

THE PROBLEMS OF RE-ADJUSTMENT: A CASE STUDY OF GULF ARAB SOCIETIES IN THE ERA OF RAPID TRANSFORMATION

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Between 1971 and 1978, the Gulf became an area of increased activity, and in spite of frantic efforts by the regimes to "stabilize" the socio-economic and political forces in their countries; a complete success could not be achieved. The rising expectations of the populations led by the new educated middle class became a strong pressure on the regimes for the implementation of ongoing development programs in their countries.

During the mentioned period, the entire complexion of the Gulf underwent a rapid process of change. The accelerated pace of development in social, economic and political spheres confronted the ruling elites with new forces with which they had to deal with new laws and adjustments. Their real concern remained that developmental process should continue without becoming a catalyst to further aggravate the divisions in the changing complexion of their respective societies. The ruling elites aimed at keeping the diverse forces in their societies satisfied and involved in the decision making process in accordance with their (i.e., the rulers) wishes.

The above-mentioned factors exposed the Gulf Arab countries to "revolutionize", when the oil revenues, especially after 1973, compelled the ruling elites to develop their semi-tribal societies in accordance with modern requirements. The clash between the old and new institutions called for striking a balance between the two.

In this paper we will focus our attention on the respective societies of the Gulf, scrutinizing the process of transformation of

the domestic institutions as a result of economic well being.

The ruling elite of the countries of the Gulf have been, since 1971, describing the changes taking place in their respective societies as a revolutionary condition. In fact during the era of rapid transformation, the societies of the Gulf were involved in a 'Revolution of Rising Expectations', which accelerated with each passing year.¹ An objective revolutionary condition as claimed by the local elite thus does not exist. No revolution has taken place in any of the Gulf societies within the time period prescribed for the purposes of this research.² The Persian Gulf region has encountered political change-over. Political power has been transferred to new ruling elite. There have also been shifts in social structure and of course, we can note a tremendous amount of economic development; but still, neither the men who rule nor their societies have been revolutionized. The societies have, been unable to do away with old "vices" such as rigid political control and have not expanded the policy-making involvements.³ Nevertheless, the old social habits and relationships seem to be in a process of disintegration; the living styles of the previous era have lost their original shape as a result of the immense impact of economic well-being brought about by oil-revenues.⁴

In spite of the fact that the achievements have been made in the form of expanded medical and educational facilities, housing projects, job opportunities and above all the extra-ordinary level of international prestige and status that they have attained - the countries of the Gulf are, in fact, in a state of uncertainty, unaware

¹William R. Polk, "The Economy of the Arab World", *The Middle East, 1974: New Hopes, New Challenges, Hearings before the Subcommittee on the Near East and South Asia of the Committee on Foreign Affairs, House of Representatives, Ninety-Third Congress, Second Session, April 9, May 7, 14, 23 and June 27, 1974* (Washington, D.C.: U.S. Government Printing Office, 1974), p. 165.

²After 1979, the basic reconstruction of the Iranian society can fall in the category of a genuine revolution.

³Bruce Maynard Borthwick, *Comparative Politics of the Middle East: An Introduction* (New Jersey: Prentice-Hall, 1980), pp. 57-58.

⁴Dale F. Eickelman, *The Middle East: An Anthropological Approach* (New Jersey: Prentice-Hall, 1981), pp. 317-8.

of what lies in store for them in the future.⁵

After having made a brief generalization of the Gulf societies we now confine ourselves to the question of transformation in the respective countries. An attempt will be made to observe the economic well being of the region. Further, we will try to observe its impact on two dependent variables - social and political institutions (the economic benefits being an independent variable).

Our concentration on the analysis of changing internal economic and socio-political structures will contribute to the understanding of Gulf's relations with its external environment, which is one of the important factors for the achievement of Gulf security goals. Manfred Halpern's interpretation is valuable, when he writes:

International relations are today being profoundly transformed mainly through internal politics. The balance of power, and the orientation, health and stability of the international system, are vitally affected by the success or failure of local elites in dealing with the social, political, economic, intellectual and psychological modernization of their countries⁶

Another analyst on the Gulf, John Duke Anthony, while explaining the States of the lower Gulf, comments that little has been written on the "political transformation" or changes occurring within these states. This, he thinks is a serious gap "in light of the impact of internal pressures for political change on external relations in the Gulf."⁷

From the above observation it becomes logical to view the milieu in which policies are formulated, especially in a region, which has immense significance for the global monetary system as

⁵John Waterbury, Regazi El Mallakh, *The Middle East in the Coming Decade: From Wellhead to Well Being?* (New York: McGraw-Hill Book Company, 1978), pp. 7-8.

⁶Manfred Halpern, *The Politics of Social Change in the East and North Africa* (Princeton, New Jersey: Princeton University Press, 1963), p. viii.

⁷John Duke Anthony, *Arab States of the Lower Gulf: People, Politics, Petroleum* (Washington, D.C.: The Middle East Institute, 1975), p. 21.

well as for the security considerations of the area.

(i) Economic Development in the Gulf Region

The pre Gulf war era (1971-1978) has its own significance. It was in this particular zone of history that rapid economic growth took place and started to impose a series of serious effects on the Political-Social institutions of the Persian Gulf societies. We can define economic development as a "rapid and sustained rise in real output per head and attendant shifts in the technological, economic and demographic characteristics of a society."⁸

It is appropriate here to make a distinction between economic development and modernization. We must be aware regarding the tendencies among various observers to use these two terms interchangeably. Modernization, according to our definition, is a wider concept and includes the development of social and political institutions, apart from the mere progress of economic structures. Thus modernization is not a function of fancy and shiny equipment, no matter how powerful these are as symbols. Certainly, modernization does not mean adopting European dress or hats. Nor does it mean to ignore and reject one's own cultural and religious values. In the Persian Gulf area it means proper distribution of oil money, correct policies leading towards food production and fundamental light industry. Also included are education, health and housing etc. Most important of all the involvement of population at large in the policy making process would only make the Persian Gulf nations as modern societies.

Confining ourselves to economic development, we can explain it as a phenomenon, which is accompanied by major shifts in the industrial, occupational and spatial distribution of productive resources and in the degree of exchange basis and monetization of the economy.⁹

* Richard A. Easterlin, "Economic Growth", *International Encyclopedia of the Social Sciences*, Vol. 4 (Caowell Colhir and MacMillan Inc., 1968), p. 395.

· Ibid

Dudley Seers has yet another interesting criterion to define economic development. He asks questions about a country's economic development in the following manner:

What has been happening to poverty? What has been happening to unemployment? What has been happening to inequality? If all three of these have declined from high levels, then beyond doubt this has been a period of development for the country concerned. If one or two of these central problems have been growing worse especially if all three have, it would be strange to call the result "development", even if per capita income doubled.¹⁰

Keeping the mentioned discussion of economic development in view, we would look at the Gulf region, with special reference to the Arab countries, in order to observe whether or not the economic activities subscribe to our accepted description.

As explained above the Gulf region, from 1971 to 1978 had become a mixture of new and the old as a consequence of rapid monetary investments. For example, it can be observed that the latest airfields and superhighways had come into existence while the caravan routes and oasis way stations have not ceased to exist. In the urban centers, latest architectural designs are new neighbors of old styles of buildings. These contrasts represent the great changes that have been taking place in the lives of the large majority of the people of the area. Unemployment and absolute poverty have been wiped out as far as the efficiency of the government channels had permitted. In fact thousands of workers are being imported to fill the job deficiencies.¹¹ Within a decade, the region had been transformed from under-developed and

¹⁰Dudley Seers, "The Meaning of Development", in *The Political Economy of Development*, Ed., Norman T. Uphoff and Warren F. Ilchman (Berkeley and Los Angeles, California, 1972), p. 124.

¹¹ M. Ali Fekrat, "OPEC: Bargaining for the World Product", *J. South Asian and Middle Eastern Studies* (Spring, 1979), p. 34. "In 1977 there were an estimated 1,000,000 immigrants to Saudi Arabia, 400,000 each to Kuwait and the United Arab Emirates, 350,000 to Libya, and more than 100,000 to Bahrain and Qatar", *IMF Survey*, September 4, 1978, pp. 260-2, in *Ibid.*

poverty ridden into affluent societies with a rapidly growing impact on the economic world.¹²

Most oil producers in the Persian Gulf were unable to adjust their financial policies to deal with their rapidly growing oil revenues.¹³ Nevertheless, as Arab governments increased their knowledge and sophistication in handling these growing funds and recognize the need to build their societies, they started to review their investment options, (previously the trend was to deposit large amounts of oil wealth in a few large banks in New York, London and in the Euro-currency market) and moved towards the development of their own financial institutions.¹⁴ The evidence can be found in setting up of various financial schemes, such as the establishment of Arab Fund for Economic and Social Development (AFESD), in 1971, with the help of oil exporting Arab countries.¹⁵

The trends as seen in Table 1, show a rapid leap in oil revenues in Saudi Arabia, Iran, Kuwait, Iraq etc. This also increased the amount of expenditures spent on arms-imports.

¹² Ramon Kuenerhase, "The oil Producing Middle East States," *Current History* (January, 1979): pp. 10-11.

¹³ David E. Long, *The Persian Gulf: An Introduction to its Peoples, Politics and Economics* (Boulder, Colorado: Westview Press, 1976), p. 130.

¹⁴ *The Persian Gulf, 1974: Money, Politics, Arms and Power*, *Hearing before the Subcommittee on the Near East and South Asia of the Committee of Foreign Affairs*; House of Representatives; Ninety-Third Congress; Second session, July 30, August 5, 7 and 12, 1974 (Washington, D.C.: U.S. Government Printing Office, 1975): pp. 76-77.

¹⁵ Gulf Arab oil producing countries also gave a vital assistance in setting up of "the Islamic Development Bank (ISDB) in 1974, as a part of the activities of the 'Islamic Conference', Saudi Arabia contributed 40 million Islamic Dinar (IsDO), UAE 220 million, and Kuwait 20 million. The objective is to help the social and economic development of the Muslim societies. Traute Selarf, *Arab Development Funds and Banks: Approaches to Trilateral Co-operation*; Vol. I (Paris: Development Centre of the Organization for Economic Co-operation and Development, 1978), pp. 158-161. Also see pp. 195-239, for further information on financial activities of the Gulf Arab countries, i.e., on collective as well as individual basis.

TABLE 1

OIL REVENUES OF THE GULF PRODUCING COUNTRIES
(in billions of US dollars)

Country	Years						
	1960	1965	1970	1971	1972	1973	1974
Saudi Arabi	0.35	0.66	1.20	2.15	3.10	5.50	23.00
Iran	0.29	0.52	1.14	1.95	2.38	4.50	18.00
Kuwait	0.47	0.67	0.90	1.40	1.66	1.94	7.30
Iraq	0.26	0.37	0.52	0.84	0.87	1.67	6.40
UAE	-	0.03	0.29	0.43	0.55	1.10	4.50
Qatar	0.05	0.07	0.12	0.20	0.26	0.42	1.75
Oman	-	-	0.10	0.15	0.16	0.30	0.80
Bahrain	0.10	0.10	0.10	0.10	0.10	0.20	0.25
Total	1.52	2.42	4.37	7.22	8.78	15.63	62.00

Source: The Persian Gulf, 1974: Money, Politics, Arms and Power: House Hearings; op., cit., pp. 77-78.

In Table 2, Saudi Arabia's foreign exchange assets increased progressively more than any other country of the region. The biggest gap came in between 1973 and 1977, when the international reserves increased from 3,877 to 30,034 million US dollars, while Iraq lagged behind Iran and Kuwait followed by UAE, Bahrain, Oman and Qatar. The answer to the above increase in international reserves is to be found in Table 2, dealing partly with the increase of Petroleum production over time.

TABLE 2

**INTERNATIONAL RESERVES OF THE GULF
COUNTRIES**
(U.S. \$ million at 31 December)

Country	Year		
	1970	1973	1977
Bahrain	71	74	510
Iran	208	1,236	12,266
Iran	462	1,553	6,996
Kuwait	203	---	2,990
Oman	127	501	427
Qatar	18	107	162
Saudi Arabia	662	3,877	30,034
UAE	*	92	824

* Not Available

Source: IMF, International Financial Statistics: World Bank, World Development Report, 1978; as quoted in The Middle East Yearbook, 1979, op. cit., p. 67.

The Gulf Arab countries' impressive potential for development relies on its huge physical resources (i.e., man-land ratios) which distinguishes most of Asia (but) its economic structure is not as backward as that of Sub-Sahara Africa.¹⁶

Advance in economic development is relative. It serves little purpose to compare conditions in the developing countries to those in Europe and the United States. The approach of comparing developing countries with each other and thence to draw conclusions about the success or failure of development is also full

¹⁶Oded I. Remba, "Basic Conflicts of Economic Development in the Middle East", in Modernization of the Arab World, Ed., Jack L. Thompson and Robert D. Reischauer (Princeton, N. J. D. Van Nostrand Co., Inc., 1966), p. 62.

of limitations. The best way, according to an American economist - Ramon Knauerhase, in order to evaluate the degree of progress in a particular country, "is to compare general conditions with those at some date in the nation's past."¹⁷

The Saudi government allocated a "major portion of its revenues to economic development, the budget for which exceeded (US) \$5 billion by 1968. Communications and education have received high priority."¹⁸ For example in 1954, there were less than 150 miles of hard-surfaced highways in all of Saudi Arabia. By 1974 there were about 7,000 miles of paved motor roads¹⁹ which were rapidly increased to 20,000 Kilometers by 1981.²⁰ Apart from the paved roads, Saudi Arabia also has 23,000 Kilometers of rural roads which connects 7,000 villages.²¹ or vocational institutions, 220 million riyals were allocated in 1973/74 to establish four new industrial schools.²² Important advances have been made in public education, yet another very important element of economic infrastructure. Girls' schools have been established and attempts are being made to expand secondary and higher education for both sexes. As a result the number of students on all levels rose 314 percent, from 143,010 in 1961/62 to 592,493 in 1970/71. The progress in girls' education is especially striking. It is estimated that:

At the end of the five-year period three times as many girls were attending primary schools, and eleven times as many were enrolled in post-primary schools. In 1969 the enrollment in girls'

¹⁷Ramon Knauerhase, "Saudi Arabia's Economy at the Beginning of the 1970s", *The Middle East Journal*, 28 (1974), p. 126.

¹⁸David E. Long, "Kingdom of Saudi Arabia", in *The Middle East: Its Government and Politics*, Ed. Abid A. Al-Marayati (Belmont, California, Duxbury Press, 1972), pp. 262-63.

¹⁹John E. Metcalf, *Saudi Arabia: A New Economic Survey* (Place of Publication Unknown: First National City Bank, December, 1974), pp. 14-15.

²⁰"Filling a Void: A Survey of Saudi Arabia", *The Economist*, February 13, 1982, p. 30.

²¹ *Ibid.*

²²*The Kingdom of Saudi Arabia: Land of Achievement*, Ministry of Information (Denman, Saudi Arabia: Al-Mutawa Press Co., date unknown), p. 38.

primary schools increased by 19 percent, and that of secondary schools, by 54 percent.²³

As the oil money poured in, so did the educational facilities. In 1975, there were 246,606 female students in 1st level, out of a total of 686,108 students - which comes to 36 percent.²⁴ Allocations for the improvement of educational institutions rose considerably. For example in 1974-75, seven hundred and fifty billion riyals were spent on education, while in 1976-77, a total of nearly nine and a half billion riyals were spent²⁵ - a rise of two billion riyals.

The Technical institutions, which were necessary for future development of Saudi Arabia, showed an encouraged increase. From 1974/75 to the year 1977/78 - a span of three years, the increase was 250 percent. The target increase for 1979/80 was expected to be 32 percent (i.e., in one year)

In order to diversify their economy, the Saudi government planned a steel mill and a fertilizer plant, which were included in the First (1969-1974) and Second (1975-1980) Five-year Plans. Saudi Deputy Minister of Industries emphasis this need in the following terms:

The emphasis of the country's Second Five Year Plan is focused on the vital objective of diversifying the Saudi economic base by developing the agricultural and industrial sectors. A comparison of the financial appropriations of the two Plans devoted to the objective of diversifying the Kingdom's economic and agricultural structure reveals the predicament of the Saudi planners vis-a-vis their Second Five Year Plan. While financial allocations of the First Year Plan for industry, agriculture, education, vocational training and cultural affairs reached the US

²³Norman C. Walpole, et. el., *Area Handbook for Saudi Arabia*; prepared by the American University for U.S. Government (Washington, D.C.: U.S. Government Printing Office, 1970), p. XI.

²⁴The percentage of female students however decreased with an increase in the level of education. For instance, at 3rd level, there were only 20 percent female students. *Statistical Yearbook*, 1978, *United Nations Department of International Economics and Social Affairs, Statistical Office* (New York: 1979), p. 921.

²⁵*Statistical Summaries on Education in Saudi Arabia, 1976/77*, Ministry of Education; Saudi Arabia: A New Economic Survey, op. cit., p. 21.

\$2.78 billion mark, financial allocations in the Second Five Year Plan devoted to these same purposes were \$ 31.4 billion. This is an increase of 112 percent over the First Five Year Plan allocations.²⁶

According to the official Saudi Arabian information bulletin, "A well-developed construction industry is a prerequisite for the success of a rapid socio-economic development program. Thus, the production of construction materials has been given one of the top priorities in the Development Plan."²⁷ Furthermore in the Second Plan period, a growth rate of 14 percent per year for that part of the industrial sector not based on hydro-carbon was proposed.²⁸

In the Second Plan, "...almost half the total economic resource development funds were allocated to manufacturing."²⁹ Regaei El Mallakh, a Professor of economics, while commenting on the Saudi planning wrote:

Non-hydrocarbon manufacturing recorded a 15.4 percent per annum growth rate during the Second Plan as compared to an 11.4 percent per year rate for the First Plan. Progress was such that a reasonable, secondary manufacturing base was successfully established. While all product areas showed expansion, this was particularly true in those areas serving the construction sector, such as non-metallic mineral products, fabricated metal products, chemicals, plastic and rubber. While progress was considered in diversification, emphasis will continue during the Third Plan in this area, which is considered to be of national interest.³⁰

Saudi Arabian planners realized that for meaningful industrial and economic development, there should be a heavy industrial base. For that purpose, the Saudi Arabian Basic Industry Corporation (Sabic) was established in 1976. The Corporation

²⁶ . Fouad Al-Farsy, *Saudi Arabia: A Case Study in Development* (London: Stacey International, 1980), *Second edition with revisions*, p. 149.

²⁷ . *Industrialisation of Saudi Arabia: Strategy and Policy* (Washington, D.C.: Royal Embassy of Saudi Arabian Office of the Commercial Attache, 1973), p. 3.

²⁸ *Ibid.*

²⁹ Regaei El Mallakh, *Saudi Arabia: Rush to Development; Profile of an Energy and Investment* (London and Canberra: Croon Helm, 1982), p. 206.

³⁰ *Ibid.*

would either implement its program unilaterally or could indulge in foreign joint ventures.³¹

Although the Saudi government inspired for a well-balanced agricultural program but admitted its failures when pointed out in official document:

The labor force in agriculture was assumed to have declined by about 0.9 percent annually, from 445,800 or 40.4 percent of the national labor force in 1970 to 426,100 or 28.0 percent of the labor force in 1975. This decline is already reflected in abandoned farmland and partly depopulated villages, particularly in the South-western Region. Its main causes are low real incomes in agriculture and increasing opportunities for well-paid employment in other sectors.³²

A general description of the Saudi economy suggests that "the process of improvement in the quality of formal planning (continued),"³³ and the welfare of the people improved. However, as a result of the shortage of technical personnel, unequal distribution of wealth and other numerous factors such as acute inflation eroded some of the benefits of tremendous economic development.

Unlike, Saudi Arabia, (in 1971), Iraq was already exposed to the Western world, especially in education and technical skills. It should be remembered here that even in ancient times, Iraq had a well built irrigation system but never recovered fully after the Mongol invasions to its original heights.³⁴

From 1958 and 1971, the earnings from petroleum showed an increase to an average of 94.2 percent of Iraq's export earnings.

³¹Ibid.

³²*Outline of Second Five Year Development Plan*, Ministry of Information, The Kingdom of Saudi Arabia; *Place and date of publication unknown*, p. 12.

³³David G. Edens and William Snaveley, "Planning for Economic Development in Saudi Arabia", *The Middle East Journal*, 24 (1970), p. 27.

³⁴David E. Long and John A. Hearty, "Republic of Iraq", in *The Government and Politics of the Middle East and North Africa*, Ed., David E. Long and Bernard Reich (Boulder, CO, 1970), p. 120.

This accounted for an average of 62.4 percent of its total trade.³⁵ By 1977, 90 percent of the Iraqi oil was being exported, of got about 7 billion US dollars in revenues, "thus becoming the most important vehicle of the Iraqi economic development."³⁶ Along with revenues, allocation for development also rose tremendously. The increase from 1973-74 to 1974-75 was about 400.0 per cent, still further paving way for a huge developmental program for the Iraqi society.³⁷

One report pointed out:

Water from the Hindiyah Barrage irrigates this land by means of a 40 KM. Long main canal from which many sub-canals branch. Some 70 automatic dredgers work daily in cleaning up these canals. The project is not meant any more for irrigation, drainage and agriculture alone. There are other supplementary projects connected with it. Twenty ultra-modern yards which house some 1,315 various kinds of cattle are under strict observation in the animal husbandry station attached to the project.³⁸

According to the Baath Party's political report presented in January 1974:

Economic independence is a central aim of the Liberation Revolution. It is parallel in importance to political independence and also complementary to it. For without real economic important pillar and meaning and remains constantly threatened.³⁹

In spite of the fact that Iraq has a potential for developing its agricultural sector and, as seen above, it has been given a fairly high priority - the facts are far from the position as portrayed by the government circles. According to a non-Iraqi source, the

³⁵Michael E. Brown, "The Nationalisation of the Iraqi Petroleum Company", *International Journal of Middle East Studies*, Vol. 10, No. 1 (February, 1979), p. 113.

³⁶Girgis B. Ghobrial, "OPEC: Its International Economic Significance, 1974-75", in *OPEC and the Middle East: The Impact of Oil on Societal Development*, Ed., Russell A. Stone (New York & London: Praeger Publishers, 1977), p. 77.

³⁷Ramon Knaemhase, "The Oil Producing Middle East States", *Current History* (January, 1979), p. 10.

³⁸"A Project is Re-Born", *Iraq Today*, Vol. 1, No. 22 (August, 1-15, 1976), p. 12.

³⁹"The Economic Independence", *Iraq Today*, Vol. 1, No. 9 (January 31, 1976), p.8.

conditions of agriculture are still not favorable. For example, in 1968 Iraq imported agricultural goods worth U.S. \$ 86.7 million, which rose to 1,180.0 million dollars in 1970s.⁴⁰ It is thus by any standard a disappointing performance for a nation which declares its intentions to achieve self-sufficiency in agricultural sector. According to the latest five-year plan (1976-1980) agriculture and industry received 3 billion Iraqi Dinars (ID) each, while education and transportation received ID 1 billion each.⁴¹ This is an indication to the fact that agriculture obtained top priority as shown in the official statistics of the Iraqi government.⁴² The feed back as noted above has been disappointing. According to the assessment of an author, Keith McLachlan, the failure in agricultural production in Iraq is due to the "frequent changes of policy towards agriculture and by a chronic inability of the administrations responsible for agriculture to claim and disburse the financial allocations made within the various plans for economic development."⁴³

Industrial out put was no better than agriculture sector. Since the reforms of 1964⁴⁴ "...the new organization required for the development of an efficient and dynamic industry in Iraq has not yet materialized after fourteen years (1978) and there is no sign that it will do so in the near future."⁴⁵ The main cause of the unsatisfactory results in industry, according to Edith Penrose, are two - "the heavy hand of bureaucracy and the lack of cooperation from a dissatisfied population."⁴⁶

⁴⁰ Keith McLachlan, "Natural Resources and Development in the Gulf States", in *Social and Economic Development in the Arab Gulf*, Ed., Tim Niblock (London: Croom Helm, 1980), p. 84.

⁴¹ Encyclopedia of the Third World, Vol. 1, op. cit., p. 699.

⁴² Keith McLachlan, "Natural Resources and Development in the Gulf States", in *Social and Economic Development in the Arab Gulf*, op. cit., p. 84.

⁴³ Keith McLachlan, "Iraq: Problems of Regional Development", in *The Integration of Modern Iraq*, Ed., Abbas Kelidar (London: Croom Helm, 1979), p. 141.

⁴⁴According to the reforms of 1964, large industries, about thirty in number were nationalized, i.e., along with banks and insurance companies. Furthermore new "overall Economic Organization" was created to look after the newly nationalized industries. See Edith Penrose, "Industrial Policy and Performance in Iraq", in *The Integration of Modern Iraq*, Ed., Abbas Kelidar (London: Croom Helm, 1979): pp. 150-169.

⁴⁵Edith Penrose, "Industrial Policy and Performance in Iraq", op. cit., p. 151.

⁴⁶Ibid.

The failure of Iraqi Economic policies is even admitted by the President of Iraq, Saddam Hussein. While replying (with reservations) to the question, that why it had taken the government so long to announce the new development plan, the Iraqi President replied: "Concerning industrialization...we are alright; not that we have achieved the best we could have done, since we believe we have a long way to go."⁴⁷

The Peripheral States Of The Gulf

In the peripheral states of the Gulf region - Kuwait, United Arab Emirates (UAE), Bahrain, Qatar and Oman, oil was again the main source of revenue and therefore a major factor in the planning for a rapid economic development. Before its discovery, pearl fishing and boat building were the premier industries, which with time have shown a sharp decline.⁴⁸ Unlike Saudi Arabia and Iraq, these states are and will find it extremely difficult to diversify their economy. For example, Kuwait's prospects for industrial development "are hampered by a dearth of natural resources, except oil and natural gas, and the less intrinsic handicaps such as shortages of skilled labor."⁴⁹

During the span of our research period all Kuwaitis enjoyed the welfare system that is unparalleled elsewhere in the Middle East and in the world. Some of these benefits are reserved for the citizens, but "all residents enjoy free education and health care, no income tax, and bonuses such as free telephone services."⁵⁰ Even as early as 1963, a World Bank mission to Kuwait concluded that the country had reached a level of "affluence" where purely

⁴⁷Saddam Hussein, *Iraqi Policies in Perspective; Text of President Saddam Hussein's Press Conference*, July 20, 1980, Baghdad (Baghdad: Publishing House, 1981), p. 14.

⁴⁸Rupert Hay, *The Persian Gulf States* (Washington, D.C.: The Middle East Institute, 1959), p. 51.

⁴⁹Robert G. Landen, "State of Kuwait", in *The Middle East: Its Government and Politics*, Ed., Abid A. al-Marayati, op. cit., p. 283.

⁵⁰*Ibid.*, p. 282.

economic improvement need not be an overriding objective of government policy.⁵¹

Since 1928, Bahrain was able to maintain its edge in educational sector. Forty years later it could boast 94 state schools serving 45,000 pupils, or almost a quarter of the entire population.⁵² Qatar also made rapid educational strides in the 1960s. By 1968 the school population had risen to 15,907, which represented nearly 20 per cent of the Shaykhdom's total population. The Gulf States' children are supplied with free books, stationary, food and even pocket money. It was estimated that the educational system will, "supply a literate labor pool with the technical skills necessary to operate a modern economy."⁵³

Agriculture occupies very little place in the economic structure of the peripheral states of the Persian Gulf. The topography of the area contains barren land with little or no rainfall thus making the efforts of the experts to grow more food a difficult proposition.

(ii) SOCIO - POLITICAL CHANGES

New economic pushes have always put pressures on the old structures, which tries to maintain itself in its original shape. "This mixture of old and new has given rise to social tension among groups, changes in the psychological orientation of the individual, economic dis-equilibrium, and political conflict."⁵⁴ As a result of the impact of rapid economic development along with its dynamic characteristics we can now observe things moving. As economic

⁵¹Area Handbook for the Peripheral States of the Arabian Peninsula, Prepared for the American University by Stanford Research Institute (Washington, D.C.: U.S. Printing Office, 1971), p. 117.

⁵²Area Handbook for the Peripheral States of the Arabian Peninsula, op. cit., p. 137.

⁵³Robert G.Landen, "Gulf States", in Abid A. Al-Marayati, ed., op. cit., p. 304.

⁵⁴ Benjamin Rivlin and Joseph S. Szyliowicz, *The Contemporary Middle East: Tradition*

growth becomes rapid, peoples' aspirations outstrip their possibilities leading to adjustments in socio-political institutions.

In one study, dealing with a particular political aspect, it was found that there was no strong correlation (positive and negative) between rate of economic growth and either party competition, party institutionalization or party independence. But at the same time it was admitted that "if such a relationship does exist it must be over a longer time period (than covered in the study)...or in developing countries at a different stage of development than those covered..."⁵⁵

In another study it was argued that, "we are intuitively and logically aware that economic conditions have something to do with social and political upheavals. Students of the last two and a half centuries of history have noticed this effect."⁵⁶

Compared with the past, the modern economic growth involved acceleration in the rate of social change generally so marked that it frequently created, "a significant difference in the experience of only two successive generations. The rate of growth has varied substantially, however, among different economies undergoing development at a given time and within a given economy over time."⁵⁷ On the social and demographic side it involves significant alterations in fertility, morality and migration, in place of residence, in family size and structure, in the educational system, and in provision for public health. Moreover, the influence of economic growth extends into the areas of income distribution, class structure, government organization, and political structures.⁵⁸

The discovery of oil, and with that rapid economic growth

⁵⁵Barbara. N. McLennan and Robert D. Cantor, "Political Parties and Economic Development in Developing States", *Asia Quarterly*, 2(1973), pp. 190-191.

⁵⁶I. W. Zartman, et. el., "An Economic Indicator of Socio-Political Unrest", *International Journal of Middle East Studies*, 2(1971), p. 293.

⁵⁷Richard A. Easterlin, *op. cit.*, pp. 395-396.

⁵⁸*Ibid.*

(although delayed for considerable period of time), linked the Gulf countries abruptly to the world economy. Dr. Dawsari⁵⁹ of Saudi Arabia, in his analysis is visibly concerned about the nature and direction of change in Saudi Arabian society. He describes this new change as a "Future Shock." The author writes:

Traditional economies are being integrated overnight with cosmopolitan ones. The effect upon the societies undergoing these influences can be summarized as future shock. Comprehensible and traditional modes of culture are in violent transition. Individuals in each affected area must learn not only to cope, but also to function perfectly within this phenomenon.

Saudi Arabia's national economy thrives on the multinational economic megastructure. The social system is reeling from its effects. Look outside - at the man on the street...his traditional values of survival and how to achieve it are far removed from those of his father. The Kingdom is riding a time bomb. Time has accelerated to such an extent that economically and socially chaos will be imminent if measures are not taken to safeguard the system and the people in it.⁶⁰

Yet another writer, Manfred W. Wenner, has similar thoughts about change in the Saudi Society. He argues that, "it is essential to remember, for example, that it was as a result of the impetus of the development of the petroleum industry and the vast revenues which it provided that change came to Saudi Arabia, and not as a result of a direct colonial experience (Saudi Arabia never had any, at least not in the classical sense) or heritage."⁶¹

The traditional structure of Ibn Saud's government could not resist the pressures of the rapid economic activity and new aspiration and demands by the society. For example, in October 1953, King Abd al-Aziz ordered the formulation of a Majlis al-

⁵⁹ Director of Administrative Services, University of Petroleum and Minerals.

⁶⁰ Fahad Saqr Al-Hazzam Dawsari, "The Challenge of Change in Saudi Society and the Potential University Role: Future Shock is Here", *Unpublished Paper, presented on August 8, 1976 for the Saudi Summer Students* (University of Petroleum and Minerals, Saudi Arabia).

⁶¹ Manfred W. Wenner, "Saudi Arabia: Survival of Traditional Elites", in *Political Elites and Political Development in the Middle East*, Ed., Frank Tachau (New York, London, Sydney, Toronto: John Wiley and Sons, 1975), p. 181.

Wuzura (Council of Ministers). The preamble of the decree states that it was decided by the King to establish a Council of Ministers, in part, "because of the increase in the number of obligations and the diversification of the responsibilities placed upon the state."⁶²

Article 1 set forth the main provisions of this decree:

A Council of Ministers is to be formed under the presidency of our Son Sa'ud, Crown Prince of the Kingdom and Commander-in-Chief of the Armed Forces. It shall be composed of all those Ministers of State charged by Royal decree with the conduct of the affairs of Ministers entrusted to them, so that they may look into all the affairs of the nation, whether foreign or domestic; and it shall decide what corresponds to the interests of the country in these matters in order to refer them to us.⁶³

The constitution of the Council of Ministers and the constitution of the Division of the Council of Ministers were approved by the King on March 17, 1954.

Faisal replaced Ibn Sa'ud in 1964. King Faisal, much more efficient and wise second son of Abdal-Aziz accepted the challenge to modernize his country while keeping within the traditional norms of the Saudi society. He assumed effective power as Prime Minister and with that, "the economy (was) stabilized, rational development policies...adopted, administrative procedures...improved and fiscal responsibility...developed in the bureaucracy."⁶⁴ In other words, the country was set on the right path, ready to adjust itself to the requirements of modern society resulting because of new economic development.

Socio-Political changes also occurred in much more profound ways. "Development in law and education, long the exclusive preserve of the conservatives, illustrate these fundamental

⁶² Royal Decree No. 5/19/1/4288, dated 1 Safar 1373 (9 October, 1953), Published in Official Gazette; Umm al-Qura, No. 1485, 16 October, 1953.

⁶³ Charles W. Harrington, "The Saudi Arabian Council of Ministers", *The Middle East Journal*, 12 (1958), p. 5.

⁶⁴ David G. Edens, "The Anatomy of the Saudi Revolution", *International Journal of Middle East Studies*, 5 (1974), p. 62.

adjustments."⁶⁵ According to Edens there is a remarkable similarity "between the process of (rapid change)...in Saudi Arabia and those in the West. As in the Western cases, economic conditions appear to have been relatively good in the years just prior to onset of revolutionary change."⁶⁶

Changing fiscal conditions also resulted in the alterations of the legal framework. Although the Sharia is still the official law of the land, a substantial body of administrative law has emerged, created by Marsum (decree) or Nizam (ordinance). The use of motor vehicles, the conditions of employment, compensation for industrial injury and commercial practices are regulated by quasi-judicial agencies with the bureaucracy. The Grievance Board of the Council of Ministers established in 1955⁶⁷ serves as a high court to which any victim of an injustice may appeal. The above mentioned arrangements are the best examples of how Saudi Arabia's government has adjusted the Shariah court system, creating a modern government machinery while at the same time maintaining Islamic characteristics intact. To give an illustration, the Diwan al-Mazalim (Board of Grievance)" provides an excellent example of the adaptation of a classical Islamic Institution to modern needs⁶⁸ The modern Grievance Board generally limits its activities to cases of an administrative nature involving government operations.

In March 1956, the Grievance Board announced "its readiness to receive complaints against any government organization whatsoever and to take all necessary action in such complaints."⁶⁹

The Board practically came into action and decided some cases. One such complaint was against a surgeon who had operated upon a patient without his consent. Moreover, the Board's Chairman has been active in settling the disputes, which involved

* Ibid.

** Ibid., p. 63.

** Saudi Royal Decree No. 2/13/9759 of 9/17/1374 A.H. (May 10, 1955).

* David E. Long, "The Board of Grievance in Saudi Arabia", *The Middle East Journal*, 27 (1973), p. 71.

* Charles W. Harrington, *op. cit.*, p. 18.

labor grievances. This sort of arrangement becomes helpful in providing an outlet for a good deal of dissatisfaction and thus fulfilling the new demands of a changing society.

It should be recognized that no effective government could avoid adjusting to changing reality. Since the traditional ruler has no means or know-how to legislate the new laws so as to adjust to the new needs, the usual way in the Saudi setup was through the use of administrative decrees. Government ministers and other administrative organizations, making numerous decisions of the day-to-day administrative type in fields under their jurisdiction, apply this new method. These decisions are multiplying as the society becomes more and more complex and thus is able to handle more demands from its populace. Such a situation is summed up when said:

Saudi Arabia is clearly a critical test case for Fundamentalism, for that country's experience will demonstrate whether it is possible to reconcile sudden and immense wealth, rapid technological change and strict adherence to the norms of traditional Islam. So far, one must admit, the Saudis have done rather well, but they still confront some serious problems. The most obvious of these is the corruption and demoralization among the elite inducted by the influx of oil revenues after World War II - a trend only partially checked by King Faysal.... None of these things fatally weakens the country's religious foundations: indeed, the bulk of its institutions and the whole tone of its public discourse are witness to the integrity of its vision of Islam.⁷⁰

The oil industry provided opportunities for acquiring money and training for nearly all sections of Saudi Arabia's society. "Those who have been most willing to move to take jobs in the oil industry have been nomads and semi-nomads."⁷¹ The character of the overall Saudi Arabian population has not only rapidly changed the cities but also the desert. Still, generally speaking, because of semi-planned development, although benefited, "the Bedouin

⁷⁰ R. Stephen Humphreys, "Islamic and Political Values in Saudi Arabia, Egypt and Syria", *The Middle East Journal*, 33 (1979), p. 9.

⁷¹ Norman C. Walpole, et. al., *op. cit.*, p. 67.

remain(s) outside the main stream of development,"⁷² especially in the field of education.

The King and the princes continue to receive the Bedouins, giving them favored status in recognition of their past services, but the younger generation of bureaucrats and princes, most of whom have studied abroad hardly are knowledgeable about the affairs of the young Bedouin.

According to Donald Powell Cole:

Aside from their activities in transportation and as unskilled laborers, the Bedouin are experiences change in two major ways.... Some of the Bedouins are increasingly settling down and abandoning pastoralism, while others are changing their pastoral activities in order to produce animals for sale on the market rather than mainly for their own subsistence.⁷³

The government of Saudi Arabia for the past number of years has been trying very hard to sedentarised nomads so that they can also benefit from the newly achieved oil wealth. In this respect one of the most ambitious, technically best planned, and most sophisticated agricultural settlement projects were developed within the tribal territory of the Al-Murrah near Ain Haradh in the Wadi Sobha. The plan was initiated during the early 1960s and is known as the King Faisal Settlement Project, an area of some 4,000 hectares (approximately 8,000 acres). This piece of desert was planned to have a self-watered, modern agricultural oasis, where 1,000 Bedouin families were to be settled in eight villages. The scheme did not work so well. Later on the government acted according to the needs, and tastes of Bedouin customs which rest upon herding activities. Professor Cole is of the opinion that, "it is still too early to judge how successful the Bedouin will ultimately be in switching from subsistence-oriented camel herding to

⁷²Donald Powell Cole, *Nomads of the Nomads: The Al-Murrah Bedouin of the Empty Quarter* (Chicago: Aldine Publishing Company, 1975), p. 141.

⁷³*Ibid.*, p. 144

market-oriented herding of sheep and goat".⁷⁴

The Saudi Arabian National Guard is composed almost exclusively of Nomads. Within a developing Saudi Arabia, the National Guard provides young nomads with an opportunity to learn new skills and to participate in the national society. It is also a means of improving the economic status of the tribes; at the same time making them feel that they are part of the progress oriented Saudi nation.⁷⁵

Perhaps the single most significant change that occurred in Saudi society on account of increasing economic activity has been in the field of occupational structure⁷⁶ - especially the emergence of a "New Middle Class". This development, however, is a widespread phenomenon in the Gulf region as a whole. The middle class consists of managers, administrators, teachers, engineers, journalists, scientists, lawyers, or army officers, etc.

The new emerging class structure in Saudi society consists of:

- UPPER CLASS:** Royal Family and its Collateral Branches
A Few Leading Tribal Shaykhs
Top Ulama
- LOWER UPPER CLASS:** Handful of Wealthy Members of Successful Merchant Families
- MIDDLE CLASS:** Merchants, Traders and Landowners
Managers, Administrators and Clerks

⁷⁴Ibid., p. 162.

⁷⁵Donald P. Cole, "The Enmeshment of Nomads in Saudi Arabian Society: The Case of Al Murrab", in *The Desert and the Sown: Nomads in the Wider Society*, Edited by Cynthia Nelson (Berkeley: University of California: Institute of International Studies, 1973), pp. 126-127.

⁷⁶Rostam M. Kavoussi, "Oil Exports and the Changing Occupational Structure in Saudi Arabia", *Arab Studies Quarterly*, 6 (1984), p. 283.

Teachers including that of Religion and Arabic at all levels of the Educational System

Lawyers and Scientists

Army Officers and Members of National Security Guard
Bureaucrats

LOWER CLASS:

Nomadic Bedouin

Semi-nomadic Herdsmen

Unskilled and Semiskilled Workers in government and the private sector

The rapid growth of the Saudi financial system caused a sudden huge demand for skilled and semiskilled labor. This demand provided many new opportunities for the Saudis who were able to acquire skills and education, to move themselves into new jobs and consequently into new social groupings. It is estimated that out of six million population, two million are foreigners. The non-Saudis are engaged in different projects but Saudi government has taken pains to diversify the foreign labor forces. "Saudi government officials believe that by employing people who are culturally apart from the Saudis in language, religion and general culture, they will have less of problem in ensuring that their stays are temporary".⁷⁷

While some Saudis found opportunities in the petroleum industry, others joined the rapidly expanding government bureaucracy especially during the 1950s. During the reign of King Saud (1953-1964), employment in the public sector grew from a few hundred to more than one hundred thousand. Under King

⁷⁷T.R. McHale, "A Prospect of Saudi Arabia", *International Affairs*, 56 (1980), pp. 632-633.

Faisal it had increased by half as much.⁷⁸

According to a study made in 1979, there were about 33,376 scientists and engineers (Official figures). About one third of them were Saudis and their representation in research and development sectors was still low. The real problem revolves around the acute shortage of middle level manpower and "it is generally acknowledged that there are not enough technicians to meet current needs".⁷⁹ A survey made on the job situation in Saudi Arabia described the situation as follows:

Commerce is fun for Saudis; industry less so; and manual work is beneath their dignity. In the five years to 1980, according to the Saudi-tinted official figures, the local share of the work force fell from 92% to 57%. Most of them work in trade and local government, where thousands of well-paid, undemanding jobs are available....The more educated Saudis become, the less inclined they will be to do industrial or manual jobs. Most Saudis prefer to study arts and administration rather than engineering or science.⁸⁰

The "New Middle Class" in Saudi Arabia gained access to higher levels of government in the 1960s as its members increased and more of them returned from university study abroad. In 1960, King Saud gave five ministerial posts (two of which had always been held by princes) to commoners from the first echelon of the "new middle class".

More changes were made between 1970 and 1972, which reflected "the gradual transformation of the Saudi Arabian Class and Power Structure".⁸¹ For instance in that period, for the first time Minister of Justice and that of Pilgrimage and Awqaf were appointed from Jiddah (these ministries were in the past held by the Al-Sheikh family). The second minister came from a prominent merchant family. In 1971 two new deputies appointed for the

⁷⁸William rugh, "Emergence of a New Middle Class in Saudi Arabia", *The Middle East Journal*, 27 (1973), p. 10.

⁷⁹*Ibid.*, p. 363.

⁸⁰*The Economist*, February 13, 1982 (Special Survey on Saudi Arabia), p. 33.

⁸¹*Ibid.*, p. 14.

Ministry of Education were elected from the "new middle class".

The process of appointing the members of "new middle class" to important assignments in fact increased as time went on. The single most important appointment no doubt has been that of world known Ahmad Zaki Yamani who was appointed as late as 1962. Since that time he has been in charge of the decision-making process regarding oil - domestic and international.⁸²

It is interesting to note the role conception and attitudes among the new emerging bureaucrats, as Al-Awaji observed in his research findings that:

There is no doubt that many individual bureaucrats, who, because of their exposure to different moral standards, have developed their personal conception of their responsibility which might be substantially different from that of the society's at large. However, regardless of such isolated incidents, public bureaucrats in general reflect the overall value system of the society. Thus, while some may stand for their own personal beliefs and, hence, reject the irrational aspect of their social values, the majority usually act according to the demands of such values, except in situations where their own position might be jeopardized...His definition of his role towards his family, relatives, and intimate group vis-a-vis the general public is positively influenced by his perception of how the society expects him to behave towards these relations.⁸³

Saudi bureaucracy, as an emerging institution faced multidimensional problems. The factors involved in the malfunction of bureaucracy, "included external cultural and social pressures, non-productive work-group dynamics, and a variety of behavioral predispositions including the insecurity of many officials, their lack of professionalism and their minimal concern for the public".⁸⁴

⁸²Benjamin Shwadran, *The Middle East, Oil and the Great Powers; Enlarged edition* (New York, Toronto: John Wiley and Sons, 1973), p. 381.

⁸³Ibrahim Mohammad Al-Awaji, *Bureaucracy and Society in Saudi Arabia; Unpublished Ph.D. Dissertation; University of Virginia, 1971*, pp. 179-180.

⁸⁴Abdel Rahman Al-Hegelan and Monte Palmer, "Bureaucracy and Development in Saudi Arabia", *The Middle East Journal*, 39 (1985), p. 67.

Unlike Saudi Arabia, Iraqi history is loaded with coups and counter-coups. It was July 14, 1958 Coup d'etat that changed the complexion of the Iraqi political structure with the abolishing of the institution of Monarchy - it was, "a seizure of power by a small, determined group",⁸⁵ led by Abdul Karim Qasim, who at the time of the Coup was a brigade commander.

The efforts to improve the economic and social conditions of the Iraqi people were taken up in 1950 and "curiously enough, in Iraq, rich in land, blessed with an abundant supply of water, and with a fabulous, steady income from oil, poverty and general backwardness were widespread".⁸⁶

To maintain a particular form of society is not an easy job to be performed by the kind of political instability Iraq became accustomed to. Professor Majid Khadduri defines the prospects of reforms to bring social and economic change as follows:

Social and economic reforms, however, could not be achieved merely by 'overhauling' the system of government. It is true that the democratic system of Iraq existed only in 'form', not in operation; but democracy, like any other system of government, is only an instrument, which cannot operate in a vacuum - it functions in accordance with the existing forces in society. If democracy in Iraq were dominated by landlords, tribal Shaykhs, and a group of elder politicians forming a circle of 'oligarchs' it was not the fault of democracy itself that it functioned in Iraq as a virtual oligarchy, since it was bound to operate in accordance with the social milieu in which it existed.⁸⁷

From the above observations it can be gathered that within the power structure of Iraq even as it stands today, much cannot be expected to transform the Iraqi society like its neighbors during the peak era of transformation, i.e., 1971-1978. The main reason

⁸⁵ Waldemar J. Gallman, *Iraq Under General Nuri: My Recollections of Nuri al-Said, 1954-1958* (Baltimore: The John Hopkins Press, 1964), p. 205.

⁸⁶ Benjamin Shwadran, "The Power Struggle in Iraq", *Middle Eastern Affairs*, February (1960), p. 39.

⁸⁷ Majid Khadduri, ... 277

behind such formation is that the Iraqi regimes were not able to encourage institution building outside their own power-base."⁸⁸ In fact, all resources were used to stabilize their rule. In real terms, "no contemporary Iraqi regime has been able to move ahead with the business of modernization and political development"⁸⁹.

The benefits of oil wealth did not seem to create political confidence in the regime and reforms to that effect were not forthcoming. In fact close-knit Revolutionary Command Council replaced the bicameral Parliament that was abolished in 1958 at the time of the overthrow of the Monarchy. The provisional constitution of the Baathists desired to create a 100 member National Council - a promise that was not fulfilled till the end of 1978.⁹⁰

As the oil revenues are distributed by the functionaries of the Baath party, thereby for job and career development, more segments of the Iraqi society tend to join or at least support the party. This does not necessarily mean that genuine ideological commitments are also being made,⁹¹ thus implying that the mobilization of the masses in the affairs of the government remains thin. But the Iraqi regime can at least exploit the oil revenues for its support.

The process of change remained slow in nearly all fields of activities as "it was (found) that it was exceedingly difficult to erect a new political structure and carry out a reform programme"⁹². The progress to revolutionize the alterations in the Iraqi institutions remained slow and showed little signs of

⁸⁸James A. Bill and Carl Leiden, *The Middle East: Politics and Power* (Boston, London, Sydney: Allyn and Bacon, 1974), p. 211

⁸⁹*Ibid.*

⁹⁰On July 20, 1980, under the pressures of the Iranian revolution, elections were held for national Parliament. The participation took place under Baathist control.

⁹¹David E. Long and John A. Hearty, 'Republic of Iraq', in *The Government and Politics of the Middle East and North Africa*, Edited by David E. Long and Bernard Reich (Boulder, Colorado: Westview Press, 1980), p. 124. ♦

⁹²Majid Khadduri, *Republican Iraq: A Study in Iraqi Politics Since the Revolution of 1958* (London, New York, Toronto: Oxford University Press, 1969), p. 63.

improvement for the future. The performance of the Baath regime is summed up as follows:

The Ba'ath takeover in 1968 did not, it may be asserted, initiate a qualitative transformation of society or the state. The major outward sign of change was in the style of government, characterised by a greater degree of astuteness in the application of government policies, a considerably higher degree of centralisation of power, and a greater emphasis on the ideological legitimisation of the regime in terms of Arabism and 'socialism'. At the same time, the Ba'ath made every effort to consolidate itself politically and institutionally both within the state apparatus and in the mass populist organisations, notably the trade unions, the women's union, the peasant union and the youth and student's union. In particular, the armed forces were gradually purged of non-Ba'athists. The consolidation was accompanied and indeed ultimately facilitated by the growing economic power of the state, particularly after the nationalisation of the Iraqi Petroleum Company in 1972 and the rapid rise in oil revenues after the price rise of 1973.⁹³

In other words, in spite of the fact that social and political changes could have been brought by the forces of increasing economic activity, the progress has been sluggish as already pointed above because of the Iraqi government lacked political cohesion. "Thus, despite oil wealth and other natural resources, a potentially productive agricultural sector, and a population that is out of proportion to its resources base, Iraq has been an extremely difficult country to govern regardless of the ideological professions of the regime in power (i.e., the Baathists)"⁹⁴ Another factor which has deprived the Iraqi society of the benefits of social and political upward mobility has been policies based on "unintelligent rigor with inefficiency"⁹⁵.

Iraq, as has been observed before faced a chronic instability and one of the factors responsible for such a situation has been the

⁹³Marion Farouk-Sluglett, "'Socialist Iraq', 1963-1978: Towards a Reappraisal", *Orient*, 23 (1982), p. 215.

⁹⁴David E. Long and John A. Hearty, *op. cit.*, p. 117.

⁹⁵Stephen H. Longrigg, *The Middle East: A Social Geography*, 2nd. Edition (Chicago: Aldine Publishing Company, 1974), p. 266.

sharp ethnic and sectarian fragmentation. Iraqi society is "a very heterogeneous community."⁹⁶

The Baathists treated their financially poor Shia majority with harsh measures. According to a Shia source, from 1974 to 1980, the government has murdered five hundred Shias. That includes the widely respected religious leader Sayyid Muhammad Baqir al-Sadr, many ulama and the ex-Director of Atomic Energy Authority, Dr. Ala al-Shahristani.⁹⁷

The rate of sociopolitical changes in Kuwait; United Arab Emirates (UAE); Bahrain; Qatar and Oman states has been directly related to the discovery, development and exploitation of increasingly large quantities of petroleum during the 1970s.

In the mentioned Gulf States, the development was accompanied by a presence of a large number of foreign workers. It is demonstrated by the fact that over two—thirds of the labor force for example in Kuwait is non-Kuwaiti.⁹⁸

The expatriates became the overwhelming majority, of those with professional and technical training, and they have contributed significantly to the country's swift rise to affluence. Despite the fact that the number of Kuwaitis was roughly equal to the number of non--Kuwaitis,⁹⁹ the latter held over two-thirds of the jobs as mentioned above. The disparity is explained by the fact that the non—Kuwaitis came just for work. Many native Kuwaitis, on the contrary no longer are required to work as they have acquired additional sources of income. The Kuwaitis have never been comfortable about the influence wielded by the Palestinians who

⁹⁶The Middle East Yearbook, 1979 (London: IC Magazines, 1979), p. 117.

⁹⁷The Party of al-Da'wah al-Islamiyah, *Bayan al-Tafahum al-Sadir min Hizb al-Dawah al-Islamiyah ila al-Ummah fi al-Iraq* (The Manifesto for Mutual Understanding issued by the Party of al-Dawah al-Islamiyah to the Nation in Iraq), unplaced, 1980, pp. 7-8; quoted in Hanna Bataat, "Iraq's Underground Shi'a Movements: Characteristics, Clauses and Prospects", *The Middle East Journal*, 35 (1981), p. 591.

⁹⁸Area Handbook for the Peripheral States of the Arabian Peninsula, op. cit., p. 102.

⁹⁹G. Etzel Percy and Elvyn A. Stoneman, *A Handbook of New Nations* (New York: Crowell Company, 1968), p. 208.

are about one fifth of the population. But these fears seem to be not very valid because, after all, the Palestinians in Kuwait are prosperous members of the establishment and therefore highly unlikely to pose a serious political as well as security threat.¹⁰⁰

Social change in Kuwait society is substantial and as a result, we note a break—down of many of the social relationships.¹⁰¹ The bonds of tribes and family have been greatly eroded in the towns and only a fraction of the population continues to live in the deserts of the north and south. Class relationships have also changed — the merchants have lost much of their former pre—eminence and the native—born workers have begun to disappear as a class.

In response to public opinion the ruling family permitted the Assembly elections of January 1971 to be held on the basis of a free vote, though women, illiterates and all non—Kuwaitis, at least by the end of 1978 had no voting rights. There was a lively election campaign, with 184 candidates contesting the 50 seats, despite the non—existence of political parties, which are not allowed to function.

After the January 1971 elections, representation of the ruling family was reduced from five to three and for the first time, the Cabinet included two ministers belonging to the elected National Assembly.¹⁰²

On August 29, 1976, the ruler of Kuwait “partially suspended the country’s constitution and dissolved its parliament... What really irked Kuwait’s rulers was that parliament, always fairly rambunctious, had showed increasing signs of independence and even claimed the right to initiate legislation”.¹⁰³

The factors of economic progress installed a sense of rising expectations in Kuwait. The workers went on strike in the

¹⁰⁰ *The Economist*, 4-10 September, 1976, p. 42.

¹⁰¹ *Arca Handbook for the Peripheral States of the Arabian Peninsula*, op. cit., p. 102.

¹⁰² “Kuwait”, in *The Middle East and North Africa, 1975-76*, op. cit., pp. 471-72.

¹⁰³ *The Economist*, 4-10 September, 1976, p. 42.

industrial area of Muhammadia for higher wages. "There had been a strike from 23 to 31 March in the Levivier company and 48—hour strikes were held on 9 and 10 April (1976) at Somex and Sogeta..."¹⁰⁴ The 1976 industrial strikes in Kuwait are indicators of the emerging of more complex relationship in the society a prerequisite for a 'modern' nation.

In general, Kuwait population has accepted the convergence of attitudes as sponsored by the government. Taking Kuwaiti students as an example, it is concluded:

Kuwaiti students are not alienated from their political system, nor are they more efficacious than the general public. Several factors account for these attitudes. The Kuwaitis have had a unique political experience in this part of the world. They have enjoyed a relatively 'democratic' experience. Freedom of expression has been to a great extent guaranteed. The system has been generous with its allocation of economic goods. When a Kuwaiti compares his lot to that of other Arabs, he realization he enjoys a superior position. This feeling is apparently translated into efficacious feelings toward the system by students and general public alike.¹⁰⁵

In the case of Qatar, a few changes took place in the political set-up as well as the improvement of links between the rulers and the ruled. Sheikh Ahmad bin al—Thani, the ruler, was deposed on February 22, 1972 by his cousin Sheikh Khalifa bin al—Thani, apparently for the reason that the deposed ruler could not move ahead fast enough to match the rapid rate of development in the economic sector.

The new ruler immediately made moves affecting salaries in the public sector, housing and royal appropriations, which indicated that he was about to introduce an era of steadier social and political reform. Sheikh Khalifa also decreed the first Advisory

¹⁰⁴ Arab Report and Record, 1-15 April, 1976, p. 227.

¹⁰⁵ Tawfic E. Farah and Faisal S. A. Al-Salem, 'Political Efficacy, Political Trust, and the Action Orientations of University Students in Kuwait', *International Journal of Middle Eastern Studies*, 8 (1977), p. 326.

Council, to complement the ministerial government. Its 20 members, initially appointed were planned to be eventually elected representatives.

Bahrain with its earlier development of institutions as noted in part i of this chapter, was able to hold elections for the National Assembly in 1973. This venture to achieve democracy did not last long. "The Amir, Shaykh Isa bin Sulman, dissolved the National Assembly on August 27 (1975), transferred its responsibilities to the Cabinet and suspended the constitutional provision which called for new elections within 2 months of the Assembly's dissolution."¹⁰⁶

According to John Anthony's discussion of countries of the lower Gulf, an important social factor in these states has been the "interaction between the indigenous and immigrant population." The immigrant population according to Anthony is from widely divergent cultural backgrounds. Moreover, there is discrimination against immigrant labor, especially in jobs for which foreigners and natives are competing. For example, in the oil Emirates, "the lowest salary for local workers, often averages between (US) \$ 5 & 6 a day; the foreign—born unskilled worker, by contrast, typically averages between \$2.50 and 3 a day"¹⁰⁷

Although the immigrants are outside the local political and social structures they nevertheless are crucially important to the economic development and maintenance of the Shaikhdoms. Anthony quotes an official, responsible for development planning as saying:

Were the Egyptians to be removed, many of the school systems would have to close; were the Palestinians to be forced to leave, the media would cease to function; were the British, Jordanian, Pakistani, Baluch, Yemeni and Omani soldiers to be expelled, the defence and internal security network would

¹⁰⁶*Middle East Monitor*, 5 (September 15, 1975), p. 1.

¹⁰⁷John Duke Anthony, *Arab States of the Lower Gulf: People, Politics, Petroleum*, op. cit., p. 15.

collapse; were the Iranian, Baluchis and Pathans who make up the bulk of the labour force to be sent back to their homelands, progress on such vital development projects underway as the building of roads, ports, irrigation schemes, housing projects, schools and medical clinics would all come to an abrupt halt.¹⁰⁸

Although the immigrants tend to keep to themselves and are reluctant to mix with other groups, still their presence in large numbers from different countries and cultures have had great influence in breaking down, "conservatism, old habits, and prejudices against other ways of life, such as might have been felt in more isolated communities".¹⁰⁹

A revolutionary change in the life styles and aspirations of the coastal people including that in Oman became apparent. One of the changes has been in the life style of the Bedouin, which has resulted in moving to the towns in increasing numbers. In order to discourage such pressures on big cities, "Oman's national development policy has the stated goal of erasing the differences between the coastal and the more backward interior. This policy includes the development of towns in the interior with an eye to prevent further rural—urban migration and establish good road links to the capital".¹¹⁰

Another important factor to be noted is the gap between the middle class and the rulers. According to an opinion:

The oil revenue accrue not to the merchants but to the Rulers, and as the revenues grow increasingly large, the Rulers will have the economic as well as the political power to rule without having to seek the consensus of this class. Moreover, until recently there was little distinction made in most of the Shaykhdoms between a Ruler's personal funds and those of his

¹⁰⁸Ibid. p. 21.

¹⁰⁹R. G. Feron, *The United Arab Emirates: An Economic and Social Survey* (Bungay, Suffolk, U.K. : Longman, 1973), p. 18.

¹¹⁰Michael E. Bonine, "The Urbanization of the Persian Gulf Nations", in *The Persian Gulf States: A General Survey*, op. cit., p. 270

Amirate, giving the Rulers and their families, in comparison with all other social classes, tremendous economic power indeed.¹¹¹

In other words the oil revenue provided the ruling elite with a tool to consolidate their position and at the same time play an important role in the development process. The ruling families in the Peripheral States of the Gulf region are "an important link in the area's transition from tribal societies to modern states".¹¹²

Oman paid a heavy price for not utilizing the official resources and potential for the improvement of the conditions of its people. Although the oil income started coming in 1967 but the Sultan Said bin Taimur, a paranoid tyrant... hoarded gold from oil revenues.... It was against the law for an Omani to wear spectacles or ride a bicycle".¹¹³ In these circumstances the rebels in the Dhofar province had taken control and established their strongholds.¹¹⁴

His son Sultan Qaboos overthrew the 'outdated' Sultan in 1970, which not only rearranged the priorities regarding the development of his country but also was also able to crush the rebellion in the south.¹¹⁵ Sultan Qaboos' achievements can be described in the following words:

From 1970 (onwards),... the challenges of open rebellion in the south an(1 of creating a better life for all Omanis are being met. The Dhufar rebellion was effectively quelled through a combination of military force and, more importantly for the long term, through the sustained commitment of the government to use the country's resources to improve its standard of living and to

¹¹¹John Duke Anthony, *Arab States of Lower Gulf: People, Politics, Petroleum*, op. cit., p. 13.

¹¹²J.E. Petersou, "Tribes and Politics in Eastern Arabia", *The Middle East Journal*, 31 (1977), p. 312.

¹¹³*Time*, June 4, 1979, p. 12

¹¹⁴D.L. Price, *Oman: Insurgency and Development; Conflict Studies*, No. 53 (London: Institute for the Study of Conflict, 1975).

¹¹⁵Matthew Salisbury, "End of a Rebellion?" *Middle East International*, March (1976), pp. 18-20; Penelope Tremayne, "End of a Ten Years' War", *RUSI*, March (1977).

involve Omanis from all backgrounds in the country's government and development.¹¹⁶

Sultan Qaboos bin Said established a Council of Ministers to deal with matters of public interest. Till 1978, an impression was created that the foundations of a parliament was still to be laid, however, a number of advisory councils functioned. These councils were not given the responsibility to conduct themselves in a comprehensive manner. Instead the Sultan relied heavily on his "inner circle".¹¹⁷

The rulers of the Gulf States share a common interest to improve the socio-political well-being of the local people which in turn could keep away any radical movements in the area.¹¹⁸

Conclusion

One of the most striking phenomena to be noted in our discussion of the Gulf region and its changing process, has been the emergence of professional middle class, "composed of individuals whose goals include a transformation of power relations and authority structures".¹¹⁹ Large numbers of them are interested in professionalism over personalism, justice over wealth, intellectual freedom over imposed stability, and affective political participation over political co-optation.

In short according to Halpern, "(The) salaried Middle Class constitutes the most active political, social and economic sector from Morocco to Pakistan".¹²⁰ These people are the first group in

¹¹⁶Dale F. Eickelman, *The Middle East: An Anthropological Approach* (Eaglewood Cliffs, N.J.: Prentice-Hall, 1981), p. 312.

¹¹⁷Dale F. Eickelman, "Kings and People: Oman's State Consultative Council", *The Middle East Journal*, 38 (1984), p. 54.

¹¹⁸John Duke Anthony, "The Impact of Oil on Political and Socio-Economic Changes in the United Arab Emirates", in *The Middle East: Oil, Politics, and Development*, Edited, John Duke Anthony (Washington, D.C.: American Enterprise for Public Policy Research, 1975), p. 98.

¹¹⁹James A. Bill and Carl Leiden, *The Middle East: Politics and Power* (Boston, London, Sydney: Allyn and Bacon, Inc., 1974), p. 87.

¹²⁰Manfred Halpern, *op. cit.*, p. 52.

their countries who are not automatically members of class because of family ties; they are in the new middle class primarily because of their personal qualifications. In fact, members of this new educated class hold formidable weapons of knowledge, competence, and educational training, weapons that are surely needed in all societies embarking upon developmental program.

We should recognize, that any traditional system, which refuses to adjust itself in a rapidly transforming world inevitably, crumbles under the demands of new social forces. Another aspect to be acknowledged is that environmental change is planned and controlled by those in authority and moreover its magnitude can also be decided by the society as such.¹²¹ We should also "note that a process which took three or four centuries in the West is being collapsed, into three or four decades in the young countries. All the shocks, tensions and neuroses which go with change, then, are likely to be multiplied by the rapidity of the effort".¹²²

One has to take notice of the fact that like any other social units in the Gulf region; internal divisions also divide the middle class. These divisions are along the basis of kinship, ethnicity, occupation, social origins, geography (urban-rural), and educational background.¹²³

This class still lacks any political power but with a dramatic growth in their population in the near future, its political influence is bound to grow, although not necessarily in the right direction. Nevertheless, the younger, better-educated group has convinced themselves that fundamental changes must be made in their society. Also, there is a small but growing group of influential government officials who recognize the need for reforms and are attempting to bring them about. There is a tendency among this

¹²¹Aron W. Warner, Dean Morse, Thomas E. Cooney, "Introduction", in *The Environment of Change*, Aaron W. Warner, et. El. Eds., (New York and London: Columbia University Press, 1969), p. xiii.

¹²²Everett M. Kassalow, "Change and the Less-Developed, Countries", in *The Environment of Change*, op. cit., p. 144.

¹²³James A. Bill and Carl Leiden, op. cit., pp. 87-88.

class to run ahead of their capacities and time, and the same instance we can also observe some overreaction concerning some of the issues.

Ahmad Baha'eddine wrote that this middle class is "the greatest hope we have for progress...."¹²⁴ At the same time a considerable number of this class survived because of manipulation and thus can be easily susceptible to corruption. Jabra I. Jabra wrote, "If you think the Sheikh grinds the faces of his tribesmen you should wait and see the Ph.D. grind the faces of all and sundry, without even a touch of the magnanimity we pride ourselves on".¹²⁵

Perhaps, Jabra was talking about that section of the new educated class which James A. Bill categorized as "maneuverers"¹²⁶ and therefore should not be generalized for the purposes of analysis.

¹²⁴Ahmad Baha'eddine, "Feudalists, Capitalists, and Intellectuals", quoted in James A. Bill and Carl Leiden, *op. cit.*, p. 178.

¹²⁵Jabra I. Jabra, "Hunters in a Narrow Street, London, 1960", quoted in James A. Bill and Carl Leiden, *op. cit.*, p. 88.

¹²⁶James A. Bill and Carl Leiden, *op. cit.*, pp. 119-132