Act 1988.

Published in 2011.

All rights reserved. Except for the quotation of short passages for the purposes of criticism and review, no part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior permission of Nora Ann Colton. The views and opinions expressed in this publication are those of the author and not necessarily those of London School of Economics and Political Science (LSE) or the Kuwait Programme on Development, Governance and Globalisation in the Gulf States. Neither Nora Ann Colton nor LSE accepts any liability for loss or damage incurred as a result of the use of or reliance on the content of this publication.

Social Stratification in the Gulf Cooperation Council States

NORA ANN COLTON*

Abstract

This study attempts to give the reader an understanding of social stratification in the Gulf Cooperation Council (GCC) states – Kuwait, Saudi Arabia, Bahrain, Qatar, the United Arab Emirates and Oman. Using the principal-agent theoretical framework for examining both the socio-economic splintering of society and the internal workings that have shaped various groups within these societies, this study hopes to be a departure from the rentier model for examining the Gulf states. This study will consider various social groups in the GCC as one population with the intent of identifying how they act and react to each other. Examining the socio-economic forces that have shaped the GCC states and the Arabian Peninsula in this framework makes possible a better explanation and understanding of present-day social stratification. The study concludes that social stratification in the Gulf is based on one's affiliation to the ruling family, first and foremost. This situation creates a number of divides within society, most importantly the division based on nationality. Whether or not one is considered a national of the country one resides in is extremely important in determining one's place in society and one's entitlements.

1. INTRODUCTION

The Gulf Cooperation Council (GCC) countries underwent a rapid transition in the twentieth century that is often trivially attributed to the export of oil and the mass consumption of goods. However, the post-World War II period and, subsequently, the nationalization of the oil industry are much more nuanced and profound. The post-World War II period represents an important turning point in the role and power of the state. In the late 1950s, various governments in the region began to assert themselves in terms of managing and controlling their oil industries and their revenues. In 1949, Venezuela first approached Iran, Iraq, Kuwait (even though it had not then become an independent state) and Saudi Arabia about the formation of the Organization of Petroleum Exporting Countries (OPEC). Although OPEC did not formally meet until years later, during this earlier period, various governments in the region started to enter into new and better deals with foreign oil companies through a process of joint ventures on territory instead of

* I would like to thank the anonymous readers for their helpful comments.

making concessions through treaty. These actions led to increased revenue to the states, but also, more importantly, the beginning of a more conscious state actor.

Although the most widely used approach to examining a socio-economic phenomenon in this region is to view it from the standpoint of the petroleum industry (owners of factors of production), this study hopes to give a deeper understanding of the social stratification that has evolved by considering the petroleum industry as one of the many factors that have shaped social relationships in this region, instead of as the sole factor. Furthermore, this study employs the principal–agent theoretical framework for examining not only the socio-economic splintering of society, but also the internal workings that have shaped these various groups. Lastly, there has been a tendency to view the indigenous population as functioning in a vacuum with the foreign population solely as its keepers. These are complex societies consisting of many layers of both indigenous peoples and foreigners who come together to constitute a whole society. A number of studies focus on various groups of either indigenous peoples or foreigners, but few appreciate how these various groups function as a whole society. This study examines these various populations as one population with different layers, with the intent of identifying how they act and react to each other. Examining the socio-economic forces that have shaped the GCC states in this framework makes possible a better explanation and understanding of present-day social stratification.

The study starts with a historical overview as a means of demonstrating the complexity of the interworking of the region and the historical roots of present-day states, followed by a look at the principal–agent approach as a framework of analysis. This study then will primarily be dedicated to presenting various case studies, including all six GCC member states. The case study approach goes country by country to allow for distinctions in practices and structures as well as internal characteristics that may not be common to all these countries. While common themes are noted, the paper does not attempt to make direct comparisons given the inadequate data that is available for pursuing such an approach; this approach does not preclude the emergence of common themes from these various case studies. The conclusion draws lessons from the case studies with the hope of providing a present-day picture of social stratification in the GCC.

2. A HISTORICAL OVERVIEW

Prior to World War II, the Gulf region had a merchant class who made their living in trading, pearling and/or slavery. This wealth started to dissipate for various reasons at various rates throughout the region as oil revenues, in the hands of state actors, increased. The interiors of most states were peopled with Bedouin tribes that sustained themselves by animal husbandry and trade. Agriculture was very underdeveloped given the harsh terrain that makes up much of this region. It has been argued that with the development of oil, the merchants lost not only economic power, but also political power. Scholars have stated that the merchants essentially relinquished their political strength for economic returns in the form of oil revenues (Crystal 1995). The Bedouin also adapted to a more sedentary existence under state rule. Furthermore, the ruling families in the region developed new relations not only through their bureaucratic role and the need for bureaucratic elites, but also through their role as the provider to the population of subsidies and social services (Al-Naqeeb 1990). In fact, it has been asserted that this arrangement is present throughout the GCC states – Kuwait, Saudi Arabia, Bahrain, Qatar, the United Arab Emirates and Oman. These subsidies and social services are often distributed unequally with some societal groups not receiving any direct support from the state.

However, a counterargument can be made to this view of the socio-economic evolution of the region. Rosemarie Said Zahlan argues that the structure of Gulf societies is a by-product of a particular kind of British rule in the GCC region (Zahlan 1998). The British were a colonial force in the region from 1820 to 1971. The British government signed separate agreements with the various rulers in the region and a General Treaty of Peace, which established these various rulers as separate political units. The British took a two-pronged approach in the region. First, they diminished the power of other foreign states in the region by drawing up very restrictive agreements and treaties, and, second, they negotiated with the various leaders of the region separately. Many of these treaties remained until the British left the region in 1971. An important feature of this system was the way the British held the rulers personally responsible for fulfilling their treaties and only dealt with a particular designated leader in each state (Zahlan 1998).

Furthermore, British treaties were structured to protect as well as to isolate the Gulf region, leading to states that were very parochial and inward-looking. The British government held the right to negotiate on behalf of the Gulf states in all foreign affairs. Consequently, the only state that the Gulf region had direct contact with was India, due to its ties with Britain. However, in spite of this foreign policy position, the British did not develop this region or interfere consistently with local affairs except in the case of Bahrain. British interference in Bahrain, the seat of British power and influence in the Gulf, saw much more micro-management. Again, the local leaders were held accountable to the British and to their own people. Even after oil companies started to enter the region, the companies followed suit and negotiated concessions with the individual heads of state. In fact, the increased income that came with oil only served to strengthen the position of the ruler, as the extra revenue that did not come from taxes and British subsidies could be used to build a state structure.

Oil brought new forces and change that restructured the geo-political makeup of the region, but most importantly, it brought stability and the establishment of these states as rentier states that relied on the production of a single commodity (petroleum). The state and its rulers did not have to depend on citizens for income, but locals had to depend on them. If the state relied on anyone, it was foreign oil companies and external governments, which themselves served at the pleasure of the state. The state was free from extracting resources from tribal, religious and merchant groups to sustain itself. The state also became the employer of the people as well as the source of non-oil initiatives. However, the state was not totally free from its citizens. In spite of its new wealth it still had to seek legitimacy from them.

Much of this changed with the 1990s and the volatility that petroleum markets and prices caused. However, this was not the first or last time oil prices were to fluctuate and bring new kinds of change. Of course, immediately after independence from Britain in 1971, the confrontation between the Arab states and Israel brought about the 1973 oil crisis, which led to the nationalization of a number of the states' oil industries, coupled with a huge boost in oil revenue. This situation led to a big influx of foreign labour as most of the GCC states began to build modern infrastructure. It has been estimated that in 1975, the Gulf region had a labour requirement of 9,728,000; Saudi Arabia had a labour

requirement of 1,968,000 with a national workforce of 1,300,000 (Serageldin 1983). In spite of this huge and fast increase in wealth, the ways in which the society functioned did not change so significantly.

Of course, the bureaucratic nature of the state increased and the accessibility of the rulers decreased, but much of the system that had existed from the onset of British rule in the region stayed in place. The rulers were still very much in control and, in fact, were now in a position to consolidate their positions by providing employment through a system that gave preferential treatment to nationals for civil servant positions. Tim Niblock concluded that state bureaucrats as a percentage of the labour force were much higher in the GCC states than in other countries: 55.9 per cent for Kuwait, 29.3 per cent for UAE, and 26.1 per cent for Saudi Arabia (Niblock 1982).

This situation was also true when oil prices dropped in the 1980s; however, the 1990s ushered in a new and more lasting type of change as many of the states (particularly Bahrain, Qatar and Oman) started to realize that limited oil reserves would not sustain them in the future. Again, oil is seen as the change agent. Its increase and then rapid decrease led to social unrest coupled with a realization that economic diversification was needed. Diversification was brought about by engaging foreigners in sectors outside of oil and a re-emergence of the merchant class. As the economies changed in these countries, the foreign labour that was demanded changed as well in terms of the level of education and the countries that could supply this new labour force. This new foreign class, as well as the re-emerging merchant class, has been associated with the diversification of the economies and globalization.

Also, nationals in the region realized they could not look to their own governments for security. Britain had been the protector of these states from 1820 to 1971. As long as their rulers obeyed the treaties signed with Britain, the British would protect them fiercely. These states (many of them tiny and with no real military) came to rely on Britain when their security was threatened.

Once the British began to leave the region in 1971, Saudi Arabia, the largest and most powerful of these GCC states, came to assume the role of protector. Saudi Arabia was seen to play a 'big brother' role in the GCC region by keeping the other states in line. However, on 2 August 1990, Iraq invaded Kuwait on the pretext that a resolution of a

border dispute could not be found. The citizens of the GCC were awoken to the fact that they could not guarantee their own security without seeking help from outside the region. Of course, this time Britain played a supporting role while the United States was the star actor. This awakening has meant that many in the region have begun to question not only the role of the ruler, but also the fact that they are again confronted with a foreign policy path that is very much shaped by their protector.

Although there are many insights to be had in this account of the development of the GCC region, it lacks the complexity of the interworking of the region, which really has remained quite stable throughout the periods discussed. In this paper, principal–agent theory is employed to capture the multi-layered landscape that exists in the GCC states. Who has acted as the principal (person in charge)? Who are the agents (the people who report to the principal)? What types of asymmetrical relationships exist between the principal and agents? What is the principal–agent problem?

3. PRINCIPAL–AGENT THEORY

Principal–agent theory comes out of the economic literature, but has been adapted to look at political phenomena as well (Shapiro 2005; Eisenhardt 1989; Moe 1984). Although it has not been used extensively by sociologists, the case at hand makes it a very appropriate framework of analysis. Principal–agent theory is based on examining the difficulties that arise when trying to align the interests of groups of individuals who do not always share the same goals and aspirations. The parallel in the sociological literature would be to the functionalist approach, which sees social stratification as a functional necessity, based on a differentiated system of rewards in which an unequal distribution of incentives stems from the functional importance of the respective position and the scarcity of qualified personnel (Hoerning 1971; Tumin 1963; Buckley 1958). This approach contrasts with an explanation of social stratification as something caused by societal norms (non-functionalist approach). Although the functionalist approach is a useful framework of analysis that captures some of the elements that exist in the GCC states, it lacks the empowerment of the agent that can be seen in the principal–agent theory. Other approaches such as patrimonialism and rentier state theory can be means to describe the behaviour of the state, but they do not capture or proffer a framework for examining the social structure that has evolved in the Gulf (see Brinkerhoff and Crosby

2002; Weber 1947; Rudolph and Rudolph 1979; Kochanek 1993; Beblawi and Luciano 1987; Anderson 1987; Smith 2004). Although clientelism refers to a social organization that is common in many developing regions characterized by a patron–client relationship, it is most often used in the literature to examine relationships that are typically exploitative (see Lasswell 1958; Schmidt et al. 1977; Kettering 1988; Auyero 2001; Migdal 1988; Martz 1997). The relationships that exist in the Gulf between the state actors and the various social groups cannot be characterized in this way.

The principals, in the case of the GCC states, are the male rulers who have the political and economic power (control of the petroleum industry). Although it can be argued that their historical significance is based on societal norms and power structures before World War II, an economic argument appears to be a better explanation of why this relationship has sustained itself through the various historical epochs. The agents are the various groups that make up the population – members of extended families, merchants (foreign and indigenous), bureaucrats, women, religious groups (such as the Shi'ites in Saudi Arabia), Bedouins, foreign corporations, long-term residents with no citizenship (Palestinians and Somalians), and foreign workers, who range from the well educated to maids and servants. Again, many of these groups emerged initially due to historical rights to citizenship and resources, but their present-day role in society is maintained by their economic significance as well as their ability to garner returns from the principals for maintaining their role within society. These multiple agents may create conflicting goals and mistrust as the principals do not know whether they are carrying out their goals. This leads to different incentives, mainly in the form of subsidies and monetary compensation, to control the various groups as well as third-party actors.

Even within these principal/royal families, nepotism interlinked with conflict can lead to the selection of less capable principals. This has been particularly relevant among the royals of various states in the GCC, where family feuds have often led to bloodshed over who should lead and who should follow. A case in point is Abu Dhabi in the early part of the twentieth century, when Sheikh Hamdan bin Zayid was murdered by his brother in 1922 because the sheikh had discontinued the subsidies usually paid to the other royals and was not ruling in a way that other family members found appropriate.

Furthermore, since family members are often compensated generously with indefinite job tenure regardless of merit, principals lack the ability to constrain their behaviour. All of these factors have led to a much more fluid social structure than is recognized in the present literature. This structure is linked to types of agency relations (merchants, religious groups, women, etc.) that have resulted in different combinations of recruitment, monitoring and sanctioning of practices in terms of the administrative system. Almost all of the GCC states have had campaigns and labour laws that have been purposely structured to favour the indigenous population. Often this situation has meant that the qualifications as well as the productivity of the indigenous labour force have lagged behind those of the immigrant population and of less favoured minority groups that make up part of the indigenous population.

This study uses the principal–agent problem as the basis for analysing the states that make up the GCC. The study examines each of the six members in the period just prior to World War II. In each case, the principals are identified as well as the agents. The paper then examines how the principal–agent problem is dealt with in each case and between different agents. Each case study recognizes the individual characters and characteristics that have shaped the society at hand. The principal–agent theory acts as a framework of analysis for comparing and contrasting the various cases. The study looks specifically at the agency costs that arise from attempting to solve the principal–agent problem, such as designing incentives to align the interests of principal and agent, social controls, moral hazard, corruption, policing and the question of who oversees agents. The paper will examine the use of professions, family, markets, roles and social exchange to identify both principals and agents.

By examining the social stratification in the GCC states in this framework, this study goes beyond viewing the ruling families as all-powerful and all other groups within society as passive actors waiting for oil revenues to be bestowed upon them for good behaviour. Rather, these are dynamic societies where the agents often have more power and say, due to an asymmetry of information in which the principals often do not know what the agents are doing or engaged in at any given time. Therefore, the principal must maintain adequate incentives so that the agents continue to abide by the status quo as put forth by the ruling families. In fact, it can be argued that it is a testament to the

power of this system and the fact that the principals have stayed attuned to the incentives necessary to appease the agents that there has been relative stability in the GCC region since World War II. Lastly, this study will not overly focus on the tribal system that has existed in the GCC region unless it is of value for understanding the socio-economic groups that exist today.

4. KUWAIT

Kuwait makes a very interesting case study to illustrate the principal-agent theory. Those who are able to call themselves Kuwaitis have been able to remain part of a very cohesive society for over the past hundred years. Much of this cohesiveness since World War II has been due not only to having oil wealth, but to astute leaders who have been able to exchange this wealth directly and indirectly with the various factions that make up Kuwaiti society. Moreover, this wealth has been distributed in a way that has reaffirmed the role of the ruler and, subsequently, the ruling family.

It has been argued that the patterns of behaviour that were established under the British, namely relying on the rulers of the various Gulf states to take personal responsibility for treaties and actions that involved Britain and its representatives, helped establish this role and the people's perception of what constituted a legitimate leader. This positioning was only reinforced by the development of the oil industry with its revenues channelled through the ruler (Zahlan 1998). In spite of this view, it has been argued that much of the stability in the Gulf in recent decades is due to the discovery of oil and, in fact, the earlier period was a time when the ruler was not seen to have any higher status than the merchants that he was dependent upon for revenue (Crystal 1995). Yet even this interpretation recognizes the need for a distinction to be made in the case of Kuwait that requires a framework other than the commonly used rentier state theory (Crystal 1995; Moore 2004). It is argued that rents have been important for the social development of Kuwait, but they are not where the ruler gets his legitimacy.

In the case of Kuwait, one sees that the Al-Sabah family, already well respected, had a strong foothold in the society prior to the exit of the British and the substantial increases in oil wealth. It is believed that the Al-Sabah family settled in Kuwait in the early eighteenth century. They were members of the Anaiza tribe of Nejd. The merchant class, which was the dominant economic class at that time, settled around the same period

and came from similar tribes. From the start, an unofficial agreement that the Al-Sabahs would rule the country while the merchants would be allowed to pursue their business affairs was in place. Many of the early economic activities that were pursued were in the areas of pearling, boat building and trade.

Significantly in this earlier period, the ruler, although from the Al-Sabah family, ruled autonomously in terms of not feeling the need to confer with his family. Instead, the rulers relied on close confidants and key merchants to make decisions (Crystal 1995). It was not until 1938 with the Majlis Movement, an uprising by a group mainly composed of merchants demanding more political participation, that the relationship between the merchants, the ruling family and the ruler started to change. The lead-up to this opposition movement was a world economic downturn that affected Kuwait's economy particularly in terms of the pearling industry, which collapsed during this period. However, given that the discovery of oil is credited to the same year, there has been confusion as to whether it was the oil or the uprising that was the catalyst for change. Needless to say, both factors existed; however, it was most probably the uprising that had the greatest impact on Sheikh Ahmad Al-Jabir (1885–1950) instead of oil revenues, which did not really get under way in any substantial amounts until after World War II.

Sheikh Ahmad began to rely increasingly on his family members after 1938, but mainly due to a sense of betrayal by the merchants. Consequently, we see that even before oil rents were substantial, the merchants' role within society started to evolve as the ruler felt that they were not adhering to their implicit duties. This moral hazard problem led Sheikh Ahmad to increase the allowances of family members as well as move them into key positions.

The classic principal–agent dilemma arose for Sheikh Abdullah III Al-Salim (1895–1965), who followed Sheikh Ahmad as the principal; he found that he was bound to select officials from family members, who, once selected, could not necessarily be trusted to act as he expected. Royals acted and behaved according to their own whims. Sheikh Abdullah had no choice but to formalize the various political functions of family members. Furthermore, he used his economic and political power to divide and rule within his family by rewarding certain factions with key positions while lowering the incomes of those who did not play by his rules.

In terms of the merchants, Sheikh Abdullah initially tried to diminish their role. Since he no longer needed them for revenue, he made the mistake of thinking that he also did not need them for political legitimacy. He had begun to think that oil revenues were enough to sustain his legitimacy as ruler. The political inclusiveness that followed the turmoil of 1938 had been a very short period of change in terms of political participation in Kuwait; however, it is seen as the beginning of a more open society.

Sheikh Abdullah paved the road for future leaders in recognizing the importance of the merchant class as a key agent in the development of the state. He began not only to incorporate the merchants again into the political process, but to support them in key projects and areas of investment. Crystal (1995) notes that old families rose as modern contractors as a result of these state policies, maintaining a strong corporate sense of themselves that was reinforced by the Chamber of Commerce and the official stock market. Consequently, the merchants began and continue to be an important component of the Kuwaiti society. The ruler rewards them not only through social services and non-taxation, but by creating incentives and a virtual monopoly over domestic business affairs. The merchants also help to establish a checks-and-balances system in relation to the ruling family members since the two groups often have competing roles within society. In many ways, one could argue that the merchant class of today is very much like the merchant class that existed a hundred years ago. The merchants keep their role in politics to a minimum while looking to the ruler to safeguard their role in society as moneymakers.

In spite of some merchant opposition to various government policies that existed in Kuwait in the 1970s and 1980s, the Iraqi occupation of 1990–1 did not lead merchant Kuwaitis at any time to question the role of the Al-Sabah family. This situation is a testament to the relationship that has evolved between these two groups. Another example occurred in the early 1980s when the price of oil dropped, coupled with the collapse of the Suq al-Manakh (an informal stock exchange that had developed in Kuwait). Merchants were greatly affected by the crisis; however, they never questioned the rule of the Al-Sabah family. This was in all likelihood because the ruling family stepped in to repay the majority of private debts incurred as a result of the crisis – a critical example of the co-optation of support through the redistribution of rent.

Kuwait is a constitutional monarchy and is credited with having one of the oldest directly elected parliaments in the Arab world. The National Assembly consists of fifty elected members, who according to the constitution have a significant say in the affairs of state. There has been conflict between the assembly and the emir, which led to periods of suspension of the assembly from 1976 to 1981, 1986 to 1991, and May to July 1999. In 2005, parliament permitted women to vote, which was seen as a significant advancement of women's rights in Kuwait. Furthermore, in 2005, Massouma Mubarak became the planning minister and minister of state for administrative development affairs, and this was followed by parliamentary elections in 2008 and 2009 with women candidates. In the 2009 elections, four women won seats (Tetreault and Al-Ghanin 2009). The election of women in Kuwait is significant and reflects a desire by the population not just for new faces, but for new political 'groups' to play an increasing role within society. Although these advancements are seen as noteworthy, the emir and his family are still seen as the centre of the system in Kuwait. Nikki Keddie notes that there has been a variety of reasons put forth as to why the emir supported women's suffrage, such as a desire to lessen the power of the opposition, a response to foreign pressure after the Gulf War of 1991, and a wish to strengthen the dynasty's popular base (Keddie 2006). There is also still an active Islamist agenda in Kuwait; thus, gains in terms of new roles in education and employment must be seen in the context of a conservative social and legal system.

The significance of the evolution of this social system and the role of the ruler and the ruled in Kuwait is that the system has tempered much of the perspective on foreigners and foreign labourers in the country. It is estimated that more than 83 per cent of the labour force in Kuwait was foreign, as was 68 per cent of the population, in 2006. These immigrant workers were of seventy nationalities and were involved in almost every sector of the economy (Al-Moosa and McLachlan 1985). Initially, as Kuwait, like its other Gulf neighbours, started down a path of development, it found itself very short of labour. Consequently, the state encouraged temporary migration from other countries. According to the 1980 census, Arab nationals constituted the majority of migrants with 72.5 per cent, while Asians made up 25 per cent and the remainder were Europeans and Americans (Al-Moosa and McLachlan 1985). Today, these figures have changed slightly with a decrease in Arab nationals to 64 per cent, Asians now constituting 23 per cent of

the migrant community, and the remaining 13 per cent made up of other nationals (CIA World Factbook 2010a). Migration, the type of manpower and the nationality of the migrants have become debated topics within Kuwait and abroad. Initially, there was a very naïve view that migrants were just manpower that could be used as needed and then disposed of (sent home). However, after the initial flows into Kuwait in the 1970s, there emerged a new awareness that migrants could impact society and that many would seek to settle in Kuwait.

The reaction to this realization was a preference for Asian workers over Arab workers, who were seen as being able to integrate better with the indigenous population and, subsequently, influence their views and behaviours. This approach to migrant labour was not very successful as many of the Asian workers could not communicate adequately and often did not have the needed skill sets; consequently, worker productivity was lower for Asian workers. Furthermore, many projects that were contracted with foreign firms lacked a sense of understanding of the small indigenous labour force; consequently, they would often put together a production mix that required much more labour than capital in a country that had the reverse dilemma.

This lack of productivity and poor planning of projects led to extensive expenditures and a belief by the ruling family that there needed to be a ‘Kuwaitization’ of the labour force. Consequently, labour laws were constructed that favoured Kuwaitis, often allowing them to have lower qualifications than foreign-born labourers. In spite of this attempt to make the labour force more Kuwaiti, Kuwaitis have continued to cluster in two areas of activity: management and services (mainly government). Moreover, there has been a decline in the number of Kuwaitis who work in manual labour or clerical jobs (Al-Moosa and McLachlan 1985).

The ‘Kuwaitization’ of the labour force has been seen as causing more problems than it has solved. First, there is the problem of low productivity on the part of Kuwaitis who know they are practically guaranteed a job. Migrant labourers, on the other hand, believe that regardless of how hard they work, they can never replace a Kuwaiti. Second, Kuwaitis, particularly those who are part of the ruling family, are promoted regardless of qualifications and achievement. Consequently, they often find themselves in positions that they are not well suited for, demonstrating the principal–agent problem again.

Kuwaitis often think that their jobs and pay are rights of citizenship rather than related to job performance (Maktab 2005). Last, the resentment that has set in due to the favouritism of Kuwaitis has led to a bifurcation of the society, where Kuwaitis work and live with a majority of people from other nationalities but do not actively engage with them in terms of questions about the future of the state or its national development. It is as though both groups function in a vacuum side by side.

The preference for Asian workers over Arabs and the expulsion of the Palestinians in the wake of the 1990 occupation by Iraq led to an increase in the belief by Kuwaitis that there must be a 'Kuwaitization' of the labour force (Palestinians supported Iraq on the eve of the invasion). In the aftermath of the invasion, Amnesty International recorded a large number of human rights abuses, mainly of Palestinians (Casey 2007). The Palestinians and Jordanians (many of Palestinian ancestry) made up the largest groups in Kuwait before the invasion. They were also the groups that were found in surveys to stay the longest in Kuwait, with many having resided as non-citizens for more than fifteen years (Al-Moosa and McLachlan 1985). After the Gulf Crisis there was an attempt by the Kuwaitis to keep foreigners out. This was made by passing labour laws that prevented an over-reliance on foreign labour, but these laws were found to be ineffective in a country that was accustomed to having foreigners provide many vital services. In interviews with returnees to Jordan after the invasion, many expressed anxiety at being expelled to Jordan, a country that they did not know. One returnee recounted how her whole life had been in Kuwait, along with her education, and that she now felt as if she had lost her nationality (Colton, field notes, 1993).

From the viewpoint of many Kuwaitis, the principal-agent problem that emerged with the Gulf Crisis, namely not being able to trust the foreigners they had sponsored and employed, caused the collapse of the social contract that was informally believed to exist. Prior to 1990, Arabs in Kuwait had a social contract in the sense that there was a feeling that they shared a similar cultural and religious background, which meant that they were guaranteed a certain amount of respect and care while in Kuwait. In the 1970s, there was much more integration of housing between Kuwaitis and non-Kuwaitis, and immigrants attended free schools along with Kuwaitis. This social contract began to be strained in the 1980s when the price of oil dropped. The burden of education led the government to

encourage private schools for immigrants along with adding charges for some educational services. There was also the issue of housing, which led to Kuwaiti versus non-Kuwaiti neighbourhoods. Migrants were not allowed to own land, and this led to the migrant community living in lower-quality housing in areas isolated from Kuwaitis and becoming renters from Kuwaiti landowners. The fallout of the Gulf Crisis has been the development of an atmosphere of mistrust between the two communities.

Where the Asian migrants are concerned, a social contract does not seem to exist. Many of the Asians work as domestic servants in Kuwaiti homes, where they average two per home. There have been numerous cases documented of abuse of these workers in the homes of Kuwaitis (Human Rights Watch 2010a). Furthermore, labour laws do not protect domestic workers adequately. The alienation of this community and the fact that many of the lower-paying jobs are now done by Asians have led to a demographic change. Today the majority of Asian workers are single males who often live in group settings to try to minimize the high rents that are often charged by Kuwaitis for substandard housing. The preferred groups of Asian migrants are Filipinos, Koreans, Indians and Pakistanis. These migrants do not share a common language, culture or social habits, and may prove to be much more disruptive to the social stability of Kuwait than the Kuwaitis realize, particularly given the lack of inclusiveness of Kuwaiti planning and society.

The final group within Kuwaiti society that seems to be emerging as a very important constituency for the ruler is Kuwaiti women. Historically, Kuwaiti women were neither seen nor heard. As part of an orthodox Muslim community, they were not only secluded but left poorly educated, with their sphere being the neighbourhood where they resided. However, women have always played an important role within society. They are in charge not only of rearing the children but also of maintaining the social order. In fact, Ahn Nga Longva argues that 'in order to preserve Kuwaiti identity in a country where the majority are foreign migrants, certain rules of self-presentation and conduct are adopted by the nationals to emphasize their distance from the expatriates and maintain their honour' (Longva 1993: 443). Women are attributed with the important role of maintaining this social order.

This situation for women has not precluded their evolution within a dynamic society. There has been an increase of females in the labour force from 2 per cent in 1970 to 14 per cent in 1985 (Central Statistical Office, Ministry of Planning 1989). In the 1960s, 65 per cent of females were illiterate, but in 1989, the majority of students at Kuwait University were women (Longva 1993). In spite of these strides in education coupled with increases in the wealth of all Kuwaitis (women in Kuwait are allowed to hold on to their own wealth), women have not been the socio-economic force for modernization that many western scholars were hoping to see, particularly after the Gulf Crisis.

In fact, Kuwaiti women moved more into the labour force and more visible aspects of society in the 1960s and 1970s only to retrench by the 1980s. One convincing argument for this pattern of behaviour is not the rise of religious fundamentalism, but the impact of migrant labour on the Kuwaiti identity and women in particular (Longva 1993). Prior to the 1980s, Palestinian women who were educated and came to Kuwait as teachers were the role models for young Kuwaiti women who aspired to the workplace. This trend changed as more and more Asian females came to Kuwait as unskilled and domestic workers. These females often come alone with no social ties to the society or families, are often regarded as having a lower status, and are seen as more vulnerable to sexual and physical abuse (Nazar and Kouzekanani 2007).

As Longva points out, Kuwaiti women have become the 'cultural gatekeepers and reproducers' through the politics of exclusion in exchange for a superior role over the non-Kuwaiti population (Longva 1993: 453). It is argued that the *abaya* is worn not solely for religious reasons but also as a way to distinguish Kuwaiti women from foreign women. Furthermore, Kuwaiti women have come to regard certain types of work with lower-class foreign women as beneath them. Consequently, Kuwaiti women are not found throughout the workforce, but clustered in a few high-level, mainly government sectors and roles. In fact, part of the social contract that Kuwaiti women have with their male counterparts is to maintain a national identity. It can be argued that, unlike what many western analysts predicted after the Gulf Crisis in terms of an opening of the political system to women, there has actually been a desire by the majority of Kuwaitis to

maintain the status quo in the face of so much uncertainty about their national identity (Longva 1993).

Kuwait is a society that is made up of a respected hierarchical structure with the ruler as the principal to the various agents. This structure has survived changes to the economy while maintaining social order. It is based not on the integration of society but rather on its separation, as the various actors know their places. The concept of citizenship in Kuwait is itself bifurcated into first- and second-class citizenship, relating to the place of origin and whether citizens are descended from urban or Bedouin roots. In fact, the ruler is the essential link that holds the society together; consequently, all the various social groups respect this role and do not challenge it for fear that it could lead to the unravelling of what has been a very stable political arrangement in spite of foreign invasion.

5. SAUDI ARABIA

To understand the various actors that have evolved to make up the important agents in Saudi Arabia, one cannot just begin in the post-World War II period as though the society developed in a vacuum, because some of the most important and defining relationships from the period before the war have spilled over into Saudi society today. Abdul Aziz ibn Abd Al-Rahman ibn Faisal Al-Saud (1876–1953) founded Saudi Arabia. King Abdul Aziz consolidated more than half the Arabian Peninsula and the tribes that crisscrossed its terrain in the course of a few decades.

King Abdul Aziz's rule was based on his religious legitimacy and his reputation as a strong leader. Essentially, he solved the principal–agent problem by using decrees that discouraged and punished certain behaviour while encouraging and rewarding other behaviour. Again, as in the case of other GCC states, much of the care of the state is seen not so much in terms of the royal family as in terms of the leaders that were selected from the ruling family and empowered through the consensus of the people to be their spokesmen, particularly in regard to the British.

In keeping with a view that existed throughout the GCC states, as the oil industry developed, rulers treated the wealth from oil as their private property. Saudi rulers have not only used this wealth to reward different groups within society for good behaviour to the state, but also used the distribution of this wealth within their own clan as a way of

ensuring the future of the royal family. Mark Weston claims that in 1946, the Saudi government spent US\$10 million on cars and chauffeurs for the royal family but only US\$750,000 on schools (Weston 2008). In the early years, when oil revenues were in huge abundance and merchants as well as clergy were well taken care of by the ruler, criticism was rare. Yet the burden of taking care of the growing number of royals who seemed to exercise no restraint began to become an issue. In 1951, 55 per cent of the government's budget was allocated to state palaces, princes, and royal establishments (Weston 2008).

King Faisal (1904–75), who became ruler in 1964, had to rescue the state and economy from the royals and his brother Saud (initially king until the family replaced him with Faisal), who seemed to think that the oil wealth was their personal fortune. King Faisal separated the money of the royals from the state and started to increase spending on schools, health clinics, water wells and mosques, particularly in rural areas (Trofimov 2007). King Faisal modernized the Saudi economy through the building of an infrastructure. Although he experienced tension with the other royals due to his reducing their economic power, he balanced it by encouraging investments by foreign companies, and building the educational system in Saudi Arabia (Weston 2008).

The present king of Saudi Arabia, Abdullah, has followed much in the steps of King Faisal in terms of cutting the income of thousands of less-senior princes as well as ending many free services and subsidies to royals (Dickey 2009). Although some royals have complained, he remains well respected for his political and economic reforms. He is also known for not moving forward until there is a consensus among the royals on what is 'best' for Saudi Arabia. Consequently, the rewards that he gives are not as great in terms of monetary amounts as were seen in the early years of oil, but the consultation that goes on is seen as equal in value. In fact, King Abdullah did away with a rule of succession of the ablest eldest son by creating, on 20 October 2006, the Allegiance Institution (Weston 2008). This council consists of the sons or grandsons of Abdul Aziz appointed by the king to represent each of the branches of the family. The king in the future will nominate two of his sons or grandsons to be crown prince, and the royal elders will then decide who it should be (Weston 2008).

As important as the royals are for the king to act and function successfully, in the case of Saudi Arabia, the clergy are probably equally or more important in maintaining his legitimacy. As mentioned before, this relationship between religious leaders and the ruler dates back to King Abdul Aziz. However, all the kings since him have had to balance this important relationship. The impact of Wahhabi doctrine and the influence it has had on the national identity, coupled with the fact that both Mecca and Medina – the two holy cities that Muslims visit as part of a religious haj -- are located on its soil, have given the clergy a strength that is unparalleled in other parts of the Arabian Peninsula (Dekmejian 1994). R. Hrair Dekmejian has stated that ‘Islam has become, once again, a two-edged political instrument – as the Kingdom’s primary medium of self-legitimation, and as the main venue of protest for opposition elements’ (Dekmejian 1994: 627).

Given that the ruler needs the support of the clergy to maintain his legitimacy, the clerics are in a powerful position. The general atmosphere in Saudi Arabia during King Fahad’s reign was conservative, with radical elements of the religious establishment asserting themselves. After the Gulf Crisis in 1990, King Fahad was presented with two petitions: one was for a political council, which exists today as the consultative council (Majlis Al-Shura); the second, presented in May 1991 (Laidi 2001), was a religious petition calling for equal accountability of royals and commoners along with the ‘purification’ of the country in regard to people, places and events that were considered non-Islamic. King Fahad ended up appointing Sheikh Abdulaziz ibn Baz as the kingdom’s grand mufti as a way of reducing the tensions over religion in the country (Kepel 2004). Sheikh ibn Baz was a great supporter of the royal family while pushing for a Salafi agenda within Saudi Arabia. King Fahad had many encounters with religious leaders who felt that Islamic rule was not being applied sufficiently. However, it was not until the post-9/11 period that King Abdullah as ruler realized the need to make sure that the religious establishment was not at the centre of all affairs in Saudi Arabia. Since 9/11, a number of steps have been taken with regard to the education system (see Prokop 2003; Shea 2009). These reforms have called for a much more tolerant version of Islam in Saudi Arabia. However, the clerics remain pivotal to the Saudi equation and, therefore, no ruler has called for any separation of religion and the state. Furthermore, such a separation would be a redefinition of what Saudi national identity encompasses.

One group that makes up a significant portion of the population that has been continually discriminated against in various historical epochs in the name of religion is the Shia community of Saudi Arabia (see Human Rights Watch 2009a). Much of this discrimination has come from the Wahhabis as part of the ruling establishment (Steinberg 2001). Human Rights Watch states that ‘These repressive measures have fuelled a lingering sentiment of discrimination among Shia. They observe how the government tolerates inflammatory and intolerant statements by Saudi Sunni clerics directed toward the Shia, while preventing the Shia even from simple acts of religious worship such as praying together. Underlying state discrimination against Shia includes a justice system based on religious law that follows only Sunni interpretations, and an education system that excludes Shia from teaching religion, and Shia children from learning about their Islamic creed’ (2009a: 2)

Although the government has extended a number of loans to Shia businessmen at different times, the merchant community in Saudi Arabia is very closely aligned with the royal family. Particularly in the early years of its development, the government kept in place measures that protected Saudi firms from foreign competition while forcing foreign companies to take Saudi partners (US Department of State 2008). The business elite of Saudi Arabia is made up mainly of family-owned local companies. There is definitely an indirect and direct link between this class of citizens and the royals, similar to the case in Kuwait. In fact, many royals are engaged in commercial activities through proxies as well as through more direct investments (Vassiliev 2000). The king and his regime realize that with population growth (Saudi Arabia’s population doubles every twenty-five years), linking the economy solely to a commodity that may or may not be in great demand or supply in the future is a very dangerous way to behave.¹ The process of opening up Saudi non-oil markets and reforming the country’s legal system and business climate to encourage foreign investment and diversification away from the oil industry has begun; however, Saudi Arabia’s business community continues to be dominated by the royal family and issues concerning the lack of transparency (US Department of State 2008).

¹ The Saudi government has initiated a very ambitious project to build six economic cities that will, it is hoped, provide up to 1.3 million jobs, as well as take the economy into non-oil sectors.

In spite of the growing population of Saudi Arabia, foreign labourers who rushed in at the beginning of rapid development in the 1970s made up more than 27 per cent of the population in 2004 and 51 per cent of the workforce in 2006. Like most Kuwaitis, most Saudis are found in government employment. However, there is an unemployment problem among young Saudis, who are often rejected for work in the private sector because they must be paid more and cannot be fired easily (Colton 2010). In fact, unemployment in Saudi Arabia is estimated to be as high as 20 per cent, with most of those unemployed under the age of 30 (Hardy 2006). Another problem is that many of the jobs that are available are considered jobs for foreigners; as a result, many Saudi men remain unemployed (Hardy 2006).

Most of the foreigners today come from South Asia (Central Department of Statistics and Information, Saudi Arabia 2004), although at the onset of its economic development, Egyptians, Yemenis and Palestinians were more abundant. They were found to be more politically risky since they spoke the same language and could engage in the political discourse. There is a preference for Asian workers who do not speak the language and come from a different culture. However, there have been numerous cases of abuse of foreign domestic workers, which has led to changes in the law to safeguard these individuals (Federation Internationale des Ligues des Droits de l'Homme 2003).

There are also those within the religious establishment who believe that it is against Islam to have all these non-Muslims living and working in the country. Like many of the other GCC states, Saudi Arabia has a number of laws and regulations in place to keep foreign workers from staying in the kingdom; however, such an approach keeps the Saudis from really grasping the fact that as long as they house such a large foreign population, they cannot determine the future of Saudi Arabia without factoring in these individuals (see Human Rights Watch 2009b).

Given the role of charitable deeds within Islam as well as the significance of religion for the king's legitimacy, it is not surprising to find that charitable organizations play a significant role within Saudi Arabia. These organizations are spread throughout Saudi society: from large, internationally known organizations to small charities on the local level. Consequently, the government has to maintain its own presence in this arena to secure the approval and support of its people (Montagu 2010). Mamoun Fandy notes

that the royal family is one with its society not only via government, but also as a group that spreads charitable deeds and resources within the larger society (Fandy 1999). Consequently, one can view organizations that are not a part of the government as informal opposition groups that challenge it on various levels, with the government responding with similar community outreach (Montagu 2010).

The final group within Saudi society that is calling for change is women. Women in Saudi Arabia have traditionally had very few rights and have rarely been recognized as important contributors to the society and economy (Human Rights Watch 2009b). King Faisal was the first king to build schools for girls; however, women have continued to fall victim to another important group within society – the clergy. The fundamentalist view of women, prevalent in the kingdom, has meant that Saudi women do not enjoy as much freedom as other GCC states' females. Saudi women still cannot drive and must get permission from their husbands or fathers for most activities outside the home (Human Rights Watch 2009b). Although most young girls in Saudi Arabia today are educated, most do not work as there are numerous restrictions on where women can work (Hardy 2006). Like their Kuwaiti counterparts, Saudi women are part of the national identity. Consequently, their dress and behaviour are to be safeguarded to maintain the status quo. Furthermore, any discussion of Saudi women must be pursued in the context of the Quran. Women have economic rights but few political or social ones, and constitute more than 58 per cent of all university students in Saudi Arabia but only 15 per cent of the workforce (Keddie 2006). Nikki Keddie notes that schools and workplaces are segregated by gender; however, 'elite women with ties to the ruling family can bend the rules' (2006: 150).

What one sees in Saudi Arabia is very similar to Kuwait, where the king is the most powerful person in the kingdom; however, he must have the support not only of his people, but of his family as well. Moreover, in the case of Saudi Arabia, the king plays a very important and enhanced role as the guardian of Islam. From the founding of Saudi Arabia until today, the king must be accountable to the Sunni/Wahhabi clergy. This situation has led to a significant amount of religious persecution in Saudi Arabia of minority religious groups (namely Shia) and the suppression of women's rights.

6. BAHRAIN

The Sunni Al-Khalifah family rules Bahrain. The family is not originally from Bahrain, but migrated in the late 1700s to the region. Bahrain is considered a constitutional monarchy. In spite of this fact, there have been much more violence and more revolts in Bahrain than in other GCC states (see Katzman 2010). This social unrest is due mainly to the diverse societal sects and groups, compared to the relatively homogeneous populations in some of the other GCC states. Furthermore, oil has not been as plentiful and, as a consequence, the ability of the state to appease all groups within society with state funds has been strained. Bahrain is also one of the most urbanized countries in the world with about 90 per cent of its population living in two cities – Manama and Al-Muharraq. It has a large yet fragmented Sunni community, a large Shia community (approximately 70 per cent of the population) made up of immigrants from Iran, and the Baharinah who are also Shia. The Baharinah have traditionally been located in the interior of the country and engaged in agriculture. They are often referred to as the original people of the islands. Bahrain is made up of thirty-three islands, which add to the variations in its culture. Its merchants come mainly from the Sunni community, where they were traditionally involved in pearling and international trade, and are now in the oil and banking sectors. Although Bahrain has foreign workers, they do not make up the majority of the population (approximately 49 per cent in 2007) or determine the social dynamics. Most of the social dynamics have centred on religion and class.

Significantly in the dynamics of Bahrain, compared with other GCC states where Britain tended to play a more passive role, the British played a direct and active role in their rule of Bahrain. The British directly shaped the formation of the political establishment. For example, in 1923, the political resident (the Gulf states' regional authority for the British during the colonial period) actually took measures to depose the ruler in favour of his son (Zahlan 1998). This type of direct intervention was unheard of in other parts of the GCC that were under British authority. This role may also help explain why the kings (formerly called emirs) of Bahrain have not had the same widespread acceptance by the people as in other parts of the GCC. In fact, a nationalist movement developed early in Bahrain due to the British presence (Zahlan 1998).

Oil was found early on in Bahrain so that farmers and pearl divers became oil workers by the mid-1930s, and their children were some of the more educated members of the Gulf (Zahlan 1998). This early development of the working class created an awareness of labour issues and the formation of labour movements that led to two major uprisings by workers against the status quo. The first major incident was in 1938 with what was to be known as the reform movement, and then a second major uprising took place after World War II (Lawson 1989). This second uprising has been attributed to nationalism and anti-colonial sentiments. These riots culminated in a general strike in July 1954 with Sunni and Shia leaders calling for greater autonomy (Halliday 1974). Political participation has been a continual struggle in Bahrain, where the ruler has used force against his people much more freely than in other parts of the Gulf to maintain control and stability.

In the 1970s, Bahrain saw the emergence of an Iranian threat as Iran not only laid claim to the territory of Bahrain but was accused of encouraging the Shia community to revolt. However, the Shia community maintain that their discontent is tied not to Iran but to the unequal treatment they receive in terms of subsidies, social services and political disenfranchisement (Sengupta 2006). This Iranian threat is still rejuvenated today when it serves Iranian political interests, and it continues to play out poorly for the Shia community of Bahrain. Furthermore, the ruling class uses this suspicion as a justification for repressive behaviour towards different elements of the Shia community in Bahrain (this community is not monolithic, and is divided into Baharinah and Ajam, Arab and Persian; Human Rights Watch 1997).

Saudi Arabia has been instrumental in helping Bahrain diversify its economy into banking. The development of the banking sector created a white-collar labour force in Bahrain that is now made up of many of the educated children of oil workers and foreigners. There are now 400 financial institutions; this sector of the economy accounts for 27.6 per cent of the US\$12.07 billion nominal GDP for 2006 (US Department of State 2007).

Given that Bahrain has very limited oil reserves, and a growing middle class coupled with an indigenous lower class, there is deep concern regarding the need for more political participation (Niethammer 2006). Bahrain has experienced a number of

economic downturns in recent years that have fuelled the growth of unemployment, particularly among the Shia community.² A visitor to Bahrain cannot help but be struck by the differences between the standard of living of the majority Shia population and that of the Sunnis. In Manama, one finds many Shias living in rundown apartment buildings. The problem of unemployment, coupled with the lack of political participation, has caused various communities within Bahrain to express discontent with their ruler. The situation for the Shia community is seen as getting worse; the percentage of high-level government posts held by Shias dropped from 25–30 per cent in 1999 to less than 13 per cent in 2008 (Bahrain Center for Human Rights 2008).

The king is supported by external forces, namely Saudi Arabia and the United States. The United States has used Bahrain as a military base since the first Gulf Crisis. Both Saudi Arabia and the United States have gone out of their way to shore up the status of the king (Katzman 2010). Unlike in the other GCC states, the king, Hamad bin Isa Al-Khalifa, is not in a position to distribute wealth to either the citizens or his ruling family; consequently, there is a necessity to share political power as a compromise, which he has been reluctant to do.

The king and his son, Sheikh Salman bin Hamad bin Isa Al-Khalifa, crown prince and commander in chief of the Bahrain Defence Force, have launched a series of economic reforms (see Al-Maraj 2008). There seems to be a belief by the ruler that although he cannot subsidize his people as do many of the other GCC leaders, he can still attain the same result by empowering them through a vibrant economy. Unfortunately, the economy has slowed down with the global financial crisis. Moreover, the Shia majority continue to charge him with discrimination and inequitable distribution of wealth. In the past few years, there have been a number of allegations that foreign Sunnis are being awarded Bahrain citizenship as a means of decreasing the Shia population's majority position (Wright 2008).

The ruling family keeps a strong grip on society because of its inability to appease the various social groups with state revenues. Furthermore, a ranking of the indigenous population based first on the royals, then the Sunnis, and finally the different groups of Shia occurs in Bahrain. Unlike most of the smaller GCC members, which rely mainly on

² See 'Bahrain – Unemployment – A Time Bomb', <http://www.allbusiness.com/government/343553-1.html>.

foreign labour to create economic development, Bahrain does not. International human rights organizations have charged the Bahrain government with violations particularly in regard to the Shia community (Bahrain Center for Human Rights 2009). Mustafa Alani, a security expert at the Gulf Research Center in Dubai, has been quoted as stating, ‘The question now that the Arab world is facing is the question of loyalty – how you identify yourself’ (MSNBC 2009). In the case of Bahrain, this seems to be particularly true.

Bahrain offers a number of insights into the question of whether the distribution of rents is essential for the ruler in the principal–agent model to sustain legitimacy. The ruler has chosen to ensure the support of his direct family and the Sunni community by biased treatment of these groups at the expense of the Shia communities. In the case of Bahrain, where oil wealth does not afford the ruler a more inclusive approach, one sees a society that is easily sent to the streets to protest, but not overthrow. Ruler legitimacy, lacking in some parties in society, has been replaced with the increased use of force as a way to maintain power; however, this approach is quite problematic in terms of building a national identity.

7. QATAR

There is no case study that will be presented in this paper that captures more of the spirit of the principal–agent problem than that of Qatar. Qatar is a very small community with fewer than 123,000 indigenous citizens out of a population of under 667,000 (2006 figures). It boasts one of the highest per capita GDPs in the world and has the third largest natural gas reserves in the world (CIA World Factbook 2010b). Jill Crystal has compared Qatar to Kuwait due to its ties to pearling and the historical importance of merchant families in terms of their relationship with the ruler (Crystal 1995). Qatar was founded in the late 1800s. In 1867, Muhammad Al-Thani became ruler. The Al-Thani family has ruled Qatar ever since. Given its small size and population, a class of individuals that would be associated with challenging the ruling family for authority has never developed.

In fact, the merchant families that existed at the start of the twentieth century were dispersed throughout the Gulf in the 1940s by the impact of World War II on the pearling industry. Many of the merchants left for other places. However, there were two trading families that remained who would later be noted by scholars of Qatar as having a

tremendous impact on both the economic and political development of the state: the Al-Mani and the Darwish (Crystal 1995). To emphasize, particular members of these families had great influence due to the small size of the ruling class in Qatar.

Probably the most apparent example in Qatar of the principal-agent problem was between the Darwish and Al-Mani families and the ruler. Both these merchant families came to have very close ties to the rulers in the 1950s. Abdullah Darwish used his influence and power with the ruler to become one of the wealthiest men in Qatar, with most of the commercial activity of the state in his control (Crystal 1995).

In addition to bringing more awareness about the wealth of the state among the royals in Qatar and other places within the GCC, oil has also meant that many of the less-educated, tribal and unskilled Qataris could now work for the oil companies. Consequently, the dynamics of Qatar centre on the royal family and not on those groups within society that deal with it. Unlike the royal families of countries like Saudi Arabia that experience infighting within their own confines while keeping a unified public face, the Al-Thanis have been more public, with infighting that has spilled over into other parts of their society. As recently as 1995, Emir Hamad bin Khalifa deposed his father in a bloodless coup. Since then, he has led a movement in Qatar towards liberalization in terms of permitting a freer and more open press; however, it has not been at the expense of his ruling family.

Emir Hamad has been seen as the driving force behind the modernization of Qatar, which has included giving women the right to vote in 1997, municipal council elections in 1998 that included female candidates, and legal system reforms in 1999 (Rathmell and Schulze 2000). In an effort to diversify the economy away from oil, he has been at the forefront of an effort to 'brand' Qatar as an open and tolerant society that plays hosts to Al-Jazeera, the pan-Arab satellite television channel, as well as a place for international and political forums (Peterson 2006).

There is foreign labour in Qatar, which makes up the majority of the population (80 per cent of total population and 90 per cent of the labour force); however, it has not acted as a dynamic force for change within society (Human Development Report 2009). Most of the foreign labourers are from South Asia (Human Development Report 2009). Although there are still a large number of fellow Arabs working in Qatar, there has been

a preference in the last two decades for South Asians, who are seen as less disruptive to the local social order. Most of the foreign labour works in the private sector since government jobs are reserved for Qatari citizens as part of the 'Qatarization' programme.³ As part of this programme, the government has tightened the rules on the use of foreign labour as well as creating financial incentives for firms to employ Qataris (Cordesman 1997). In spite of these rules, the only major successes have been in senior-level positions; educated Qataris have returned sometimes from abroad to assume these positions at the expense of white-collar foreign labour. All workers are prohibited from striking or forming labour unions. Since foreign labourers must have citizens to sponsor them to receive visas, they serve at the pleasure of the Qatari nationals.

Consequently, Qatar very early on in its development had an upper class made up of the royals and a few very powerful, indigenous merchant families that had close ties with the ruler, and a middle class that evolved from fishermen and pearl divers that today looks to the ruler for economic support. Qatar is a bifurcated society. However, as education increases, there is a middle class made up of Qataris that emerged from the working class of the 1950s. Part of the reason that this did not evolve sooner in Qatar is that there was no societal pressure to move social and economic development along at a faster pace until the 1960s.⁴ Although Qatar has seen an opening of its political system, it is still centred on the royal family and in particular the emir. One of the main reasons this situation exists is that the regime has refused to give up control of state finances or make a distinction between the income of the state and the income of the ruler (Rathmell and Schulze 2000).

Today, Qatar remains a very tight-knit society with the royals and a few key business families in control. Class is very much a part of contemporary Qatar society, with its haves and have-nots. Emir Hamad is very much aware of the needs of his people and although he has spread the wealth to the indigenous population, he serves at the pleasure of the other royals as well. In fact, one of the arguments put forth as to why he

³ 'Qatarization' refers to a programme designed to increase the number of Qatari nationals in all joint venture industries and government departments. The target is 50 per cent of the workforce in industry and energy.

⁴ It was in the 1960s that Qatar and the other GCC states began to emerge as a key part of the globalization process.

has been so willing to embrace political reforms is that he has been appeasing the younger royals (Rathmell and Schulze 2000).

This approach to managing the various interests within the society has proven effective. Emir Hamad has been able to decrease government expenditures and subsidies when oil prices drop, unlike other rulers in the region who have to worry about social discontent. In fact, other states in the region have felt compelled to maintain expenditures, even in the face of decreased government revenues, for fear of social unrest (Aartun 2002). Qatar is a state with a strong ruler who maintains his relationships with the various agents in society to bring about a peaceful co-existence.

8. UNITED ARAB EMIRATES

The United Arab Emirates (UAE) is a federation of seven emirates: Abu Dhabi, Ajman, Dubai, Fujairah, Ras al-Khaimah, Sharjah and Umm al-Qaiwain. The ruler of Abu Dhabi, Sheikh Khalifa bin Zayed Al-Nahyan, is the president of the UAE. The small states that make up the UAE were known as the Trucial States up until 1971 because they all had signed the same agreements with Britain. Historically, there has been more infighting, particularly over succession, in the states of the UAE than in other parts of the GCC. In fact, it has not been uncommon for a brother to kill a brother over dissatisfaction with how affairs were being run or over the amount of the royal subsidies received. Both the Al-Nahyan and the Al-Maktoum of Dubai are members of the Bani Yas tribal groupings. Dubai is a very fast-paced modern city. It is often referred to as a corporate city, given both the high level of foreigners and a number of white-collar workers. Moreover, the Al-Maktoum and their extended family are actively involved in businesses. In the states that are part of the UAE, rulers use the role of the state to enrich themselves, to provide for their inner circle, and to invest in education and social services for their populations. The government provides citizens with free housing, health care and education while subsidizing water and electricity.

Poverty still exists among the citizens of the UAE, but most poor individuals are widows, divorcees, orphans, disabled individuals and the families of prisoners. In addition to the role of the ruler in the individual states of the UAE in relation to their population, the ruling family of Abu Dhabi plays a further role in regard to the other smaller emirates and to Dubai to a lesser extent. Anne Louise Aartun argues that, on the

federal level, Abu Dhabi's ruler is the head of state and the ruling families of the smaller emirates are his officials. In a way that reflects what happens at the state level, Abu Dhabi's subsidies of the smaller emirates are presumed to correlate with these smaller states' ruling families' loyalty to the ruling family in Abu Dhabi (Aartun 2002).

Andrea Rugh identifies three external factors that shaped the personal rule of leaders throughout the UAE: (1) the role of the British, (2) urbanization and (3) oil wealth (Rugh 2007). In terms of the role of the British, who supported the ruler with force if necessary, tribes and other actors in these states realized that the only power available within society was economic via the ruler. Consequently, most of these states resemble corporate structures rather than political states. As for urbanization, given the topology and the importance of coastal areas, most of the development and the resources available are concentrated into single cities, which has resulted in a huge movement to the coastal towns. Finally, not only is oil wealth distributed among the royals, but they undertake huge public works and social service projects in their states. The ruler no longer needs subsidies from the British or tax revenue from his people to fund his role (Rugh 2007). The governments of the various states in the UAE are careful to make sure that the citizen population receives the care they are accustomed to (subsidies in education, health services, national and social security, subsidies for water and electricity, etc.) even when the economy is down due to reduced oil revenues (Aartun 2002).

On the federal level, there is tension between Abu Dhabi and Dubai. Dubai used the global market of the 1990s to expand and develop at a very rapid rate while Abu Dhabi has moved much more cautiously. Consequently, world markets held their breath waiting for Abu Dhabi to provide assistance to Dubai when the global financial crisis negatively impacted its stock and real estate markets.⁵ Abu Dhabi produces about 90 per cent of the total barrels of oil produced in the UAE in a year along with holding 92 per cent of the UAE gas reserves (Aartun 2002). Consequently, there has evolved a principal-agent relationship in the UAE between Abu Dhabi as the principal and the other emirates as the agents. Aartun alleges that the smaller emirates do not publish their

⁵ For example, the recent financial crisis in Dubai over the government having to defer its international debt repayments of US\$60 billion produced a lot of speculation about the relationship between Abu Dhabi and Dubai. The recognition that Abu Dhabi did not jump in immediately to rescue Dubai was followed by an acknowledgement that if it did, Abu Dhabi would become the sole financial guarantor for the UAE (Lewis 2009).

accounts because they are sensitive to the fact that they receive such large subsidies from Abu Dhabi (Aartun 2002: 50). In exchange for these subsidies, these smaller emirates support Abu Dhabi and its ruling family in most matters. The exception to this is Dubai, which is seen as an economically powerful emirate as well. It can be argued that much of the drive by Dubai to diversify into non-oil sectors, which often require a heavy dependency on foreign labour, is to break into sectors that would allow it to escape some of the dependency not only on the oil industry, but on Abu Dhabi as well. However, Dubai's inability in 2009 to meet its financial obligations proved its vulnerability not only to globalization but to Abu Dhabi as a financial guarantor.

Rugh (2007) makes a very interesting point about the UAE: governance is based on personal relations more than on formal institutions. Rugh states that there is an insider/outsider mentality, with a parental, hierarchical and enduring family model contrasting with more aloof relationships with foreigners. The UAE often seems from outside to be a rule-based society in which a diverse group of foreigners is controlled through agreements and laws.

The UAE has pacified its national population by ensuring they are provided for at all times. In the 1980s, when state revenues were decreased due to declining oil revenues, public expenditures decreased only slightly while social services were maintained (Central Bank of the UAE 1984). This situation may help explain why the UAE has enjoyed much more stability than other parts of the GCC in spite of the fact that they do not have elected officials.

The role of families is paramount in the UAE states as rulers who historically have not positioned their relatives in roles they would be content with often found their position challenged. Positions of power and rule are also used throughout the UAE as a means of drawing in various family members. Like most of the other GCC states, the UAE has passed laws to attempt to protect the indigenous population from unemployment due to foreign labour. Laws in the UAE require private companies to have a certain percentage of their workforce made up of UAE citizens. There were an estimated 3.3 million foreigners living in the UAE in 2005, constituting about 80 per cent of the population. Most of these labourers come from South and Southeast Asia. Of these workers, 600,000 are domestic workers. These workers report being denied health care

and not having safe working or living conditions (Human Rights Watch 2010b). In spite of the perception that the UAE receives a large number of educated labourers due to its liberalization and diversification of the economy (it is still heavily dependent on oil and gas revenues), its foreign labour force is mainly blue-collar. There has also been a decline in the number of Arabs working as expatriates in the UAE. It has decreased from a high in the 1970s of 26 per cent of the foreign labour force to less than 10 per cent in recent years. Asian labourers are preferred because they are considered less of a security concern; however, there have been growing outcries by expatriates concerning ill treatment and conditions (Human Rights Watch 2010b). Recently, international pressure has led to changes in some labour laws to protect workers (Constantine 2010). However, there remains an attitude in much of the UAE that if expatriates are unhappy with their situation, they can always return home and be replaced by the perceived millions of workers that wait offshore for an opportunity to work in the UAE (Colton, field notes, June 2010).

The labour laws are biased towards UAE citizens and recently, with the financial downturn, more laws were passed that make it difficult for a UAE national to be dismissed due to economic reasons (Issa and Al-Lawati 2009). This situation leads to the same moral hazard problem mentioned earlier in the paper in which private or foreign businesses find it almost impossible to discipline or manage locals. There are also labour laws that forbid foreigners in the country to organize into unions; consequently, foreigners who are unhappy with the situation have only one choice -- to leave. However, even leaving is made more complicated as one must get an exit visa, which is contingent on the agreement of one's employer. Some employers hold labourers' passports as a guarantee that they will not attempt to leave without their knowledge. White-collar workers seem to have more, but even this group was found leaving in the night during the recent financial crisis. In Dubai, stories abound of hundreds of cars abandoned at the airport during the financial downturn due to debt-ridden expatriates fleeing the country rather than face prison sentences for not meeting their debt obligations.⁶

⁶ In the UAE, the law states that individuals who write unsupported cheques will face prison sentences. Many lenders ask customers to write out cheques for the entire period of the loan in advance as a way of using this law to make sure the borrowers pay their debt.

Consequently, the UAE is developing into a very successful cluster of emirates that is seen to be extremely active not only in terms of the oil industry, but in other types of business endeavours as well. As in other GCC states, one sees the foreign population marginalized and isolated by the indigenous population in spite of the fact that the foreigners make up the majority of the population and are the true engine to growth. Given the high number of foreign nationals and the fact that most of the population growth in the past ten years has been due to the increase in foreigners, it is hard to think of the UAE as a developed society, since only a fraction of its occupants (those with UAE nationality) have a say in its future development and that fraction does not even have the right to vote.

In Dubai today, important discussions have begun not only about the role that foreign labour will play in the future, but about the extent to which the country wants to incorporate this foreign population into the wider society. There are many costs as well as benefits of having such a significant number of people as transient residents. Probably the largest cost is that there are no shared aspirations by this group in terms of the future for the society. The benefit of keeping this foreign population on the periphery is that they come from such varied and different cultures and socio-economic systems that the task of trying to find a common national theme that would continue to ensure stability might be overwhelming. It would also divert the attention of economic development to state building, which appears to be a luxury that the emirates do not want to engage in at this point in their history. Furthermore, the UAE is unique and complex in that it is made up of seven emirates each with powerful rulers that manage the dynamics of their society, yet are a part of a larger principal-agent relationship that sees Abu Dhabi as the principal.

9. OMAN

In the past thirty-plus years, Oman has been able to use its oil wealth not only to strengthen a sense of national identity through the distribution of social services, but to enable the ruler to strengthen his tacit political power as well. Oman has consolidated much of the political power within one individual, but not without some political discourse. The diversity within Omani society that seems to have come together to make a relatively cohesive society is impressive. There are still ethnic minorities that feel

marginalized within present-day Oman, but the sultan has been very astute in bringing such groups into the mainstream of society (Valeri 2009).

A very common approach to examining Omani society is via its geography. First, one of the main reasons that Oman has not had as much in common with many of the other GCC states is that it has been geographically isolated from the other states. The country borders one of the largest deserts in the world -- the Rub' al-Khali. It also borders the Arabian Sea and the Gulf of Oman in the south. There has always been a distinction between the interior and the coastal inhabitants. In fact, the inland highlands are home to a variety of tribes that have their own language and culture.

Although the dominant religion is that of Sunni Muslims known as Ibadis, there are also Shia Muslims as well as Hindu sects. The ruling family, Al Bu Said, belongs to the Ibadi sect. Ibadism is its own school of Islamic thought and has rules that are closely associated with the Maliki school of Sunni Islam.⁷ It is believed that approximately 45 per cent of the Omani population belongs to this sect, with 50 per cent other Sunni and less than 5 per cent Shia and Hindu (Peterson 2004a). In spite of these religious differences, it is really the language and geographical differences that have kept these tribes historically from forming a more cohesive society.

In fact, in the late nineteenth century, the Oman empire started to lose its economic gains to the Europeans, which resulted in economic hardship for Oman. This situation led to a split in the Al Bu Said family, with a member being elected imam in the interior. It was not until 1954, on the death of the imam of Oman, that Sultan Said bin Taymur united the country with the help of the British. Although the oil industry started to develop in the late 1960s, it was not until the 1970s that the industry really started to have a revenue effect on Oman. With the exit of the British in 1971, Sultan Qaboos began to use the new wealth of the state to consolidate his country.⁸ Sultan Qaboos not only established himself as the ruler of Oman but, by developing a new perception of what collective identity means in Oman, has put forth an Oman identity that is based not on geography or tribalism but on national identity, like other GCC states (Valeri 2009). Yet

⁷ The Maliki school is one of the four schools of Islamic law.

⁸ Britain still had Royal Air Force bases in Masirah and Salalah until 1977.

this new framing of Omani nationalism is not without its shortcomings, which now appear to be more socio-economic than tribal.

A case in point of changing identities is the peoples of the south. The Dhofar province has historically had close ties with Yemen and East Africa. Although the province is sparsely populated, its people have a variety of backgrounds and languages. Many of the residents have African roots while others trace their origin to South Yemen. Due to the oppressive rule of Sultan Qaboos' father when he resided in Salalah, there has been more opposition to the sultan from this region than in any other part of Oman. The Dhofar rebellion was brought under control in 1975. The largest group that speaks Arabic is the Al Kathir tribe. They are closely associated with the Al-Qara tribe that is found in the surrounding mountains, which are inhabited by a number of smaller clans. They have their own distinct dialect that is a mix of ancient Southern Yemeni dialects and Arabic (Halliday 1974).

In addition to these major tribes, there are a number of groups of protected people who are non-tribal. These groups include the Al-Shahra, Al-Mashayikh, Al-Bara'ima and Al-Hikman (Peterson 2004b). These non-tribal groups are usually seen as inferior and are not allowed to carry arms or marry into tribal families. There is also a sizeable African community in Salalah who are believed to originate from former slaves. As well, there is a group known as Al-Bahhara who are very poor Africans. Many of those involved in the uprising in the 1960s were from these two groups, and J. E. Peterson notes that there is still suspicion about these individuals among other Omanis today (Peterson 2004b).

Southern Oman continues to be an important balancing act for the sultan in spite of the fact that it makes up a very small portion of the population. However, it has been the home of past resistance movements, and as recently as 2005, it witnessed again a small revolt by a group of Ibadi zealots who were accused of plotting against the regime (Peterson 2006). In spite of an effort by the sultan to integrate the south, there remain two sticking points: one is Ibadis who believe there should be an imamate; the second is individuals of African descent who still feel disenfranchised by the state.

The sultan has attempted to spread the wealth from oil. Because of the modernization of the south, with schools, health centres, mosques, wells for livestock and roads, a new generation of youth are starting to define themselves less by their dialect and

ancestors and more by their national identity as Omanis. This situation is particularly true in the light of increasing migrant labour that does not dress or behave like 'Omanis'. In fact, it is interesting to note that as much as 40 per cent of government resources were spent in the Dhofar province following the war while the region makes up only 10 to 25 per cent of the indigenous population (Peterson 2004b).

Oman is similar to other parts of the GCC where oil wealth and the access to resources by right of one's citizenship have led to privilege. This phenomenon has an impact in Southern Oman. Sultan Qaboos has made a point of appointing a disproportionate number of individuals from this region to lower-level government posts. He has also allowed various appointed officials to benefit from public contracts and enrich themselves and their kin as a way of ensuring loyalty (Townsend 1977). Furthermore, the sultan has used various tribal groups not only in the Dhofar war, but as special forces for the army and in other civil service positions. In fact, Peterson estimates that as many as half of all Dhofaris are supported by the government (Peterson 2004b). There has also been a lot of migration to the north as opportunities in Muscat and surrounding areas have increased.

This has been a very effective way of incorporating the tribesmen in terms not only of giving them government positions, but of spreading financial resources to these interior mountain tribes. A number of laws have passed that prohibit tribal warfare and the distinguishing of groups of Omanis as inferior to other groups within society. However, in spite of these various measures, Valeri has noted that Sultan Qaboos has unintentionally repolarized Omani society because individuals are more aware of their origin, class and language than their common national identity (Valeri 2009).

The northern part of Oman also has a number of small ethnically diverse groups, although its population is often viewed as being more unified as Arabic-speaking Muslims/Ibadis. Yet where the people of the south are more distinct due to language and geography, those of the north are more distinct due to religion and ethnicity. One of the best examples of this distinction is the Baluchis. These individuals' origin lies in Oman's grand maritime past when many came from Pakistan to Oman and settled. They are considered non-Arabs and have their own language. Religiously they are Sunni Muslims. Peterson estimates that they may constitute 12 per cent of the Omani population

(Peterson 2004a). Because they have occupied positions that have not paid well, they are considered on the fringe of Omani mainstream society. In fact, Peterson states: 'Because of their socioeconomic status and perceptions of discrimination, younger Baluch exhibit signs of alienation and, interestingly, sometimes identify with "black power" expressions similar to African-Americans and the Caribbean populations of the United Kingdom' (Peterson 2004a: 36).

There is also a merchant class in Oman made up of Hindu Indians. This group dates back to the nineteenth century, when they were involved in all aspects of trade (Speece 1989). Unlike in other parts of the Gulf, Omanis and foreign labourers often work in the same fields and compete for the same jobs. When economic times are poor, the tension between the two groups can be fierce. Marc Valeri quotes an Omani as stating that if an Omani is placed in charge of an Indian, the Indian will make things difficult for the Omani, on whom this will reflect badly: '.it is not Omanisation, it is Indianisation!' (Valeri 2009: 228).

Another group is the Lawatiyya, who are, like the Hindus, a merchant class. The question of religion plays an important role alongside economic considerations. The Lawatiyya are Shia Muslims of the coast. As a merchant class, they have not had a lot of interest in politics even if they have been accused of being sympathetic to the Iranian cause. It is interesting to note that both the Lawatiyya and Hindus are considered foreigners regardless of their origin.

Again, as in the south, one finds a group of Omanis of African origin settled in the north, many of whom trace their roots to Zanzibar. Many of these Zanzibaris work in the petroleum industry and were instrumental in the early days of economic development in Oman; however, just like their southern counterparts, some have been met with suspicion and discrimination due to their African roots. As stated earlier, the trend in Oman today is to organize less by these ethnic distinctions and more in terms of being Omani versus non-Omani. Rather than viewing this as creating a polarized society, as may be the case in such places as the UAE, in Oman we see that it has helped build a national identity among opposing groups. As in other states in the Gulf, there has been a push to make sure that key civil servant positions are held for nationals. There has also been political participation in terms of consultation with the sultan for those who are identified as

Omani. However, the question of who is an Omani is very complex and dynamic. In Salalah, the word 'Omani' refers in all cases to northern Arabs or Baluchis (Valeri 2009).

In fact, the modernization of Oman has created much more integration of society than in other places in the GCC as new modern housing projects group together individuals of various ethnicities. The most striking example is the Lawatiyya community, which is considered Omani and consequently is incorporated regardless of its Shia religion, while the Hindus are not considered Omanis and so remain outside mainstream Omani society.

Oman is more unified today than it has ever been; however, that does not mean that groups such as the Baluchis do not remain discriminated against, as do other such fringe minorities. Furthermore, a new division is emerging in modern Oman that is much more about one's wealth and political/social standing than one's tribal roots. However, in spite of the splintering of society, all groups look to the sultan as the distributor of resources and no one questions his authority. For the emerging youth population, education and opportunities are coming to play a much more important role in how they identify themselves than does tribal affiliation. Given the fact that economic opportunities for this generation are associated with urban centres, a new regional identity has emerged as well. This new system is based on money and safeguarding the system via the sultanate. As stated by Valeri, 'With the remarkable achievements in technical, economic and social development, there has been a rewriting of identity frames of reference around the person of Qaboos, identified in the new historiography with the contemporary welfare state and consequently with Oman itself' (Valeri 2009: 252). Oman, like other parts of the Gulf, is a society that is based first on nationalism and then on nepotism or economic proximity to the ruler.

10. CONCLUSION

In the various case studies presented in this paper, a common theme is predominant: the principal is not the royals or ministers, but rather the ruler himself. His legitimacy comes not only from his citizens, who are made up of various tribally rooted groups, foreigners and religious sects, but from his kin as well. Consequently, he is continually making sure that his kin are satisfied with his rule. This can even mean at times going against what he sees as being in the interest of the minority groups within society – foreigners, religious

minorities, women, ethnic groups and tribes. The principal performs a constant juggling act in which he is trying to keep the various agents in line not only in terms of the state, but in terms of their behaviour to each other. Due to the fact that there is much diversity in these GCC states, there is very little cohesiveness and, in fact, the system is sustained by keeping groups in their hierarchical place rather than having them mix.

It is important not to be blinkered by the sense of stability in the region and miss acknowledging the infighting and alienation that have happened within various ruling families and between social groups. In some historical cases, the ruler has become so disliked due to various policy decisions that he has been killed by a brother or son as a means of bringing about a change of leadership. It is also interesting to note that the rulers have often been described as being very selfish and imprudent with the resources of the state. However, most of the rulers have directed the resources of the state to the more vocal groups in society in an effort to keep stability within society and the royal family so that they can continue to rule. These states are much less authoritarian than is often understood. The ruler is constantly trying to keep moral hazard from setting in as he tries to keep the various actors from creating disorder, in resentment at not being provided with enough or because of feeling disenfranchised politically in a system that is built on exclusiveness. Consequently, he uses many of the classic means of solving this problem by trying to monitor the various actors or by having restrictive rules that either encourage or discourage certain behaviour through a carrot-and-stick approach.

We see, therefore, that social stratification in the Gulf is based on one's affiliation to the ruling family first and foremost. This situation creates a number of divides within society. The most important division is based on nationality (see appendix). Whether or not one is considered a national of the country of residence is extremely important in determining one's place in society and entitlements. Among nationals, we see a further breakdown based on whether one shares the same religion of the ruler, tribal connections and regional location. However, modernization and the emergence of more bureaucratic structures have meant that in many of these states the tribes and their relationship to the ruler have become more distant. This has meant less power and authority for tribal sheikhs. Religious leaders associated with the ruling family, particularly in the case of Saudi Arabia, however, have still retained power and a close relationship to the ruler.

Replacing the tribes in terms of proximity to the ruling family is a growing new professional/educated elite.

As witnessed in the case of Qatar, the new elite that is aligned with the ruler is a young, educated class that feels as comfortable with the west as it does with the east. This class is seen as a necessity to the transformation of these states into modern, globalized nations. Consequently, they continue to make inroads throughout the Gulf. As stated by Mordechai Abir in the case of Saudi Arabia, 'Power, wealth and education are a by-product of this affiliation to the ruling family (Abir 1988: 3).

In terms of non-nationals, they are seen as the group farthest from the ruling family and, therefore, hold minimum rights within society while in many GCC countries making up a large and growing segment of the population. Their role within society is solely as an economic agent; consequently, those with more human capital (education and skills) are granted more rights and privileges. This is reflected in immigration and labour policies that often see domestic workers as outside these regulations. The issues of foreign labour have not been dealt with in a way that truly recognizes that the economic growth of most of these states has taken place and will continue to take place dependent on these expatriates. It is misleading to talk about a national identity emerging in conjunction with oil revenues when in most of these states the majority of its residents, who are involuntarily given temporary status, have no say in how the country will develop. The lack of a balanced immigration policy that recognizes the important role that immigrant labour plays in the development of these societies is a cause for concern about the future stability of these states. Although there are campaigns throughout the Gulf to nationalize the labour force, the process is slow and in many respects continues to emphasize the importance of nationality, consequently fuelling the tensions between nationals and non-nationals.

In addition to nationality and affiliation to the ruling family, there is the question of gender. As illustrated in the case of Kuwait, women are often looked on as the 'keepers' of the status quo. Through dress and behaviour that often segregate women from men, nationality and the entitlements that it grants are asserted. Moreover, the majority of non-nationals are males. In fact, if one examines trends for women nationals, one observes that from the 1950s to today many rulers in the Gulf have taken steps to

advance women's rights, even if not as quickly as some western observers would like (Keddie 2006). Furthermore, women's education in this region has increased at a rapid rate, with women making up about half those attending university in many of these countries. Yet women have not received equal treatment in the workplace and Islamists have used western support for gender equality as grounds to attack it as being un-Islamic (Keddie 2006). For non-national females, these policies and changes have not applied and they often find themselves at the lowest levels of society in terms of rights, pay and protection by the law. Consequently, a system based first on nationality, with all its complexities, and then on nationality and gender is present within these states.

In the GCC states, globalism has been embraced in the marketplace, but has been received with localism on the societal level.⁹ Most of the indigenous population sees oil revenues and the subsidies and state favours associated with this wealth as something to be protected from outsiders. The ruling family and, moreover, the ruler become the centre of this system where little distinction exists between the income of the state and the income of the ruler. Although it would be tempting to see some of the political expression that is emerging in the GCC as a breakdown of this traditional system of stratification, the fact that the finances of the state as well as sovereign wealth funds remain shrouded in secrecy is problematic. The traditional system of social stratification and entitlement is at the very centre of this system. It can be argued that had these states not become so dependent on this single commodity, they might have started to open their societies to the integration of social/ethnic groups as many other nations that find immigrant labour essential for economic development have done. In certain GCC states there is a slow opening of the political system that may eventually lead to an opening of the economic/finances of the state as well. Consequently, as the world economy continues to encroach on these states, a new generation of rulers that rethink the present system at hand may be seen. They may find it in the interest of the state to explore new societal and political paradigms that go beyond the principal-agent relationship.

⁹ Globalism refers to the networks of connections that now span continents. See Nye (2002).

BIBLIOGRAPHY

- Aartun, A., 2002. *The Political Economy of the United Arab Emirates*. Thesis for the Cand. Polit. Degree in Political Science, University of Oslo.
- Abir, M., 1988. *Saudi Arabia in the Oil Era: Regime and Elites; Conflict and Collaboration*. Boulder, CO: Westview Press.
- Abir, M., 1993. *Saudi Arabia: Government, Society and the Gulf Crisis*. London: Routledge.
- Abir, M., 2002. Saudi Arabia, Stability, International Islamic Terror. Ciao, Policy Briefs, <http://www.ciaonet.org/Pbei/jcpa/abm02html>.
- AbuKhalil, A., 2004. *The Battle for Saudi Arabia: Royalty, Fundamentalism, and Global Power*. New York: Seven Stories Press.
- Al-Farsy, F., 1990. *Modernity and Tradition: The Saudi Equation*. London: Kegan Paul.
- Al-Maraj, R. M. 2008. Speech by Rasheed Mohammed Al Maraj. London: Strategic Forum on the Bilateral Trade and Investment Opportunities in the Banking and Finance, <http://www.bis.org/review/ro80116c.pdf>.
- Al-Moosa, A. and K. McLachlan., 1985. *Immigrant Labour in Kuwait*. London: Croom Helm.
- Al-Mughni, H., 1993. *Women in Kuwait: The Politics of Gender*. London: Saqi Books.
- Al-Naqeeb, K. H., 1990. *Society and State in the Gulf and Arab Peninsula*. London: Routledge.
- Al-Rasheed, M., 2007. *Contesting the Saudi State: Islamic Voices from a New Generation*. Cambridge: Cambridge University Press.
- Anderson, L., 1987. The State in the Middle East and North Africa. *Comparative Politics*, 20 (1), pp. 1–8.
- Auyero, J., 2001. The Logic of Clientelism in Argentina: An Ethnographic Account. *Latin American Research Review*, 35 (3), pp. 55–81.
- Bahrain Center for Human Rights, 2005. Report on Human Rights Practices for 2005. Manama: Bahrain Center for Human Rights.
- Bahrain Center for Human Rights, 2008. The Bahrain Government Orders Collective Punishment Against Shia Villages. Manama: Bahrain Center for Human Rights, 26 July.
- Bahrain Center for Human Rights, 2009. Bahrain: An Oppressive Campaign Against Shia. <http://www.bahrainrights.org/en/node/2720>.
- Beblawi, H. and G. Luciano, 1987. *The Rentier State*. London: Croom Helm.
- Bosbait, M. and R. Wilson, 2005. Education, School to Work Transitions and Unemployment in Saudi Arabia. *Middle Eastern Studies*, 41 (4), pp. 533–45.
- Bradley, J. R., 2005. *Saudi Arabia Exposed: Inside a Kingdom in Crisis*. New York: Palgrave Macmillan.
- Brinkerhoff, D. W. and B. Crosby, 2002. *Managing Policy Reform: Concepts and Tools for Decision-Makers in Developing and Transitioning Countries*. Bloomfield, CT: Kumarian Press.
- Buckley, W., 1958. Social Stratification and the Functional Theory of Social Differentiation. *American Sociological Review*, 23, pp. 369–75.
- Casey, M. S., 2007. *The History of Kuwait*. Westport, CT: Greenwood Press.
- Central Bank of the UAE, 1984. *Annual Report*. <http://www.centralbank.ae/en/index/php>.

- Central Statistical Office, Ministry of Planning, 1989. *Annual Statistical Abstract, Kuwait, 1989*.
- CIA World Factbook, 2010a. Kuwait. <https://www.cia.gov/library/publications/the-world-factbook/geos/ku.html>.
- CIA World Factbook, 2010b. Qatar. <https://www.cia.gov/library/publications/the-world-factbook/geos/qa.html>.
- Colton, N., 2010. The International Political Economy of Gulf Migration, in *Migration and the Gulf: Viewpoints*. . Washington, DC: Middle East Institute, pp. 34–6.
- Constantine, A., 2010. Report is Critical of UAE on Labour. *National*, 24 January.
- Cordesman, A., 1997. *Bahrain, Oman, Qatar, and the UAE*. Boulder, CO: Westview Press.
- Crystal, J., 1995. *Oil and Politics in the Gulf: Rulers and Merchants in Kuwait and Qatar*. Cambridge: Cambridge University Press.
- Dekmejian, R., 1994. The Rise of Political Islamism in Saudi Arabia. *Middle East Journal*, 48 (4), pp. 627–44.
- Dickey, C., 2009. The Monarch Who Declared His Own Revolution. *Newsweek*, 21 March.
- Eickelman, C., 1984. *Women and Community in Oman*. New York: New York University Press.
- Eisenhardt, K., 1989. Agency Theory: An Assessment and Review. *Academy of Management Review*, 14 (1), pp. 57–74.
- Fandy, M., 1999. *Saudi Arabia and the Politics of Dissent*. Basingstoke: Macmillan.
- Federation Internationale des Ligues des Droits de l'Homme., 2003. Migrant Workers in Saudi Arabia. <http://www.fidh.org/IMG/pdf/sa103a.pdf>.
- Gause, G., 1994. *Oil Monarchies: Domestic and Security Challenges in the Arab Gulf States*. New York: Council of Foreign Relations Press.
- Halliday, F., 1974. *Arabia Without Sultans*. Baltimore: Penguin.
- Hardy, R., 2006. Unemployment, the New Saudi Challenge. BBC News, <http://news.bbc.co.uk/1/hi/business/5406328.stm>.
- Heard-Bey, F., 2005. The United Arab Emirates: Statehood and Nation-Building in a Traditional Society. *Middle East Journal*, 59 (3), pp. 357–75.
- Heradstveit, D. and H. Hveem (eds.), 2004. *Oil in the Gulf: Obstacles to Democracy and Development*. Burlington: Ashgate.
- Hoerning, K., 1971. Power and Social Stratification. *Sociological Quarterly*, 12, pp. 3–14.
- Human Development Report, 2009. Qatar. http://hdrstats.undp.org/en/countries/countr_fact_sheets/cty_fs_Qat.htm.
- Human Rights Watch, 1997. Routine Abuse, Routine Denial. <http://www.hrw.org/en/reports/1997/07/01/routine-abuse-routine-denial>
- Human Rights Watch, 2009a. Denied Dignity: Systematic Discrimination and Hostility Toward Saudi Shia Citizens. <http://www.hrw.org/en/reports/2009/09/03/denied-dignity-0> .
- Human Rights Watch, 2009b. World Report Chapter: Saudi Arabia. <http://www.hrw.org/en/node/87732>.
- Human Rights Watch, 2010a. Walls at Every Turn: Exploitation of Migrant Domestic Workers Through Kuwait's Sponsorship System. <http://www.hrw.org/en/reports/2010/10/06/walls-every-turn>.

- Human Rights Watch, 2010b. World Report Chapter: UAE.
<http://www.hrw.org/en/node/877736>. Issa, W. and A. Al-Lawati, 2009. Emiratization 'Will Rectify Division of Labour Market'. *Gulf News*, 3 May.
- Janowitz, M., 1956. Social Stratification and the Comparative Analysis of Elites. *Social Forces*, 35 (1), pp. 81–5.
- Jones, J. and N. Ridout, 2005. Democratic Development in Oman. *Middle East Journal*, 59 (3), pp. 376–92.
- Katzman, K., 2010. *Bahrain: Reform, Security and U.S. Policy*. Congressional Research Service Report for Congress, Washington, DC.
- Keddie, N., 2006. *Women in the Middle East*. Princeton, NJ: Princeton University Press.
- Kepel, G., 2004. *The War for Muslim Minds: Islam and the West*. Cambridge, MA: Belknap Press of Harvard University Press.
- Kettering, S., 1988. The Historical Development of Political Clientelism. *Journal of Interdisciplinary History*, 18 (3), pp. 419–47.
- Kochanek, S. A., 1993. *Patron–Client Politics and Business in Bangladesh*. New Delhi: Sage.
- Laidi, A., 2001. The Saudi Connection. *Le Monde*, 4 October.
- Lane, J., 2008. *Comparative Politics: The Principal–agent Perspective*. London: Routledge.
- Lasswell, H. D., 1958. *Politics: Who Gets What, When, How*. New York: Meridian Books.
- Lawson, F., 1989. *Bahrain: The Modernization of Autocracy*. Boulder, CO: Westview Press.
- Lewis, P., 2009. Dubai's Six Year Building Boom Grinds to Halt as Financial Crisis Takes Hold. *Guardian*, 13 February.
- Longva, A. N., 1993. Kuwaiti Women at a Crossroads: Privileged Development and the Constraints of Ethnic Stratification. *International Journal of Middle East Studies*, 25 (3), pp. 443–56.
- Mackey, S., 2002. *The Saudis: Inside the Desert Kingdom*. New York: W. W. Norton.
- Maktab, R., 2005. The Politics of Citizenship in Kuwait: Membership and Participation in a Rentier State. Paper presented at 13th Annual National Political Science Conference, Huordalsjeen, Oslo, 5–7 January.
- Martz, J. D., 1997. *Politics of Clientelism: Democracy and the State in Colombia*. New Brunswick, NJ: Transaction Publishers.
- Migdal, J. S., 1988. *Strong Societies and Weak States: State–Society Relations and State Capabilities in the Third World*. Princeton, NJ: Princeton University Press.
- Moe, T. M., 1984. The New Economics of Organization. *American Journal of Political Science*, 28, pp. 739–77.
- Montagu, C., 2010. Civil Society and the Voluntary Sector in Saudi Arabia. *Middle East Journal*, 64 (1), pp. 67–83.
- Moore, P., 2004. *Doing Business in the Middle East: Politics and Economic Crisis in Jordan and Kuwait*. Cambridge: Cambridge University Press.
- Mordechai, A., 2002. Saudi Arabia, Iraq and the War on Terrorism. *Jerusalem Issue Brief*, 2 (11).
- MSNBC, 2009. Bahrain's Shiites Push for Rights, Equality.
http://www.msnbc.com/id/31000514/ns/world-news-mideast/n_africa.

- Nazar, F. and K. Kouzekanani, 2007. Attitudes Towards Violence Against Women in Kuwait. *Middle East Journal*, 61 (4), pp. 641–54.
- Niblock, T., 1982. *State, Society and Economy in Saudi Arabia*. London: Croom Helm.
- Niethammer, K., 2006. *Voices in Parliament, Debates in Majalis, and Banners on Streets: Avenues of Political Participation in Bahrain*. European University Institute Working Paper RSCAS, No. 2006/27.
- Nye, J., 2002. Globalism versus Globalization. *Globalist*, 15 April, <http://www.theglobalist.com/StoryId.aspx?StoryId=2392>.
- Peterson, J. E., 2004a. Oman's Diverse Society: Northern Oman. *Middle East Journal*, 58 (1), pp. 32–51.
- Peterson, J. E., 2004b. Oman's Diverse Society: Southern Oman. *Middle East Journal*, 58 (2), pp. 254–69.
- Peterson, J. E., 2006. Qatar and the World: Branding for a Micro-State. *Middle East Journal*, 60 (4), pp. 732–48.
- Presley, J. R., 1984. *A Guide to the Saudi Arabian Economy*. London: Macmillan Press.
- Prokop, M., 2003. Saudi Arabia: the Politics of Education. *International Affairs*, 79 (1), pp. 77–89.
- Raphaeli, N., 2005. Demands for Reforms in Saudi Arabia. *Middle Eastern Studies*, 41 (4), pp. 517–32.
- Rathmell, A. and K. Schulze, 2000. Political Reform in the Gulf: The Case of Qatar. *Middle East Studies*, 36 (4), pp. 47–62.
- Rudolph, L. and S. Rudolph, 1979. Authority and Power in Bureaucratic and Patrimonial Administration: A Revisionist Interpretation of Weber on Bureaucracy. *World Politics*, 31 (2), pp.195–227.
- Rugh, A. B., 2007. *The Political Culture of Leadership in the United Arab Emirates*. New York: Palgrave Macmillan.
- Samatar, A. I., 2009. Bahrain's Shiites Push for Rights", *Associated Press*. http://www.msnbc.msn.com/id/31000514/ns/world_news-mideast/n_africa/.
- Schmidt, S. W., J. Scott, C. Landé and L. Guasti (eds.), 1977. *Friends, Followers and Factions: A Reader in Political Clientelism*. Berkeley: University of California Press.
- Sengupta, K., 2006. Alarm at Shia Gains in Bahrain's Election. *Independent*, 28 November.
- Serageldin, I., , 1983. *Manpower and International Labour Migration in the Middle East and North Africa*. London: Oxford University Press.
- Shapiro, S., 2005. Agency Theory. *Annual Review of Sociology*, 31, pp. 263–84.
- Shea, N., 2009. New Hope for Reform in Saudi Arabia? *National Review*, 16 February.
- Smith, B., 2004. Oil Wealth and Regime Survival in the Developing World: 1960–1999. *Journal of Political Science*, 48 (2), pp. 232–46.
- Smith, S., 1999. *Kuwait, 1950–1965: Britain, the Al-Sabah, and Oil*. Oxford: Oxford University Press for the British Academy.
- Speece, M., 1989. Aspects of Economic Dualism in Oman 1830–1930. *International Journal of Middle East Studies*, 21, pp. 495–515.
- Steinberg, G., 2001. The Shiites in the Eastern Province of Saudi Arabia, 1913–1953, in R. Brunner and W. Ende (eds.), *The Twelver Shia in Modern Times: Religious Culture and Political History*. Leiden: Brill, pp. 236–54.

- Tetreault, M. and M. Al-Ghanin, M., 2009. The Day After 'Victory': Kuwait's 2009 Election and the Contentious Present. *MERIP on-line*, 8 July, <http://www.merip.org/mero/mero07089.html>.
- Townsend, J., 1977. *Oman: The Making of a Modern State*. London: Croom Helm.
- Trofimov, Y., 2007. *The Siege of Mecca*. New York: Doubleday Press.
- Tumin, M., 1963. Some Principles of Stratification: A Critical Analysis. *American Sociological Review*, 18, pp. 387–93.
- US Department of State, 2007. Bahrain: Background Notes. Washington, DC: US Department of State.
- US Department of State, 2008. Investment Climate Statement: Saudi Arabia. Washington, DC: US Department of State.
- US Department of State, 2009a. Kuwait: Background Notes. Washington, DC: US Department of State.
- US Department of State, 2009b. Qatar: Background Notes. Washington, DC: US Department of State.
- Valeri, M., 2009. *Oman: Politics and Society in the Qaboos State*. New York: Columbia University Press.
- Vassiliev, A., 2000. *The History of Saudi Arabia*. New York: New York University Press.
- Weber, M., 1947. *The Theory of Social and Economic Organization*, trans. A. M. Henderson and T. Parsons. New York: Free Press.
- Weston, M., 2008. *Prophets and Princes: Saudi Arabia from Muhammad to the Present*. Hoboken, NJ: John Wiley and Sons.
- Wikan, U., 1982. *Behind the Veil in Arabia: Women in Oman*. Baltimore: Johns Hopkins University Press.
- Wright, S., 2008. *Fixing the Kingdom*. Georgetown School of Foreign Service in Qatar Occasional Paper, Georgetown.
- Zahlan, R. S., 1998. *The Making of the Modern Gulf States: Kuwait, Bahrain, Qatar, the United Arab Emirates and Oman*. Reading: Ithaca Press.

APPENDIX

Figure 1. Population figures for nationals and non-nationals in GCC states

	Nationals			Non-nationals			Total
	Males	Females	Total	Males	Females	Total	
Bahrain ¹	266,420	261,013	527,433	365,654	146,209	511,864	1,039,297
Kuwait ²	501,148	522,168	1,023,316	1,510,818	648,826	2,159,644	3,182,960
Oman ³	900,540	881,018	1,781,558	412,699	146,558	559,257	2,340,815
Qatar ⁴	60,782	61,997	122,779	429,580	114,150	543,730	666,509
Saudi Arabia ⁵	8,287,370	8,239,970	16,527,340	4,269,870	1,881,052	6,150,922	22,678,262
United Arab Emirates ⁶	417,917	407,578	825,495	2,388,224	892,708	3,280,932	4,106,427

Figure 2. Labour force figures for nationals and non-nationals in GCC states

Country	Nationals			Non-nationals			Total
	Males	Females	Total	Males	Females	Total	
Bahrain ⁷	67,871	33,810	101,681	264,054	13,736	277,790	379,471
Kuwait ²	198,843	142,342	341,185	1,295,173	326,597	1,621,770	1,962,955
Oman ⁸	582,649	164,750	747,300	403,207	50,607	483,814	1,231,114
Qatar ⁴	39,541	20,821	60,362	416,274	59,171	475,445	535,807
Saudi Arabia ⁹	3,230,201	670,391	3,900,592	3,550,347	573,943	4,124,290	8,024,882
United Arab Emirates ¹⁰	171,000	49,000	220,000	2,117,000	310,000	2,427,000	2,647,000

Sources:

¹ (2007) <http://www.cio.gov.bh/StatPublication/11RecurrentRequest/AdjPop2001-2007.pdf>

² (2006) <http://www.kibs.edu.kw/eikgcc.html>

³ (2003) http://omancensus.net/english/pdf_files/final_results.pdf

⁴ (2006) <http://www.qsa.gov.qa/Eng/publication/Annabs2008.htm> Population Table No.20

⁵ (2004) <http://www.cdsi.gov.sa/showcatalog.aspx?lid=26&cgid=1096>, summation of the data on page 37 of each of the administrative documents linked here

⁶ (2005)

<http://www.economy.ae/Arabic/EconomicAndStatisticReports/StatisticReports/Documents/Statistic%20Reports/UAE%20in%20Numbers/UAE%20Figures2007.pdf>

⁷ (2007) <http://www.undp.org.bh/Files/2008MDGPROREP/Goal3-BHR-MDG-PROREP.pdf>

⁸ (2003) http://omancensus.net/english/first_publication.asp/SectionThree

⁹ (2006) <http://www.cdsi.gov.sa/showcatalog.aspx?lid=26&cgid=1002>, Labour Force (15 Years And Over) By Age Group And Sex and Saudi Labour Force (15 Years And Over) By Age Group And Sex links

¹⁰ (2006)

<http://www.economy.ae/Arabic/EconomicAndStatisticReports/StatisticReports/Documents/Statistic%20Reports/UAE%20in%20Numbers/UAE%20Figures2007.pdf>

Published Kuwait Programme research papers

Contemporary Socio-political Issues of the Arab Gulf Moment

Abdulkhaleq Abdulla, Emirates University, UAE

Gulf state assistance to conflict-affected environments

Sultan Barakat and Steven A Zyck, University of York

Monarchy, Migration and Hegemony in the Arabian Peninsula

John Chalcraft, Department of Government, LSE

Persian Gulf - Pacific Asia linkages in the 21st century: A marriage of convenience?

Christopher Davidson, School of Government, Durham University

Anatomy of an oil-based welfare state: Rent distribution in Kuwait

Laura El-Katiri, Bassam Fattouh and Paul Segal, Oxford Institute for Energy Studies

Energy and sustainability policies in the GCC

Steffen Hertog, Durham University and Giacomo Luciani, Gulf Research Center, Geneva

Volatility, diversification and development in the Gulf Cooperation Council countries

Miklos Koren, Princeton University and Silvana Tenreyro, LSE

Gender and participation in the Arab Gulf

Wanda Krause, Department of Politics & International Studies, SOAS

Challenges for research on resource-rich economies

Guy Michaels, Department of Economics, LSE

Nationalism in the Gulf states

Neil Partrick, Freelance Middle East consultant

Governing markets in the Gulf states

Mark Thatcher, Department of Government, LSE

Gulf security: Changing internal and external dynamics

Kristian Ulrichsen, Kuwait Programme, LSE

The development of Islamic finance in the GCC

Rodney Wilson, School of Government, Durham University

Forthcoming Kuwait Programme research papers

Labour immigration, labour markets and demographics in the GCC countries: national patterns and trends

Martin Baldwin-Edwards, Panteion University, Greece

Sovereign wealth funds in the Gulf – an assessment

Gawdat Bahgat, National Defense University, USA

The Islamic Republic of Iran and the GCC States: From revolution to realpolitik?

Stephanie Cronin, University of Northampton and Nur Masalha, St. Mary's University College

The Gulf and the financial crisis

Will Hutton, The Work Foundation

eGovernment and eParliament Initiatives in the Arab Gulf: A Cross-National Comparative Analysis

Hendrik Jan Kraetzschmar and Mustapha Lahlali, University of Leeds

'Human rights', 'good governance' and the GCC states

Gerd Nonneman, Institute of Arab and Islamic Studies, Exeter University

The GCC: Gulf state integration or leadership consensus?

Neil Partrick, Freelance Middle East consultant

Financial market development in the GCC and the impact of the global financial crisis

Michael Webb, former Managing Director, Qatar Financial Centre Regulatory Authority



Dr. Nora Ann Colton is a Principal Lecturer in International Business at the Royal Docks Business School at the University of East London. Previously, she was a Professor of Economics at Drew University in the U.S.A. as well as a Visiting Professor at the American University in Beirut on two occasions.

She earned a BSc and MSc in Economics from the W.P. Carey School of Business at Arizona State University. She also completed a Graduate Diploma in Middle East Studies from the American University in Cairo and holds a Ph.D. from Oxford University, St. Antony's College. She is an economist and Middle East specialist who has published in various journals on a wide number of macroeconomic and political economy issues pertaining to the region. She has been the recipient of a Carnegie Scholar award as well as a Senior Fulbright Scholar. She has conducted field research in Egypt, Jordan, Lebanon, and Yemen. She has a book forthcoming entitled *The Political Economy of Yemen* through Palgrave-Macmillan Press. She is also the editor of a book series on Middle East Economics and Business through Palgrave-Macmillan Press.

This research paper was written under the auspices of the Kuwait Programme on Development, Governance and Globalisation in the Gulf States at the London School of Economics and Political Science with the support of the Kuwait Foundation for the Advancement of Sciences.

