ISTANBUL BILGI UNIVERSITY

Institute of Social Sciences

LABOR MOVEMENTS AND RENTIER STATES: THE POLITICAL ECONOMY OF CLASS CONSCIOUSNESS

Yiğit Engin

2016

LABOR MOVEMENTS AND RENTIER STATES: THE POLITICAL ECONOMY OF CLASS CONSCIOUSNESS

Submitted by: Yiğit Engin

In partial fulfillment of the requirement for the degree of Master of Arts in International Political Economy

Thesis Advisor: Assistant Professor Dr. İnan Rüma

Istanbul Bilgi University

2016

LABOR MOVEMENTS AND RENTIER STATES: THE POLITICAL ECONOMY OF CLASS-CONSCIOUSNESS

Submitted by: Yiğit Engin

113674008

Thesis Advisor: Assistant Professor Dr. İnan Rüma **Signature:**

Jury Member: Associate Professor Dr. Ömer Turan **Signature:**

Jury Member: Assistant Professor Dr. Güven Gürkan Öztan **Signature:**

Date of thesis approval:

Total number of pages: 75

Key words:

1. Rentier state
2. Workers
3. Oil
4. Protest culture
5. Social movements
6. Uprisings

Abstract

The thesis attempts to understand the underlying reason why in rentier states social movements are constrained and have limited capacity or will to rise against unfair governance. In order to achieve this goal Saudi Arabia was chosen as case study because the Kingdom enjoys being clearly a textbook example of a rentier state and nowadays experiences an economic transition. In doing so, the thesis will depict the political economy of Saudi Arabia and the relationship between oil business and oil workers in the country. Then, to have a controlled experiment a country which passed through a major transition and which is not a rentier state has been chosen. In this regard, the thesis could assess whether organized labor movement is the key factor that lacks in rentier states or not. Therefore, Egypt and Tunisia that witnessed a major political transformation were chosen as a decoy to test the main argument: In order for a country to experience protest and social movement culture, it needs organized and intensified labor movements. Therefore, this thesis reached the following conclusion: Labor/worker movements are effective to create the culture of protest, which could give birth to social and political transformations. In rentier states with boundaries for trade unions, due to lack of dense working class and lack of organized labor movements, social movements are dim and less effective.

Keywords: Rentier state, workers, oil, protest culture, social movements, uprisings

Özet

Tez, rantiye devletlerde toplumsal hareketlerin neden sınırlandığı ve bu hareketlerin haksız uygulamalara karşı hak arama mücadelelerinin neden sınırlı bir kapasite içinde olduğunun altında yatan nedeni anlamaya çalışmaktadır. Bu amaca ulaşmak için Suudi Arabistan vaka incelemesi olarak seçildi, çünkü Krallık, açıkça rantiye devlet anlamında ders kitabı örneği olarak karşımıza çıkıyor ve günümüzde ekonomik bir değişim yaşıyor. Bunu yaparken, tez, Suudi Arabistan'ın politik ekonomisini ve ülkedeki petrol üretim sektörü ile petrol işçileri arasındaki ilişkiyi tasvir edecek. Akabinde, kontrollü bir deney olması bakımından büyük bir toplumsal dönüşüm gerçekleştiren ve rantiye devlet statüsünde olmayan ülke seçilmiştir. Bu bağlamda, tez, örgütlü işçi hareketinin rantiye devletlerde yoksun olan temel faktör olup olmadığını değerlendirebilir. Bu nedenle, büyük bir siyasi dönüşüme tanık olan Mısır ve Tunus şu ana argümanı sınamak için seçildi: Bir ülkenin protesto ve sosyal hareket kültürünü içselleştirebilmesi için organize işçi hareketlerine ihtiyacı vardır. Dolayısıyla bu tez şu sonuca ulaştı: İşçi/emek hareketleri, toplumsal ve siyasal dönüşümler doğurabilecek protesto kültürünü oluşturmak için etkilidir. Sendikalaşmanın önünde engellerin bulunduğu rantiye devletlerde, yoğun işçi sınıfının ve örgütlü işçi hareketlerinin olmaması nedeniyle, toplumsal hareketler cılız ve daha az etkilidir.

Anahtar Kelimeler: Rantiye devlet, işçiler, petrol, protesto kültürü, toplumsal hareketler, isyanlar

Dedication

I would like to dedicate this thesis to my parents for their infinite love and support, and to the workingmen and workingwomen who suffer from unfair distribution of wealth.

Table of Contents

List of Figures **4**

1. Introduction **7**

2. Theoretical Framework **11**

2.1. Civil Society, Social Movements and Autocratic Governments 11

2.2. Rentier State: The Art of Collecting and Spending the Oil Revenue 14

2.3. Making of Labor Class and Class Consciousness 20

2.4. The Labor Movement in Arab Uprisings 28

3. The Political Economy of a Rentier Kingdom: Saudi Arabia **42**

3.1. Flexing roots into the heart of the desert 42

3.2. The Saudi Economy 43

3.3. Absolute religious monarchy with problematic succession system 49

3.4. Religious Differences 51

3.5. Civil Society in Saudi Arabia 54

3.6. Containing the Arab Spring: Buying loyalty and other measures 57

3.7. Oil and the Workers of the Kingdom 58

4. Conclusion **64**

Bibliography **66**

List of Figures

Graph 1: Average annual rate of population change (percentage) 40

Graph 2: Population of youth (15-24) as a percentage of total population 40

Graph 3: Revenue differentiation of Saudi Kingdom 43

Graph 4: Oil production of Saudi Kingdom 44

Graph 5: Oil Prices 45

Graph 6: Fiscal Breakeven Prices Composition 45

Graph 7: Total Foreign Assets of Saudi Arabia 46

Graph 8: Saudi Arabia 2015 Budget Composition (bn Saudi riyals) 46

Graph 9: Military Expenditures as of GDP 47

Graph 10: Percentage of Internet Usage in Saudi Kingdom 55

Figure 1: The number of protests - August 2000 29

Figure 2: The number of protests - August 2011 29

Figure 3: The number of protests – August 2013 30

Figure 4: What did Saudi Arabia import in 2014? 47

Figure 5: What did Saudi Arabia export in 2014? 48

Figure 6: Saudi Family Tree (1742-2005) 50

Figure 7: Saudi Family Tree (1932-today) 51

Figure 8: The Correlation between Natural Resources and Shi'a Locations 54

Table 1: Strikes, sit-ins, and other collective actions in Egypt 35

Table 2: Disputes in Tunisia 37

Table 3: Strikes in Tunisia 37

1. Introduction

When the Arab Spring has been materialized, the end of authoritarian regimes across the Greater Middle East, i.e. Middle East and North Africa, was bet to be the most probable outcome. In some countries this was the case, tyrants had to leave their post amid brutal and bloody uprisings like in Egypt and Libya but in some countries the domino effect of the Arab Spring just passed by like in Saudi Arabia. In some other countries like Syria the uprisings resulted in a Civil War and ultimately and was altered into Proxy Wars conducted by regional and major global powers.

There are so many analyses keeping an eye on geopolitical implications and underlying political reasons of these uprisings and social movements that gave birth to the Arab Spring. However, the analyses that shed light over the question why in some countries the seeds of the Arab Spring did not sprout is relatively outnumbered. In this regard, this thesis argues that social movements can be oppressed and silenced or even they do not become effective in materializing political and social changes in a rentier state. The underlying reason of this reality has its roots in the oil business not being a labor-intensive industry. The soul premise of the thesis is that in countries where labor class-consciousness does not move in, the culture of social movement and protest* cannot be kept alive. Thus, Saudi Arabia, a country who enjoys being a rentier state - a state whose more than 40 percent of fiscal revenues are generated by oil wealth as Luciani points out. (1990, cited in Altunisik 2014 and Kuru, 2014:

* The term, culture of protest is cited from Joel Beinin (2012 and 2016): Beinin, Joel (2012), "The Rise of Egypt's Workers", *The Carnegie Papers*, http://carnegieendowment.org/files/egypt_labor.pdf and Beinin, Joel (2016), Workers and Thieves: Labor movements and Popular Uprisings in Tunisia and Egypt, Stanford: Stanford University Press.

p.399) and who was on the brink of the domino effect of the Arab Spring, is chosen to be the example country to test the core question of the thesis. Saudi Kingdom would be the best sample because it is now in transition to get rid of its oil dependent economy by 2020 as Prince Muhammad Bin Salman (MBS) promised. Moreover, it is a rentier state and most organized protest movements were being observed in oil rich and therefore oil industry based provinces where Shi'a workers are effective.

To underline the argument, labor movements' impact on the uprisings in Egypt will also be depicted to clarify why labor-class consciousness is imperative for social movements of the Arab Spring and protest culture. In fact, these countries are in the Greater Middle Eastern region but they are not all rentier states. Thus, the thesis would rely on comparison. Following this structure, it was also indicated that why one should consider the class-consciousness argument instead of the discussion around the freedom of press or internet that would secure the diffusion of knowledge and so that could pave the way for advocacy in a country. Nonetheless, the lack of class-consciousness in a country is far more imperative than the rentier state suppressing the motives of the masses to rise against anti-democratic and unfair governance.

The structure of the thesis will be as follows: First, this thesis will depict the literature review on rentier state, social movements, and labor class. Second, the thesis will carry the discussion to a higher level by comparing Saudi Arabia with non-rentier Tunisia and Egypt that has organized labor movements via trade unions. The thesis's focus will be on labor class different from the mainstream literature, which has fiscal, macroeconomic, and capitalism oriented arguments. It should be noted that the seeds

of the collective actions driven by Egyptian worker in the 20th century rooted in 1930s and this is what is lacked in Saudi Arabia except the Eastern Province:

> "Stimulated by the growth of the textile industry, and supported by cosmopolitan intellectuals engaged in renewing Egyptian Marxism, a trend advocating trade union independence from all political parties emerged in 1930s. Marxist-influenced workers led large textile workers unions in suburban Cairo during and after World War II. Three strike waves in 1945-46, 1947-48, and 1950-51 infused the nationalist movement with a progressive social component, inextricably intertwining class and national identities" (Beinin, 2016: p. 12).

Third, the thesis will go into the foundation story of the Saudi rentier kingdom. How and why the oil industry became a matter of life and death for the Saudi dynasty would be the key area of focus. In this section the ways of Saudi Kingdom to oppress the opposition and its preemptive measures will be introduced. Furthermore, the possible contribution of this thesis to the literature will be drawn.

This thesis is formulated with a mixture of qualitative and quantitative research. For qualitative research this thesis utilized secondary sources to obtain information regarding the labor market and the level of class-consciousness in countries that the opportunity to visit would be an impossible task. Moreover, the difficulties in a possible of field research due to potential biased answers and language constraints should not be ruled out. For the quantitative nature of the thesis, the thesis has orchestrated the following: In order to depict the economic environment of Saudi Arabia, the forecasts and economic database of the Institute of International Finance (IIF) has been cited. Thanks to this database, a general macroeconomic picture of the Kingdom was embedded to the thesis. Second, the freedom scores of Egypt and Saudi Arabia provided by the Freedom House and Internet penetration in these countries were used to have a discussion about the freedom and labor movements. Third, in

order to have a general understanding about the overall protest mapping, GDELT maps (produced by GDELT to quantitatively codify conflicts. GDELT monitors print, broadcast, and web news media to create computable record of global society) were utilized and the evolutions of protests were indicated. Since GDELT requires paid subscription another secondary source was used[†]. The last but not least, the data for number of strikes and sit-ins in Egypt were depicted to share the link between labor participation and collective actions in the scope of quantitative research.

[†] http://johnbeieler.org/protest_mapping/

2. Theoretical Framework

The literature on class struggle impact on social movements in the Greater Middle Eastern Region is dim. Even for the rest of the world the literature is poor to provide appropriate studies to show how class struggles turn into protest culture and then into rising for democracy, freedom, and social rights. The mainstream literature on rentier state stresses a more state centric fiscal approach rather than class struggle approach. Even for the civil wars appeared in the region, the rentier state literature claims that the guilt is on oil revenues. So in this regard, the thesis inked in would be expected to embed the critical class struggle approach into the rentier state and social movements relationship. It would create an academic vacuum if one would rule out the clash between bourgeoisie and proletariat in a political economy analysis. Thus, the thesis will argue that it is the class struggle that creates the culture of protest and it is the lack of labor movement organizations in rentier states that prevents organized social movements beyond the state structure and fiscal orchestration of a rentier state per se. The thesis will open a parenthesis to define the rentier state before going into the details of the literature. Rentier state is defined in Luciani (1990, cited in Altunisik 2014). It is a state in which at least 40 percent of fiscal revenues are generated by hydrocarbon resources.

2.1. Civil Society, Social Movements and Autocratic Governments

Before going into social movement discussion, it would be noteworthy to stress the question of what kind of governance social movements could sprout in. Political opportunity structures, John L. Campbell argues (Davis et. al, 2005: pp. 80-90), influence the ultimate achievements of social movements. He points the following

examples: During the 1970s and 1980s, French anti-commercial nuclear movements encountered with closed and centralized political institutions that disabled them to influence policy making process. As a result they conducted mass protests and civil disobedience in which tens of thousands of demonstrators had participated. In contrast, in Sweden where inclusive public discussions are part of policymaking process, anti-commercial nuclear activists were able to cooperate with one of the main political parties. Therefore it can be considered that since the autocratic governments have centralized and closed political institutions orchestrated by the autocratic dynasty or the ruler, the only way to conduct advocacy remains mass protests as observed during the Arab Spring. Yet, oil rich countries like Saudi Arabia bypassed the dramatic impact of the Arab Spring. Thus, oil adds a new dimension to social movement theories, which is hidden underneath rentier state discussions.

So when this thesis talks about social movements what does it really consider on? Social movements can be functioned as a driver of social change in our modern world. Social movements are also mobilized and aimed at the public sphere outside political channels (Johnston, 2014: pp. 1-2). Hank Johnston stresses "social movements are driven by groups and organizations that integrate individual members in varying degrees of participation and mobilize them to action". Johnston also implies that social movements are network structures composed of complex membership and participation (2014: p. 10).

Amid the crackdown in the world's leading economy, people who identified themselves as the 99 percent (versus the richest 1 percent) gathered on the Wall Street in New York City to protest economic inequalities and to demand a fair system

instead of the old one that only cares the richest 1 percent according to them. This was the so-called *Occupy Movement* flamed on the streets of the hearth of U.S. financial system. Time Magazine Reporter Nate Rawlings describes the beginning of the protests as follows:

> "On Saturday September 17, 2011, about 2000 people assembled near the Charging Bull sculpture at the southern tip of Manhattan and marched north with the intention of camping out on Wall Street. They were an eclectic group, mostly young, typically dressed in shorts and sneakers; a few even wore suits for the occasion. Nearly everyone was fired up with indignation about what they saw as a culture of out-of-control greed. At first they did not succeed, at least geographically. Police steered them away from the Wall Street, so they made their way instead to Zuccotti Park, just around the corner from ground zero" (Time, 2011).

Occupy Wall Street movement has been emerged against a system which only works in favor of the richest 1% and raised the issue of a democratic system in which the richest 1% favors most and asked for a new democracy. Even there appears a new political engagement (Harcourt et al, 2013: p. 46). In this context, Bernard E. Harcourt, unlike the idea that Occupy Wall Street is a movement for civil disobedience, argues that it is actually a "political disobedience". (2013: p. 47). Whether a civil or political disobedience or whether seeks for better economic conditions or asks for a new democracy, could this movement of Occupy Wall Street be categorized as a social movement? Or let this thesis rephrase the question: What is a social movement? How can one define a collective action as a pure social movement?

Social movements need to combine three elements at once. First, sustained campaigns of claim making should be present. Second, an array of public performances including marches, rallies, processions, demonstrations, occupations, picket lines, blockades, public meetings, delegations, statements to and in public media, petition drives, letter

writing, pamphleteering, lobbying, and creation of specialized associations, coalitions, or fronts – in short, the social movement repertoire. Third, repeated public displays of *worthiness, unity, numbers, and commitment (WUNC)* by such means as wearing colors, marching in disciplined ranks, sporting badges that advertise the cause, displaying signs, chanting slogans, singing militant songs, and picketing public buildings (Tilly, 2006).

Theoretical background of social movements leads to the social movements culture terminology. Evaluating the social movement culture is far more important for the sake of this study than analyzing the social movement, itself. Because, it is the lack of protest and social movement culture that prevents Saudi Arabian citizens to raise their demands, this thesis argues. Cultural artifacts (music, poetry, literature, theatre, graffiti, logos and so on) are important components of mobilizing social movements (Johnston, 2014: p. 73). Many examples have been observed: "The Red Woman" in Turkey's Gezi Park protests and the symbols, graffiti, and logos produced to resemble her as a hero to identify the protests and to attract more attention to the Gezi Park protests; songs composed during the mid-20th century referring peace and freedom; theatre plays written by Brecht criticizing capitalism and diffusing the idea of class consciousness.

2.2. Rentier State: The Art of Collecting and Spending the Oil Revenue

The term 'rentier state' was first used by Mahdavy in 1970 in Studies in the Economic History of the Middle East (ed. M.A. Cook, 1970: p. 428). Mahdavy points out that in rentier states oil revenues tend to increase at a higher degree than the gross national Product (GNP) of the domestic economy. Thus, the public sector of the oil producing

countries grows significantly. This may convert the state into a "fortuitous étatisme" where the government becomes the sole factor of the economy (1970: p. 432). However, according to Delacroix (1980 qtd. in Sune and Ozdemir, 2012), Mahdavy's analysis lacks the world economic system's impacts on the rentier state and the question why rentier state occurs in particular countries instead of other forms of states is unanswered. He argues that in the countries where Middle Eastern type of state structures emerge, there appears no class struggle (Sune and Ozdemir, 2012: pp. 7-9). Today when one talks about a rentier state having hydrocarbon revenues he/she mentions a state whose oil, gas, and mineral revenues constitute over 40 percent of its overall fiscal revenue generation as Luciani points out. (1990, cited in Altunisik 2014 and Kuru, 2014: p.399). Moreover, another economic feature of rentier states is that in this type of states booming oil industry and the rest of the real economy has no solid links. The oil industry does not utilize high level of domestic input and the indigenous sectors do not use that much of the oil products. Hence, the rest of the economy is not as developed as the oil industry (Altunisik, 2014: p. 77). More dangerously, as Mahdavy mentions that in rentier states a noticeable portion of government expenditures are creating an impression of prosperity and growth in the economy so that the masses could stay in unfavorable economic conditions and long-term development goals could be missed (1970: p. 437). Moreover, as Beblawi mentions in his rentier economy analysis of 1987, in a rentier state only few are engaged in the generation of the rent; the majority of the economic agents are only involved in utilization and distribution of the rent (Beblawi and Luciani ed., 2016: p. 51) . Thus, as Herb (2005) argues single natural resource dominance in a poor country economy can erode the rest of the economic system, which like a self-fulfilling prophecy further increases the importance of that resource. As the remaining part of the

economy is contained by the resource economy, the prospect for democracy shrinks, as well. Alas, poverty can be the trigger of reniter trap rather than the other way around. Herb mentions the Southeast Asian economies and their ability to escape rentier trap (2014, p. 303). For rentier states being more autocratic and having less room to social movements and protests, which is the political feature of rentier states, there exist three main approaches in the literature. Yet, these are not contradictory but even complimentary. The first approach can be found in the relationship between tax and citizenship. This is related with the source of a government's revenues either through taxes or through hydrocarbon resources. Michael L. Ross highlights that hydrocarbon-funded governments are not financed through taxes but instead through hydrocarbon wealth. Taxes can become constrains used by citizens to check their governments (2013: p. 6). Ahmet Kuru also underlines this dimension of the discussion. Kuru points that in a non-rentier state taxpayers constitute a very large sum of citizens. If the government lost its legitimacy, these taxpayers can move their money and business abroad. However, oil, and other sorts of hydrocarbon resources are impossible to move from one country to another, as the state is the sole controller of these resources in autocratic regimes. Therefore, these states are more able to monitor their citizens and oppress any attempt to shake its patronage (Kuru, 2014: p. 413). The second approach has its roots in how the autocratic oil rich governments spend the oil revenue. This approach puts another layer to rentier state analysis beyond revenue collection. Now, spending also matters. Both Kuru and Ross draws that oil rich autocracies tend to spend oil revenues in line with buying loyalty. This creates a patronage kind of relationship between the state and its citizens (Kuru, 2014 and Ross, 2013). Ross also statistically indicates that oil impedes democracy and spending effect matters (Ross, 2001). More details on Saudi Kingdom's attempts to

buy loyalty will be provided in the following sections. The third approach that this thesis strongly argues is about labor movements' impact on the culture of protests and the formation of solid ground for the civil society. Alas, the literature on rentier state has missed this dimension. Only in Kuru the rentier state is defined as a formation that lacks an autonomous bourgeoisie and organized labor (Kuru, 2014: p. 413). However, the link between labor movements and civil society has not been touched upon. The lack of a critical view on social movements and rentier states will be attempted to fill with this thesis.

Before going into the depths of rentier state it would be better to stress the so-called Dutch Disease. The term was first utilized by the Economist Magazine in 1977 to describe the malfunction in the Dutch economy. In the Dutch economy case, high level of foreign demand for Dutch natural gas increased the demand for guilder (Dutch currency) and made its value relative to U.S. dollars higher than ever. The new level of Dutch currency led Dutch goods less competitive in the international trade environment. This is called the Dutch Disease mentioned in an Economist article in 1977. (http://www.economist.com/blogs/economist-explains/2014/11/economist-explains-2). Furthermore, Alan Greenspan – former Chair of the Federal Reserve – stated that the Dutch Disease affects developing countries more than the developed ones because "they are ill-prepared to fend it off". "If a country is developed before the discovery of a natural-resource bonanza, it is immune to any long-lasting pernicious effects" (Greenspan, 2007: pp. 258-259).

In the light of general rentier state discussion this thesis will also define Saudi Arabia as a rentier state, but in accordance with Matthew Gray's (2011) methodology, the

thesis will call Saudi Arabia a *late rentier state* for the sake of proper definition in line with the literature. Late rentierism according to Matthew Gray "creates a particular type of state that is more responsive, globalized, and strategic in its thinking" in addition to being a rentier state (2011: p. 24). There exist 7 features of a rentier state according to Gary (2011). The first one is that a late rentier state is *a responsive but an undemocratic one*. It has to be responsive to society's needs due to problems arose by unemployment, challenges observed in a globalized era that also undermine authoritarian governance, and so on. Saudi Arabia's municipal electoral initiation and the foundation of King Abdulaziz Center for national Dialogue to debate reform in the Kingdom are the examples. The second feature is that a late rentier state *opens up to globalization with some protectionism, which is still well alive*. Saudi Arabia is hesitant to pave the way for reforms that could undermine the Saudi Dynasty's sole authority. Nonetheless, Riyadh was able to liberalize some portion of its economic machine to simplify the foreign investment and economic bureaucracy. In fact, Saudi Arabia climbed gradually to higher rankings in the World Bank's Doing Business Index in 2016 compared to last six years[‡]. The third feature is about *an active economic and development policy*. It is a well-known fact that Saudi Arabia has detailed five-year development plans since 1970s[§] an indication of Saudi economy as a late rentier state. The fourth feature is on a rentier state being *energy-driven economy instead of energy-centric*. At the early stages of Saudi Arabia cannot be fit into this category but recent reform plan announced by Prince Muhammad bin Salman (MBS) could have promising results that would transform the Kingdom into a more energy-centric economy. An energy-centric rentier state is more open to a diversified economy that is exports, and business in general are diversified between

‡ http://www.doingbusiness.org/Custom-Query/saudi-arabia

§ https://www.saudiembassy.net/about/country-information/economy_global_trade/development_plans.aspx

hydro carbon centric and other sectors. Saudi Arabia's recently announced reform plan that includes prioritizing Saudi ARAMCO and leaning on renewables more than ever serves this type of rentier state planning (http://www.euronews.com/business-newswires/3203183-saudi-reform-plan-approved-by-governments-top-economic-council/). Prince MBS has announced in his interview with the *Economist* magazine (http://www.economist.com/saudi_interview) that there will be subsidy reductions, ARAMCO will be privatized, and a Value Added Tax (VAT) of 5 percent will be introduced at the end of 2016 or in 2017. Prince MBS said "We have many opportunities in mining, we have more than 6 percent of world reserves of uranium, we have many unutilized assets. We have four million square meters in Mecca alone of unutilized state-owned lands". According to this plan some authors like Seznec (2016) suggested that it could change the rentier state status of Saudi Arabia. It is visible that this transformation is not escaping from being a rentier state. But an evolution of rentier state to a late rentier state. The fifth feature indicates a state, which is *entrepreneurial capitalist structure*. Saudi Arabia is an entrepreneurial capitalist rentier state that controls the means of production in the economy. Its state capitalism has three folds. First, ARAMCO is a state company with a vision, a strategy and an innovative approach, which invests in research centers [**]. Second, the Kingdom is resource-nationalist using its hydrocarbon revenues for political purpose, as well. Military build-up and answering Bahrain's help call in the wake of Arab Spring are the proof. Third, other key sectors are also state owned, i.e. National Commercial Bank or Saudi Basic Industries Corporation are state owned sectors operating in non-oil business. The sixth and the seventh feature is that the late rentier state is *long-term in its thinking*; and *formulates an active and innovative foreign*

[**] http://www.saudiaramco.com/en/home/about/our-vision.html

policy. The last two are not in the scope of the thesis so they were intentionally kept out of discussion.

To sum up, all the features above and the rentier state literature in general imply that Saudi Arabia is a late rentier state in which low labor density lacks social movements and therefore, social demands are not usually brought forward. This thesis will build up this argument in the following sections whilst indicating how labor movements are effective to create social movement habit within a society and how they are successful in transforming the political and social environment.

2.3. Making of Labor Class and Class Consciousness

Do a society really need organized labor movement actions? If a society does not possess class-consciousness, is it destined to be silent? These questions are critical but also too bold to give answers easily. Nevertheless, the history implies that working men and women and their search for expansion of social and political rights could become the seeds for social transformation.

In order to depict a biblical analysis to our labor class discussion, the following question should be discussed: How the labor movement could yield change? Why the conflict between the bourgeoisie and labor matter for social movements to be kept alive? First of all the thesis would step backwards and put forward a general analysis as Savran (2014) noted, classes should be defined in line with their patronage in social production, i.e., according to the level of control over the instruments of production or in a clearer terminology, classes should be defined in accordance with the ownership of the instruments of production. In the Communist Manifesto, the bourgeoisie and

proletariat are defined as follows: “Bourgeoisie is meant the class of modern capitalists, owners of the means of social production and employers of wage labor. By proletariat, the class of modern wage laborers who, having no means of production of their own, are reduced to selling their labor power in order to live” (1998: p. 34). The economic history of the mankind is nothing but the history of the dialectic between the oppressed and the oppressor as Marx and Engels put it in the Manifesto (1998). The bourgeoisie Engels and Marx stated, concentrated the property into few hands and that required political centralization (1998: p.40). Should the class struggle is the source of the entire history; it should be the workers that would pave the way to raise the voice of the oppressed to ask for their demands and needs. This is what was observed in uprisings in Egypt and Tunisia as will be seen in the following chapter. This relationship is to be presented here by turning back to 18th Century and onwards.

If the scene of the world of workers could be observed in the late 19th and early 20th centuries, what kind of a picture one would have? Hobsbawm’s *The Age of Empire* would provide the audience such an opportunity. According to Hobsbawm, the number of people who earned their living by manual labor boosted in all countries experiencing capitalism and so did the urbanization, as well (2014: p. 113). Therefore, political parties based on class-consciousness and the ideology of socialism emerged in that era. Although the number of working class political parties is dim in the late 19th century, at the beginning of early 20th century socialist parties were observed even in the United States and their numbers and effectiveness increased across the Europe (2014: pp. 116-117).

More specific reactions of workers can be found in the age of industrialization, especially in Britain. London Corresponding Society (LCS) established in 1792 has often been defined as the first working-class political organization in Britain. The members of the LCS composed of workers. The first meetings' agenda was the Parliamentary Reform. The LCS membership questionnaire has this very definitive question to the eager candidates: "Are you thoroughly persuaded that the welfare of these kingdoms require that every adult person in possession of his reason, and not incapacitated by crimes, should have a vote for a Member of Parliament?" However, two years later, the LCS was outlawed and oppressed by the rulers due to charges of treason (Thompson, 1980: pp. 19-28). The introduction of steam power has changed the course of the history and the fate of the social fragmentation forever. The steam power and cotton mill combination introduce a new working class. By 'new', it was meant that the working class was subjected to exploitation and political oppression at the same time. Before the steam power, there were small capital owners when the labor has a bargaining power. However, as the steam power technology came in the small-scale masters lost their capital to people who were able to bring huge amount of capital to afford the establishment of new factories in which steam engines could be used. Therefore, they were able to produce more feasible goods to earn more market share. Thus the labor lost its independency whilst being reduced to 'instrument'. At the same time the labor became an entity depending on the instruments of production. They lost their right to leisure and decent work conditions were no more in early 19th century (Thompson, 1980: pp. 210-221). Nonetheless, from 1830 onwards a more clearly defined class-consciousness was emerging: Not only how much they were being paid but also the working conditions and labor right issues were at stake. The great strike in the northeast coalfield in 1831 turned on security of employment, child

labor (Thompson, 1980: p. 222). The 19th century Britain also depicts the ability of workers and their organized confrontation with attempts to contain democratic rights. 1830s mass demonstrations to boost Radical Movement supported Reform bill, opposition to child labor were all worker movement oriented uprisings against indecent rulings (Thompson, 1980: pp. 889-915). There was also the revolt of agricultural labors at the beginning of 1830s in Great Britain. The worsening conditions of agricultural labor and the increasing wealth of landowners in expense of labor earnings led to labor revolt that has no political motive but resulted in temporary rise in wages in southern provinces (Thompson, 1980: pp. 232-233). The institutionalization of social movements set an example in the Great Britain, as well. Labors and their radical allies believed that the bourgeoisie had stepped them in back by accepting the 1832 Reform Act. The bill excluded wage labors and raised property qualifications in Parliamentary districts that had provided the right for some prosperous workers to vote. They also protested the New Poor Law of 1834 that authorized parishes to collaborate in Poor Law Unions. These two separate issues had created separate social movements but eventually these movements merged and formed Chartism. They demanded the following: Universal suffrage, secret ballots in parliamentary elections, annual parliaments, salaries for Member of Parliament (MP), abolition of property requirements for membership in Parliament, equal electoral districts across the country. Although these demands could not reach any success story, Chartism became a catalyst for further social movements in the Great Britain (Tilly and Woods, 2013: pp. 45-47).

The labor class movements and social movements are neither mutually exclusive nor must be the cause of one another. Nonetheless, labor class movements are essential

catalyzers for social movements, indeed. Because, labor class movements create chain of reactions starting from the workplace - the entire economic system is the limit depending on the number of workers participate in a particular movement. They involve trade unions or old school institutions like *Chartists* in Great Britain in the 19th century. Labor class movements could make social movements institutionalized either in a formal way (unions) or in an informal way like the protest culture and the courage to rise against the containment of democratic rights. The Chartism in Great Britain in the 19th century paved the way for other forms of seeking rights in the country (Tilly and Wood, 2013: p. 47).

The June Revolution (1848) in France, which had been suppressed after the bloodiest fighting in Paris. On February 22, 1848 the Parisian bourgeois reformers had summoned their largest banquet ever to extend the right to vote. Government decided to ban the banquet as the workers assembled to support the political rights. Skilled workers were on the streets protesting the government in the hope that he banquet could be reestablished and the labor class could be recognized as an important aspect for social order. Alas, the government chose to oppress the uprising and bloodshed had begun. Many army troops changed sides in favor of the revolution; King Louis-Philippe had to flee. The problems were not solved after the Revolution. The bourgeois and the workers had nothing in common during the uprisings. The workers had participated the revolution out of a commitment to their right to work. Workers from all over France migrated into Paris in the hope for finding jobs. However, the newly opened workshops had residency criterion that even some Parisians found it difficult to meet. Unemployment took off. Therefore, Parisian workers rebelled

against the government in June. Yet, the uprising became unsuccessful as suppressed with harsh fighting (Kishlansky and others, 2003: pp. 736-737).

The foundation of Karl Marx's First International/International Workingmen's Association (1864 – 1872) would enlighten the discussion further. The First International was founded in London as a combination of liberal-radical British trade union leaders, French union militants and old continental revolutionaries. Yet, the inner struggle within the International was about to collapse the whole organization. In 1872 Karl Marx had to move its headquarters to New York. Nevertheless, labor class mobilization under Marx's ideas had already prevailed. The International sprouted the emergence of labor class movements in the forms of industrial trade union movements from 1866 onwards. From that moment the leaders of labor class struggle movements were attracted to the International. The waves of unrests, strikes and labor class collective actions escalated through the Continental Europe reaching Spain, Russia (1870), Germany and France (1868), Belgium (1869), Austro-Hungary after Belgium, and eventually Italy (1871). The supporters of the International rose across the Europe. For instance the number of International supporters increased from 10,000 in Vienna to 35,000 between 1869 and 1872. Another example is that in Denmark where the International was founded in 1871 with the aim of organizing labor strikes formed independent unions, which formed the social democratic league (Hobsbawm, 2014: pp. 135-140).

The workers who have the power of cutting the veins of economy were powerful to impose democratic changes in their countries. The confrontation on extending the rights of the citizens, i.e., the right to vote of the citizens who do not possess property

had the workers at the center of the debate. Although general voting rights had not been achieved immediately, the workers proved themselves as powerful drivers of social changes. Socialist movements launched or threatened to launch mass demonstrations and/or general strikes in Belgium in 1893, in Sweden in 1902, and in Finland in 1905 (Hobsbawm, 2014: p. 128). For instance the 1905 Russian Revolution was realized with mass worker strikes in the capital and simultaneous strikes in industrial cities of Russia. These strikes forced the government to retreat and paved the way for the October revolution, which would kick in in 1917 (Hobsbawm, 2014: p. 297).

Workers are not only reacting to the issues about their own environment but also to issues in international level, as well. Anti-war sentiment among the working-class is a good example. Workers' attempts indicate how organized movements towards a common goal are imperative. In all belligerent countries, worker movements in the vast armaments industries became a center of anti-war militancy.

> "The lower-echelon union activists in these factories, skilled men in a strong bargaining position ('shop-stewards in Britain; 'Betriebsobleute' in Germany) became by-words for radicalism…. Both in Russia and in Germany the chief naval bases (Kronstadt, Kiel) were to become major centers of revolution, and later a French naval mutiny in the Black Sea was to halt French military intervention against the Bolsheviks in the Russian Civil War of 1918-20" (Hobsbawm, 2013: p. 59).

Today's urbanized cities also indicate how worker class movements could affect the political outcome. As David Harvey (2013) puts it, "political protests frequently gauge their effectiveness in terms of their ability to disrupt urban economies" and he gives the following incident: the Congress in the United States was about to pass a

proposal in the spring of 2006 that would criminalize undocumented immigrants some of whom had been in the United States for decades. However, the immigrant worker strikes amid the proposal that almost closed down the economic activity in Los Angeles and Chicago played a crucial role to prevent the proposal to be legislated in the Congress (Harvey, 2013: p. 118). In March 2011, "anti-cuts march draws hundreds of thousands as police battle rioters" as *The Guardian* publishes (https://www.theguardian.com/society/2011/mar/26/anti-cuts-march-police-rioters). "More than a quarter of a million people have marched through central London to deliver a powerful message about the government's cuts in public spending. The generally good-natured mood was soured by violent and destructive attacks on symbols of wealth including the Ritz, banks and a luxury car dealer, and an occupation of the upmarket food store Fortnum and Mason". Another example is the recent strikes and demonstrations happening in Paris in the wake of UEFA Euro 2016 Championship. As France's socialist government has pushed for proposals that would lengthen the work week to 48 hours from 35, and make it easier for employers to hire and fire workers, despite solid opposition in the Parliament and among the public, mass strikes against the proposal are continuing according to an Atlantic article. (http://www.theatlantic.com/photo/2016/06/monthslong-protests-and-strikes-in-france-over-labor-law-changes/487196/). The strike is the latest in months of industrial action that has led to severe air and rail disruption, fuel shortages and piles of uncollected trash on the streets of Paris as The Guardian mentions (https://www.theguardian.com/world/2016/jun/14/french-labour-law-protests-violence-police-paris-strikes-transport-euro-2016). The unions said about 1.3 million people demonstrated but the police's estimate is much lower: 125,000 people. As

BBC mentions rail workers and taxi drivers are also on strike disrupting the transportation system in Paris (http://www.bbc.com/news/world-europe-36531345).

Labor movement activities are not only historical facts but also contemporary phenomenon as recent examples indicate. From 18th century onwards labor class activities, uprisings, strikes and etc. have social and political impact. In some countries these movements led to revolutions and political change but in some these yield no concrete results in the political atmosphere. Nonetheless, the link between labor movements and social change can be observed in the history of industrialization and economic development.

2.4. The Labor Movement in Arab Uprisings

Before going into an in depth analysis of worker movements and their impact on uprisings in Egypt and Tunisia, first a general picture of the region in terms of protest will be provided. Here the number of protests will be given as dots in the following maps. The denser the protests are the darker the dots would be. The first map is from August 2000 indicating a calmer Middle East. In the second and third maps the audience will capture the fragile picture of the region.

Figure 1: The number of protests
Source: GDELT & http://johnbeieler.org/protest_mapping/

Figure 2: The number of protests
Source: GDELT & http://johnbeieler.org/protest_mapping/

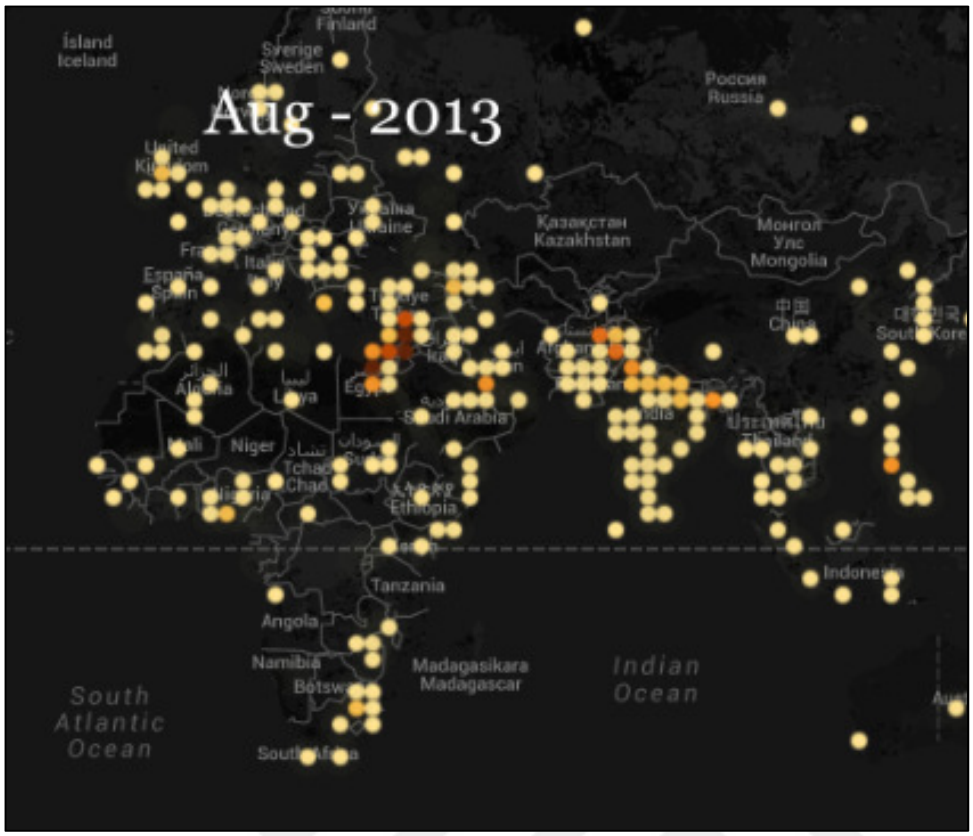


Figure 3: The number of protests
Source: GDELT & http://johnbeieler.org/protest_mapping/

The malfunction in the industrial economy due to international textile market dominated mostly by China led to mass worker unrests in Egyptian mills and fed Tahrir Square demonstrations in 2011 (The Economist, May 14th 2016: p. 9). In this regard, Alexander and Bassiouny (2014) argues that the change in the course of popular protests from a sit-in (*itisam*), which lacks the worker class's labor power intervention, i.e. halting the production to organized worker class protests such as a strike could become sustained as a retaliation against "the neoliberal policies of the ruling-class reformers who championed the strategic turn to the market" (p. 99). Taking this argument as granted observing Egyptian labor market environment would provide the appropriate information to advocate the main argument of the thesis: Lack of working class consciousness in a country would steal the ability of its people to initiate social movements.

Egypt's worker movements' participation in change and transformation is not limited with the protests ending Mubarak regime in 2011. From 1998 onwards with strikes are in the front, labors paved the way for transition and "popularized the culture of protest (Beinin, 2012: p. 3). Egypt has a monopoly of unions called the Egyptian Trade Union Federation (ETUF), which was the watchdog of the regime to keep workers monitored instead of the voice of them. However, it could not prevent the success of mass labor movement. Indeed, soon after the beginning of the uprising in Tahrir Square, the Egyptian proletariat formed an independent union called Egyptian Federation of Independent Trade Unions (EFITU) (2012: p. 1).

In 2004, the government of businessmen – the cabinet led by Prime Minister Ahmad Nazif came to power and the ETUF raised no public objections to its implementations favoring the bourgeoisie. "Nazif's mandate was to accelerate the neoliberal transformation of the economy and the sell-off of the public sector. He succeeded. The World Bank enthusiastically praised Egypt's efforts at economic reform and repeatedly designated it a top-ten most improved reformer (Beinin, 2012: p. 4). Beinin (2012) reports that the highest estimate of the total number of labor protests from 1988 to 1993 is 162 - an average of 27 per year. From 1998 to 2003 the annual average for collective actions skyrocketed to 118 and 265 in 2004 concentrating mainly in textile industry due to rapid privatization (70 percent of 265 collective actions were witnessed after Nazif cabinet took the seat). Looking closer to the strikes, collective actions regarding ESCO Spinning Company in Qalyub north of Cairo are noteworthy. Hashim al-Daghri, an Egyptian businessman, had leased ESCO for three years in 2003 for 2.5mn Egyptian pounds a year. In 2004 this Egyptian

bourgeois bought the firm for 4mn Egyptian pounds. Ultimately, in October 2004, 400 workers were gone in labor force reduction in order to show the enterprise as feasible enough to be bought by other investors. The workers went to strike and then had to strike again in 2005. "Our strike is against privatization and the government's market policies. We have two straightforward demands and we will end the strike when either of these demands is met. Our first demand is to remain in the public sector. If this demand is not met we will accept an adequate early retirement settlement", said Mohammed Awad Mahran, an ESCO worker who has been working for the firm for 23 years. Another worker, Abdel-Hamid Ibrahim said "I was assaulted in my own house, dragged out and shoved into a car by a group of men posing as state security officers. They threatened me, saying that I should pressure my comrades to end the strike. Then they drove around for about half an hour and pushed me out of the car" (http://weekly.ahram.org.eg/Archive/2005/732/eg63.htm). The ESCO workers could not be successful to stop privatization of the firm but they secured far better economic settlement and they put another brick for the wall of protest culture (Beinin, 2016: p. 67). In addition to this, between 2004 and 2010 there were more than 3,000 worker-involved actions in Egypt especially covering the textile industry. Yet, construction, transport, food processing industries and Cairo metro system were also affected by strikes. Massive bread riots that workers involved in were observed in 2007 when food prices sky rocketed by 24 percent (Maher, 2011: p. 4).

Another critical wave of strikes is Ghazl al-Mahalla strikes in 2006 and 2007. This wave of strikes are imperative because "The Mahalla workers' victory both transformed workers' perceptions of what could be achieved through self-organized collective action and played a critical role in shaping the overall trajectory of popular

opposition to Mubarak" (Alexander and Bassiouny, 2014: p. 102). In addition, one can observe from Alexander and Bassiouny (2014) that the number of strikes almost tripled after 2006 (from 47 observed strikes in 2006 to 110 observed strikes in 2007). It can be argued that the Mahalla strike was a paradigm shift for Egypt's workers, which will be depicted below (2014, p. 102).

So what had happened in Mahalla? On March 3, 2006 Prime Minister Nazif ordered an increase in public sector workers' annual bonuses from 100 Egyptian pounds to two months' salary. In that period, as PM Nazif ordered a recovery in public sector, the ETUF elections were intervened by the government to replace local union committees with regime sympathizers. Nonetheless, lately it was understood that the bonus increase was nothing but deception. According to workers in Ghazl al-Mahalla, the workers were still getting same old bonuses. On December 7, 2006 the production was ceased. In September 2007, due to unfulfilled promises amid December 2006 strikes, the Ghazl al-Mahalla workers went for the second wave of strikes. But that time, the second strike was more politically motivated than the first one. One of the strike leaders told Voice of America that they were actually challenging the regime (Beinin, 2016: pp. 75-78).

Beginning from Mahalla, strikes realized in the mid-2000s inked a paradigm shift in Egyptian worker class history. The scale of the strikes, i.e. the frequency of worker protests and the number of workers participated; the geographical distribution; and how the workers' demands and tactics diffused to other sectors. First, after 2006, the number of episodes of collective action of workers more than doubled in total from 222 collective actions workers involved in 2006 to 614 collective actions workers

involved in 2007 in Egypt. Besides, the number of workers involved more than doubled, as well during the same period (Table 1). The table below indicates the active participation of labors in total collective actions. The ILO data is not up to date for Egypt; therefore the data was applied from Beinin (2016). Second, from 2007 onwards the workers' collective action escalated to almost entire Egypt, from east to west and from south to north. Alexandria, Port Said, and provinces near capital city Cairo were the examples. Third, the workers were able to break down the moral barriers imposed by the Egyptian ruling class pointing a culture possessing the idea arguing that "public sector was the property of the people, and that increased production would lead to increased welfare and that workers were partners in the public sector". Those barriers prevented workers to discover their true potential of imposing changes via strikes. In fact, during the *itisams* in 1970s and 1980s the rate of production rose. Notwithstanding that trend, as it is presented above the Mahalla strikes changed the course of action and the way and which the workers raise their voices (Alexander and Bassiouny 2014, pp. 109-114). As the workers recognized their power to influence the real economy, in some collective labor actions a more political tone has been experienced. For instance in 2010, hundreds of workers gathered in front of the Parliament building and raised their voices in favor of a fair minimum wage. They shouted, "A fair minimum wage, or let this government go home" and "Down with Mubarak and all those who raises prices" (Beinin, 2012: p. 6).

Year	Number of Actions	Workers Involved
1998	114	
1999	164	
2000	135	
2001	115	
2002	96	
2003	86	
2004	266	386,346
2005	202	141,175
2006	222	198,088
2007	614	474,838
2008	609	541,423
2009	432	
2010	371	
TOTAL	3,426	

Table 1: Strikes, sit-ins, and other collective actions in Egypt
Source: Beinin (2016)

The uprising in Egypt began with street demonstrations in Tahrir Square on January 25 2011 and end up with Mubarak's step down on February 11. Indeed, when it comes to the Popular Uprising in 2011, the EFITU called for a general strike in order to force Hosni Mubarak to step down. The workers who said 'Yes' to EFITU's call was mainly working at Cairo Public Transport Authority, Egyptian State Railways, the subsidiary companies of the Suez Canal Authority, and the state electrical company. The workers participated in 60 strikes and protests in final days of the Popular Uprising before the Mubarak regime has ended. It is also argued that the economic impact of strikes was an important aspect of Mubarak's decision to leave his post (Beinin, 2012: p. 7). The worker's involvement in social movements in Egypt is more effective in economy as in politics. According to Credit Agricole Bank the protests were costing the country USD 310mn a day. Declining tourism revenues (6% of Egypt's GDP: USD 1bn), closing shops and factories, distortion in banking sector, freezing of production (http://www.bbc.com/news/business-12376403) were the

underlying reasons of why worker involvement matters in social change in a country like Egypt (Maher, 2011: p. 6).

Tunisia has a similar identity in terms of labor movements and its escalation into social ones. Tunisia has experienced the first trade unions before the First World War but the members were not the Tunisians but instead French and Italian railway, tramway, postal, public service and construction workers. They established the first labor federation in Tunisia in October 1919. The federation was a branch of France's *Confédération Générale du Travail* (CGT), which had been driven by French socialists and communists. They had an aim of spreading socialism in colonies. The first Tunisian (national) trade union federation was formed as a result of disputes between Tunisian dockworkers and European unions. In August 1924, Tunisian dockworkers in Tunis and Bizerte went on strike to acquire the right of unified wage equal to the level earned by dockworkers in Marseille, France. However, the unions in Europe refused to back the movement in Tunis and Bizerte and paved the way for the first national trade union federation of Tunisia called *Confédération Générale Tunisienne du Travail* (al-Jami'a al-'amma al-tunisiyya lil-shughl, CGTT) led by Ali Hammi. Alas, the French perceived this gear up of the Tunisian labor class as an anticolonial uprising. They dissolved the CGTT and exiled Hammi and other leading figures of the union (Beinin, 2016: p. 13). Although Hammi was the first founder of the national Tunisian worker union, it was Farhat Hached who established the strongest worker union in Tunisia which is General federation of Tunisian Workers / Union Générale Tunisienne du Travail (UGTT) in 1946. His union quickly gained support, and he used it to pressure the French for more social and political rights for Tunisians and to consolidate the UGTT's position as a key component of the national liberation movement. In 1952 it had 80,000 members and increased to 221,000 in

1955. In 2013 it had more than 680,000 members. On January 26, 1978 the UGTT was the frontier of the Red Thursday Revolts against the authoritarian regime of former President Habib Bourguiba and its government's economic policies; in 1984 the UGTT aligned itself with the people involved in the bread revolt; in 2008, it was the main catalyst of the disobedience movement in the Mining Basin of Gafsa; and, in December 2010, the union especially its teachers' unions and local offices, became the headquarters of revolt against Ben Ali (Omri 2013, al-Youssoufi 2014 and Beinin, 2016). Besides, the two tables below indicate the outline of Tunisian workers' struggle.

Year	*Number of Disputes*	*Workers Involved*
1970	25	5,887
1971	32	2,623
1972	150	18,458
1973	215	18,473
1974	131	21,000
1975	363	40,671
1976	372	67,386
1977	452	88,335
1978	178	21,433
1979	240	22,43
1980	346	51,027

Table 2: Disputes in Tunisia
Source: Beinin (2016)

Year	*Number of Strikes*	*Number of Strikers*
1996	300	27,751
1997	305	35,683
1998	277	28,160
1999	308	31,989
2000	411	35,886
2001	380	38,242
2002	345	33,386
2003	395	46,893
2004	391	44,637
2005	466	78,953
2006	392	115,443
2007	382	98,210

Table 3: Strikes in Tunisia
Source: Beinin (2016)

The UGTT's base (not its leadership) played as the catalyst in Tunisian uprisings ended up with the fled of Ben Ali to Saudi Arabia. National Union of Secondary Teachers (SGES) that have direct links with the UGTT had encouraged the uprisings. Then, the majority of the executive bureau of the UGTT could not hold the pressure from below and had to authorize the regional general strikes in the union's historic heartland (Sfax), Kairouan and Tozeur on January 12 2011 and a two-hour strike in capital city Tunis on January 14. Amid the Tunis strike Ben Ali had to leave the country (Beinin, 2016: pp. 104-105).

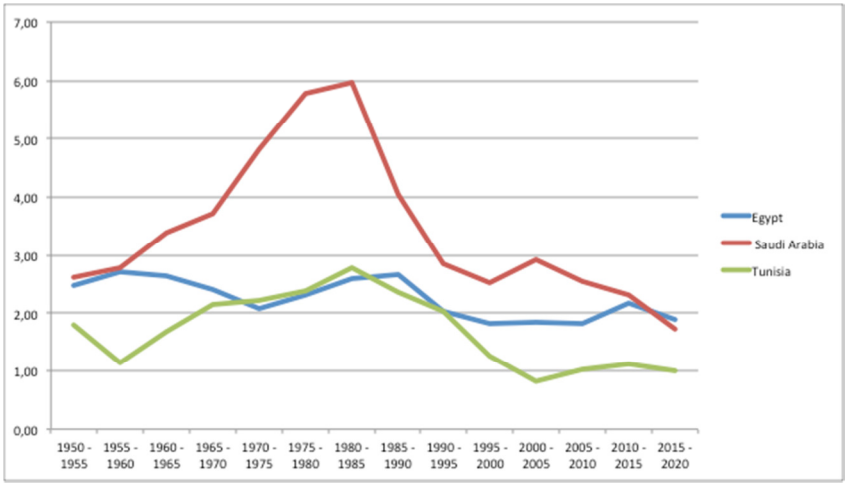
Summing up, class consciousness and the Egyptian/Tunisian workers' self-discovery of their power to initiate social and political changes via strikes, demonstrations and protests could create a culture of social movement so that the ruling class had to step down after mass demonstrations, and worker-involved collective actions aiming directly the heart of Egyptian/Tunisian economy. Hence, this thesis's attempt to reveal the link between working class movements and social/political transformations can be observed in Egypt and Tunisia but not in the Saudi Kingdom as the country lacks organized working class. Only in Shi'a populated districts one can observe the resemblance of other two countries' experiences as this thesis brought forward in the sections dedicated to Saudi Arabia.

According to Freedom House 2015 scores (0 is the best and 100 is the worst and Tunisia has been omitted from this analysis as it is now a free country in terms of this scoring), Saudi Arabia is considered as a no free country in terms of Freedom on the Net (Internet). Its total score is 73. For Egypt this score is 61 and it is considered as no free with this ranking. Yet, it should be noted that Internet penetration is 64

percent in Saudi Arabia but only 32 percent in Egypt. These two countries press freedom scores are low as well. For Egypt it is 73 and for Saudi Arabia it is 83. They are both no free countries. These two sub sections of freedom were intentionally chosen because they are the ways of diffusing knowledge and organizing strikes, demonstrations and protests (https://freedomhouse.org/regions/middle-east-and-north-africa). Therefore, it can be interpreted that there is no tremendous difference between Egypt and Saudi Arabia to call the former as far more free than the latter so that in Egypt protests could sprout easier. In fact, strike examples from Egypt indicates that the government leans on deceptive tactics to contain labor movements. Although the response to worker protests are more brutal in Saudi Arabia, this brutality did not prevent workers of Eastern Provinces to lay down the will of change as previous sections demonstrated.

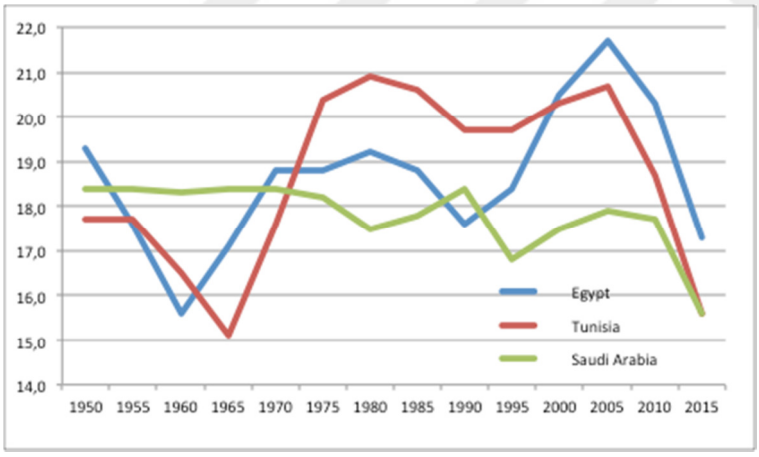
A Guardian article written in 2011 stresses the youth radicalization across the world including the Middle East and draws its difference with the late 1960s. Unemployment, personal broken hopes, mistreatment and injustice are the causes. According to the article, the thread in Arab uprisings is the high rate of youth unemployment (Tapscott, 2011) [††]. The case could be true for Tunisia and Egypt that the thesis has touched upon but Saudi Arabia seems to have another and deeper problem than the youth dissatisfaction. First of all as the below graphs indicate the population growth in Saudi Arabia was higher than the population growth in Egypt and Tunisia in mid-20th century. Therefore, it should be expected that Saudi Arabia had a higher baby boom generation than Egypt and Tunisia (see Graph 9).

[††] https://www.theguardian.com/commentisfree/2011/apr/04/unemployed-youth-revolution-generational-conflict



Graph 1: Average annual rate of population change (percentage)
Source: UN World Population Prospects, the 2015 revision

Nonetheless, Tunisia and Egypt has a higher youth population (15-24 according to UN definition) in 2010 than Saudi Arabia but the gap is not noticeable. In 2010, the percentage of the youth in total population in Saudi Arabia was 17.7 whilst 20.3 percent in Egypt and 18.7 percent in Tunisia (see Graph 10).



Graph 2: Population of youth (15-24) as a percentage of total population
Source: UN World Population Prospects, the 2015 revision

Meanwhile, according to ILO database, in 2010 (the beginning of the Arab spring was late 2010 and 2011) youth unemployment rate was 25 percent in Egypt; 29 percent in Tunisia; and 30 percent in Saudi Arabia (in ILO database 2010 data on youth unemployment rate was not available so this ratio of Saudi Arabia belongs to 2009). Hence, youth unemployment is higher in Saudi Arabia than these two countries. Yet,

social movements did not sprout in the Kingdom like they did in Tunis and Cairo. Thus, there should be some other criteria that these two countries hold but Saudi Arabia do not. These are organized labor movement and high level of labor class population.

3. The Political Economy of a Rentier Kingdom: Saudi Arabia

3.1. Flexing roots into the heart of the desert

It was Muhammad bin Saud who first established the Saudi dynasty in the early 1700s. Muhammad bin Saud followed up the spiritual cause of Muhammad bin Abdul Wahab (the founder of Wahabism – a more puritanical version of Islam). The Saudi dynasty began its expansion to the entire Arabian Peninsula until they have first stopped by the Ottoman Empire in 1818. This was the first break to the expansion. The second break to the expansion was due to inner rivalry between the two great grandsons of Muhammad bin Saud in Riyadh. Abdul Rahman the third great grandson who was the father of Ibn Saud, the founder of today's Saudi Arabia, fled into exile and lately invited by the ruling family of Kuwait – the Sabah dynasty (Yergin, 2003: p. 284).

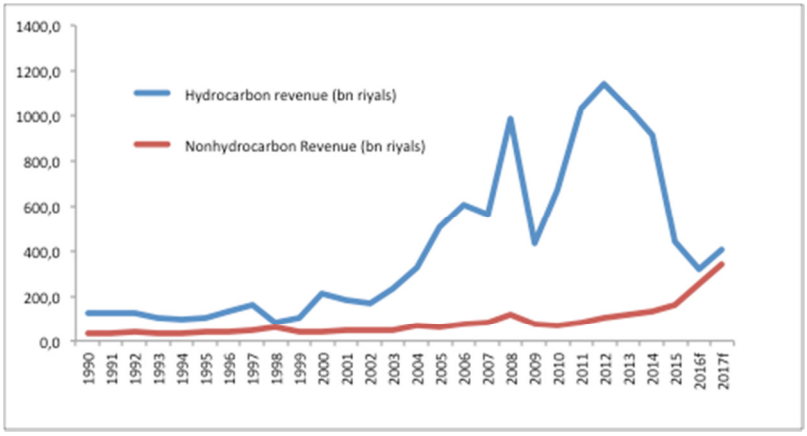
The beginning of oil business in Saudi Arabia has its roots in the search for alternative funding for the young Kingdom's fiscal needs. As of 1932, the gap between the revenues and the expenditures of Saudi Arabia widened. After tough negotiations in May 1933, American Socal and Saudi Arabia signed a deal to let oil discovery concession for sixty years. The Kingdom got the money it desperately sought for (Yergin, 2003: p. 291).

Saudi Arabian political system is a mixture of oil rent and religious authoritarianism. Before going into the details of worker movements' impact on social movements, it would be better to look closely to the country in question. First a macro analysis of Saudi economy will be presented. Then social, political and religious formation of the

kingdom will be defined. Later, the Saudi Kingdom's strategy of buying loyalty and its attempts to contain the negative impacts of the Arab Uprising will be presented. Last, the importance of oil will be drawn and the situation of workers will be indicated. Here it will be provided the fact that Saudi Arabia witnesses more protests in oil-rich provinces than in unindustrialized ones.

3.2. The Saudi Economy

Hydrocarbon revenues drive the Saudi economy. Especially, after 2000, the gap between hydrocarbon and non-hydrocarbon revenues widened dramatically. According to the latest IMF data, the Kingdom's economy grew by 3.4 percent. Unemployment rate was at 5.5 percent in 2014 and the population is estimated at 31.4 million people in 2015[‡‡]. According to IIF forecasts, non-hydrocarbon revenues will reach 46 percent of the overall central government revenues in 2017. In 2015, this ratio was 27 percent. The Saudi Kingdom has a fiscal plan to end oil dependence of the economy by 2020.

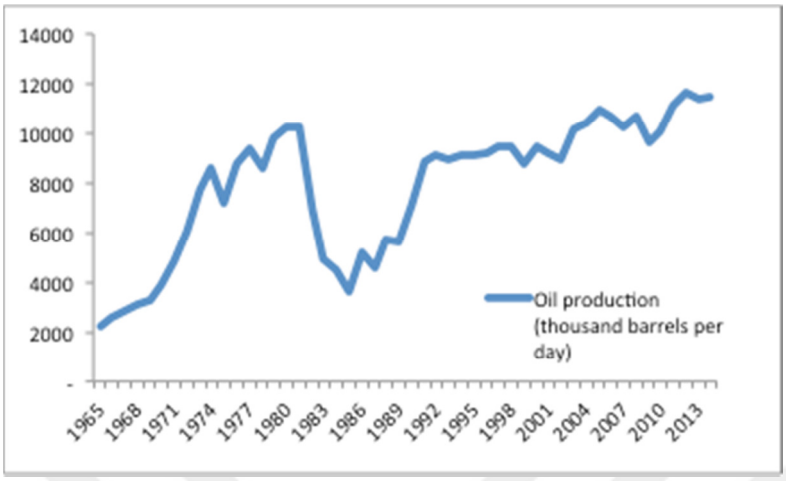


Graph 3: Revenue differentiation of Saudi Kingdom
Source: IIF

Saudi Arabia is the world's leading oil producer. According to the BP, the Kingdom generated 12.9 percent of the world's daily oil production in 2014 (see Graph 2).

‡‡ https://www.imf.org/external/pubs/ft/weo/2016/01/weodata/index.aspx

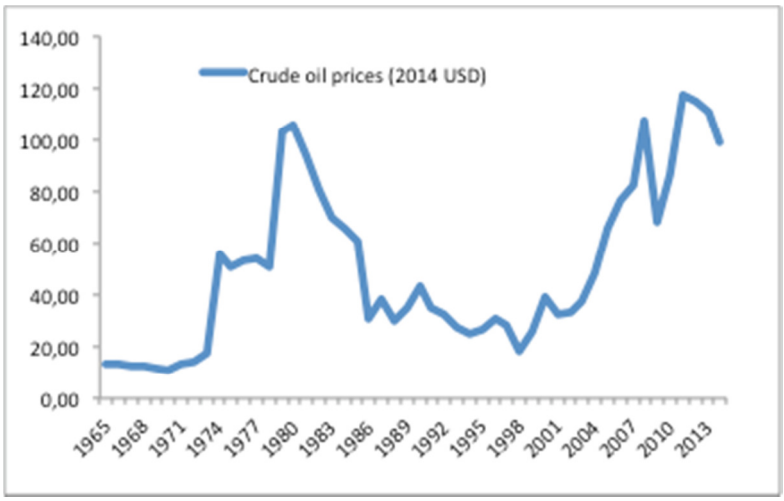
Russian Federation and the U.S. followed Saudi Arabia (12.7 percent and 12.3 percent, respectively).



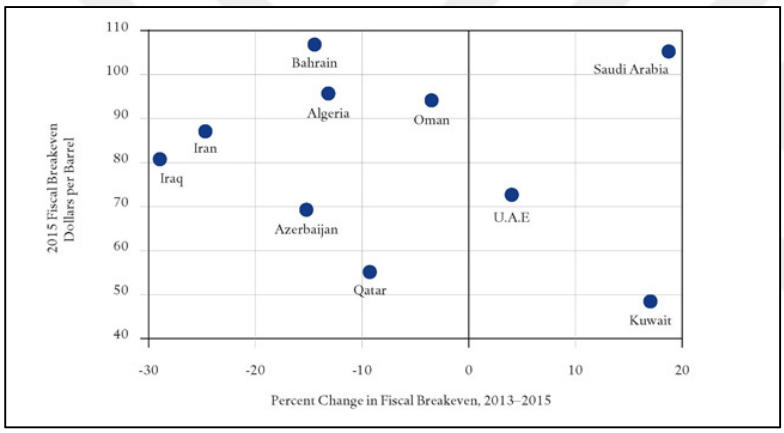
Graph 4: Oil production of Saudi Kingdom
Source: BP Statistical Review of World Energy 2015

However, being the number one producer of oil has consequences for country like Saudi Arabia whose hydrocarbon revenues reached 73 percent of the overall revenues in 2015 and that needs money to buy loyalty and boost public spending in order to please the citizens so that the Kingdom would guarantee their obedience. However, the decreasing track in oil prices became a roadblock. As the oil prices decline, the Kingdom's ability to generate revenue is also contained. Fiscal breakeven dollars per barrel in 2015 is more than USD 100. Below this level, Saudi Arabia faces budget deficit (Graph 3 and 4). The price of crude oil now is around USD 45. Fiscal breakeven oil prices resemble the prices required to balance the fiscal budget of the rentier state[§§].

§§ http://www.ft.com/intl/cms/s/0/1a106c00-9740-11e5-95c7-d47aa298f769.html#axzz4C4TeKpj0

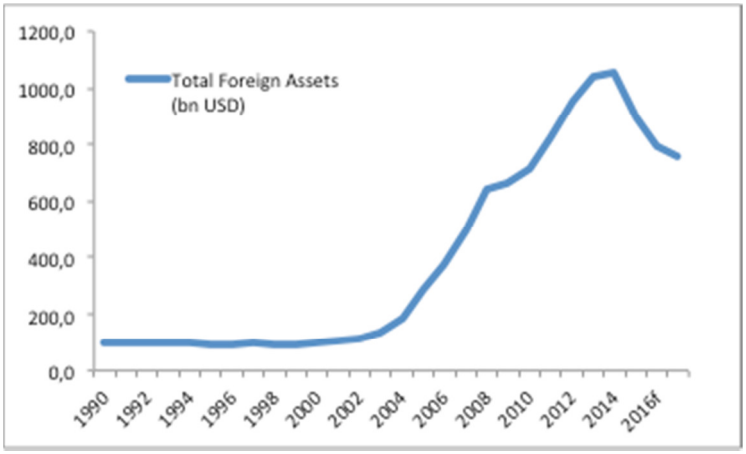


Graph 5: Oil prices
Source: BP Statistical Review of World Energy 2015



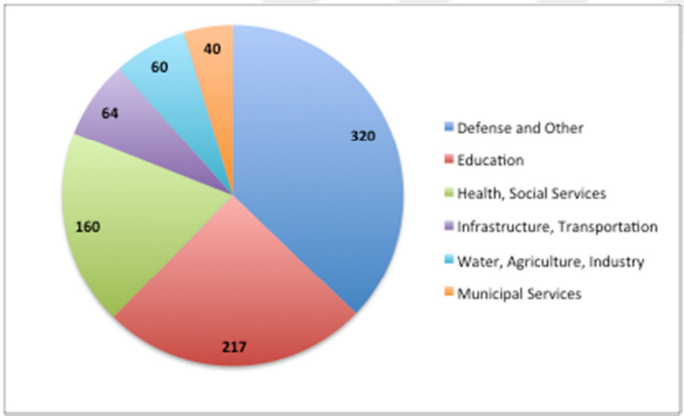
Graph 6: Fiscal Breakeven Prices
Source: Council on Foreign Relations
http://www.cfr.org/oil/fiscal-breakeven-oil-prices-uses-abuses-opportunities-improvement/p37275

However, in the coming years, non-hydrocarbon revenues will take off and also Saudi Arabia's foreign assets could serve as a security belt (see Graph 5). As of 2015 the Kingdom's total foreign assets accounted as USD 897bn. Nonetheless, the foreign assets will decrease according to IIF forecasts as Saudi Arabia will use some portion of it in order to cover its budget deficit.



Graph 7: Total Foreign Assets of Saudi Arabia
Source: IIF

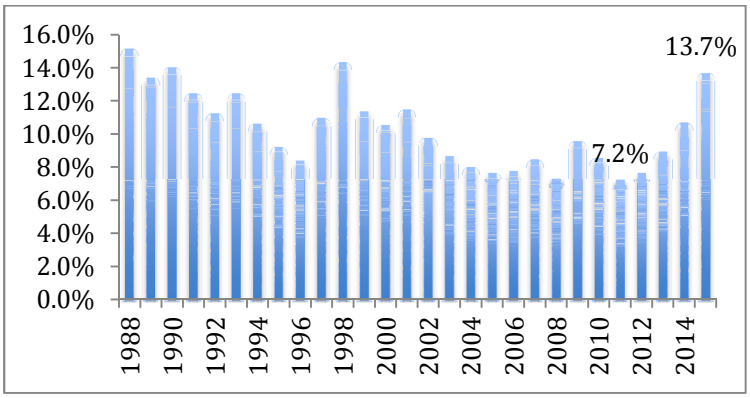
The main portion of the Saudi fiscal budget is composed of defense expenditures and roughly equal to education, health and social service expenditures of the Kingdom (see Graph 6).



Graph 8: Saudi Arabia 2015 Budget Composition (bn Saudi riyals)
Source: Ministry of Finance and IIF

The details of the defense budget are as follows: The Saudi Arabia expands around 14 percent of its GDP (and also it means 27 percent of its overall fiscal spending) to military expenditures and the share of military expenditures in GDP gained momentum after 2011, i.e. the Arab Spring (see Graph 7). In fact, Saudi Arabia imports armaments and weaponry mainly from the U.S. and the U.K. according to SIPRI Arms Trade Database, from 1952 to 2015 Saudi Arabia imports USD 54.5bn

(1990 constant prices) of arms. The U.S. exported USD 32.6bn and USD 9.8bn was exported by the U.K.[***]



Graph 9: Military Expenditures as of GDP
Source: SIPRI

Saudi Arabian export and import details (the shares in total) are as follows: The main import product is crude oil without any doubt. In 2014, 78 percent of Kingdom's exports were crude oil (see Figure 2). In contrast, the highest share in imports is cars and constitute 9 percent of the overall imports in 2014 (see Figure 1).

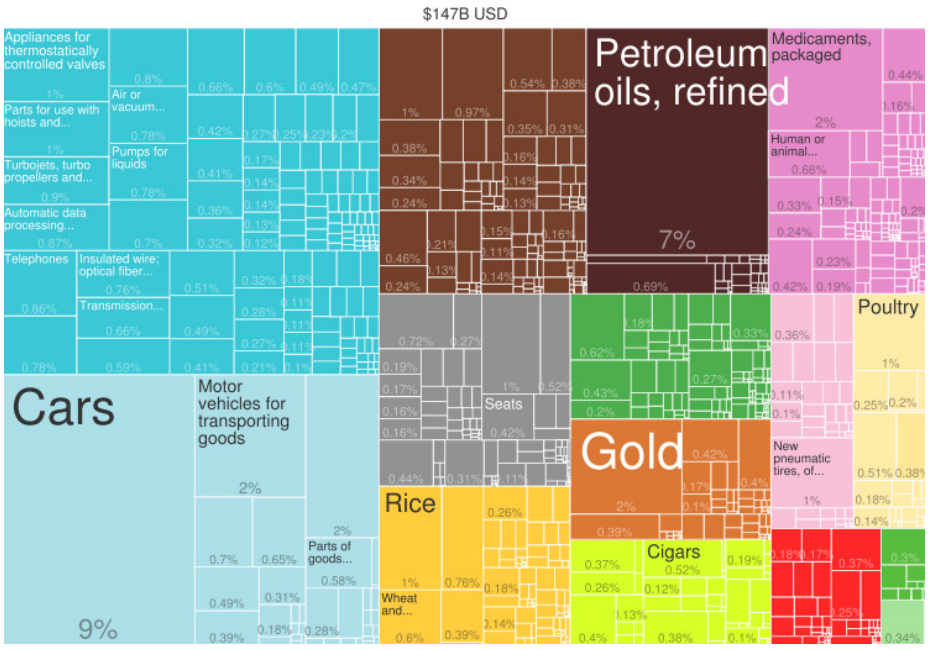


Figure 4: What did Saudi Arabia import in 2014?
Source: The Atlas of Economic Complexity
http://atlas.cid.harvard.edu/explore/tree_map/import/sau/all/show/2014/

*** http://armstrade.sipri.org/armstrade/page/values.php

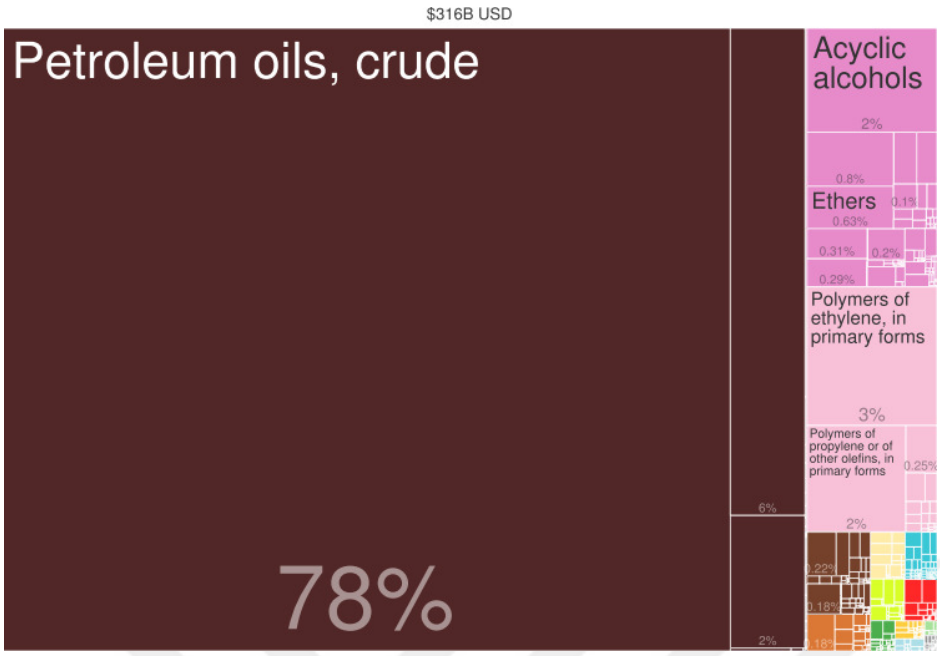


Figure 5: What did Saudi Arabia export in 2014?
Source: The Atlas of Economic Complexity
http://atlas.cid.harvard.edu/explore/tree_map/export/sau/all/show/2014/

Indeed, the Saudi Kingdom saw oil as a blessing from the God and a sign of his support to the Saudi dynasty. Oil was used not only to fund vast government expenditures but also to finance the promotion and defense of Islam via sponsoring missionary activities, establishment of pan-Islamist institutions, universities and mosques (Haykel et. al, 2015: p. 133).

Since the aim of this thesis is to embed a labor oriented focus to the rentier state argument, it would be noteworthy to look closer to Saudi labor market. According to latest ILO figures, labor force participation rate of women is only 20.4 percent in 2014. Indeed, only 51 percent of the working age population is employed as of 2014. Service sector is the leading one in terms of employment. In 2014, share of services in total employment is 71.7 percent, whereas share of industry is only 23.0 percent. The remaining pie goes to agriculture. Unemployment rate in 2014 is only 5.7 percent. But

this ratio is tricky as overall labor force participation rate is 54.1 percent. Alas, despite low participation rate among the younger generation (17.7 percent), youth unemployment rate is 30.2 percent. Share of youth in overall younger generation (the ages between 15 and 24) who are unemployed and out of the education system is 18.3 percent. The labor force environment is not promising especially for the coming generations. Furthermore, according to a leaked survey shared in House (2012) to the author herself by government officials themselves the living conditions were too harsh for an oil rich country:

> "Surprising as it may seem in a land of bountiful black gold, shiny new skyscrapers, and a first-world standard of living, fully 40 percent of Saudi families live on less than 3,000 Saudi riyals (about USD 850) a month. The very poor, some 19 percent of Saudis, live on less than 1,800 Saudi riyals (USD 480) a month, according to a 2003 survey by the Ministry of Social Affairs" (House, 2012: p. 179).

3.3. Absolute religious monarchy with problematic succession system

Saudi Arabia is ruled by absolute monarchy from its capital city Riyadh. The Sharia law is the sole source of the legal system. The king receives consultancy from the cabinet (Council of Ministers or *Majlis as-Wuzara*). In a supportive role there is also *Majlis as-Shura* containing 150 advisors who are appointed by the king himself and have their seats for a four-year term. Political parties do not exist and illegal in Saudi Arabia (Mabon, 2016: pp. 80-83). Although, the first in line to the throne is Crown Prince Mohammad bin Nayef (MBN), the Deputy Crown Prince Mohammad bin Salman (MBS) who leads the army and the financial issues in the Kingdom is said to be the next ruler of Saudi Arabia (see Figure 1 and 2).

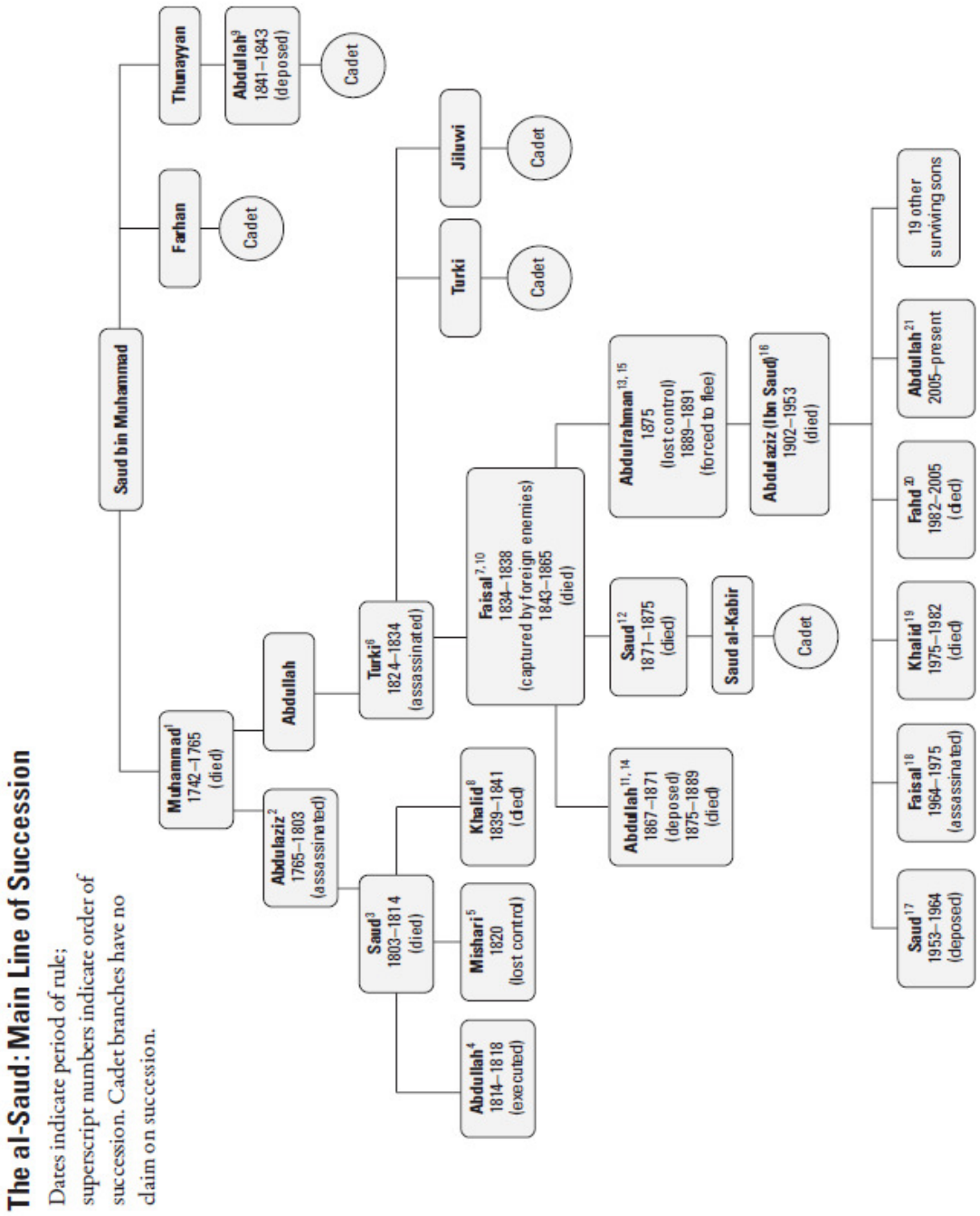


Figure 6: Saudi Family Tree (1742-2005)
Source: Henderson, Simon (2009), Washington Institute for Near East Policy
https://www.washingtoninstitute.org/uploads/Documents/pubs/PolicyFocus96_Henderson.pdf

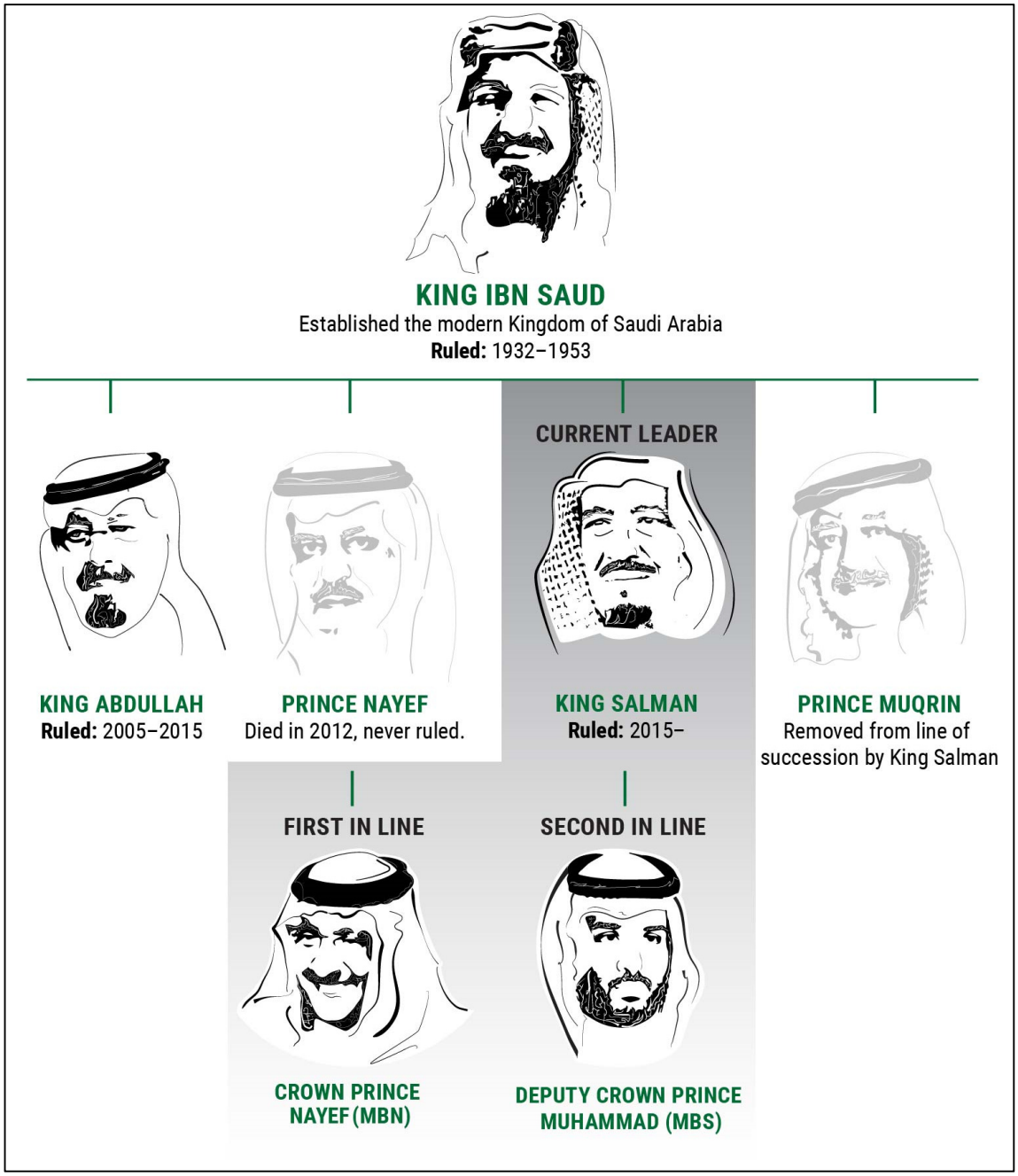


Figure 7: Saudi Family Tree (1932-today)
Source: Brookings Institute

3.4. Religious Differences

Notwithstanding its full control in the country, the Saudi dynasty has to tackle with following two main and distinctive religious groupings: Wahabism and Shi'a Muslims. Wahabism is a fundamental and far harsher version of Islam forcing that all

actions should be to serve God along with a rejection of all sorts of Islamic formations that could be stamped as illegitimate. If one belongs to the school of Wahabism then he/she must undertake worship in the right direction (Mabon, 2016: pp 113-114). Since Ibn Saud who reigned in 1932 was far more modernist compared to Wahabist ulama. Wahabism also became a source of challenge to the nation-state formation like in the divergence between the regime and the ulama on the application of modern communication technologies (Mabon, 2016: pp. 115-117). The ulama have been playing a key role in Saudi Arabia from judicial system to the implementation of the rules of the Islamic Shari'ah[†††]. They also intervene in foreign policy issues by leaning on Islam, as they did during the Syrian civil War. When Russia followed an active military involvement to support the Assad regime, 55 Saudi ulama signed a letter named "Petition of Saudi Ulama With Regard to Russian Aggression on Syria" calling young Saudi for a jihad against Russia (Al-Rasheed, 2015 http://www.al-monitor.com/pulse/originals/2015/10/russia-strikes-syria-anger-saudi-scholars.html).

The other main group is Shi'a Muslims. Shi'a Muslims are believed to constitute around 10 to 15 percent of the overall population of the Saudi Kingdom (15 percent in Mabon, 2016: p. 120). The main problem for the Kingdom is that the Shi'a minority is located in oil rich eastern provinces (see Figure 2) and the dispute between the state and the Shi'a minority has its roots in 1927 when Wahabi ulama published a fatwa calling the Shi'a to convert to Islam. Moreover, the Shi'a uprisings in 1979 has also imperative in terms of Shi'a-Wahabism relations (Mabon, 2016: p. 120). The tenth day of the Muharram is holy for the Shi'a because of the commemoration of the martyrdom of Hussein (the son of Ali) in 680. During the first ten days of Muharram

[†††] http://www.saudinf.com/main/c3.htm

the Shi'a generates public processions and passion plays re-enact Hussein's life and death. In Saudi Arabia, the Shi'a minority has been forbidden to make these rituals since 1913 and in 1979 the Shi'a community in the Eastern Provinces was about to break the ban. On November 25, the Shi'a celebration of Ashura took place in Safwa and was spread to Qatif, and Dammam. In Qatif the number of protestors were 16,000 to 18,000 in Qatif. However, the Saudi National Guards suppressed those demonstrations harshly on December. After the demonstrations were silenced, by 1980s the Saudi government bought the whole shares of ARAMCO and took the control of the firm. In 1988, Saudi ARAMCO was finally established as a full Saudi-controlled company (Matthiesen, 2015: pp. 101-113).

Saudi Arabia has not been always skeptical about the Shi'a throughout the history. When the world's oil distributors unilaterally reduced the prices for crude oil just before the foundation of OPEC, the government of Venezuela suggested to the government of Iran including also Iraq, Kuwait, and Saudi Arabia, to see if there were some steps to counter this attack on their national income. They were very angry and blamed both the major banks and oil distributors (the so-called Seven Sisters: BP, Gulf Oil, Chevron, Texaco, Royal Dutch Shell, Exxon and Socony) and the U.S. government, which they saw as supporting the banks. During the meeting took place in Vienna on 10-14 September 1960, they formed the Organization of Petroleum Exporting Countries (OPEC). When, Israel won the Yom Kippur War in 1973, with the crucial and overt support of the United States, OPEC declared a global oil boycott. That was proposed by Saudi Arabia and Iran. "But notice the central geopolitical fact. Saudi Arabia and Iran were collaborating directly. There was no talk of millennial Sunni-Shiite rivalry. Instead, they were collaborating. And it worked. There followed

a major rise in the world oil price, which benefited both Saudi Arabia and Iran" (Wallerstein, 2016). Islamic Revolution in Iran and Shi'a uprising in 1979 changed the whole course of history and became a paradigm shift in Riyadh-Tehran relations.

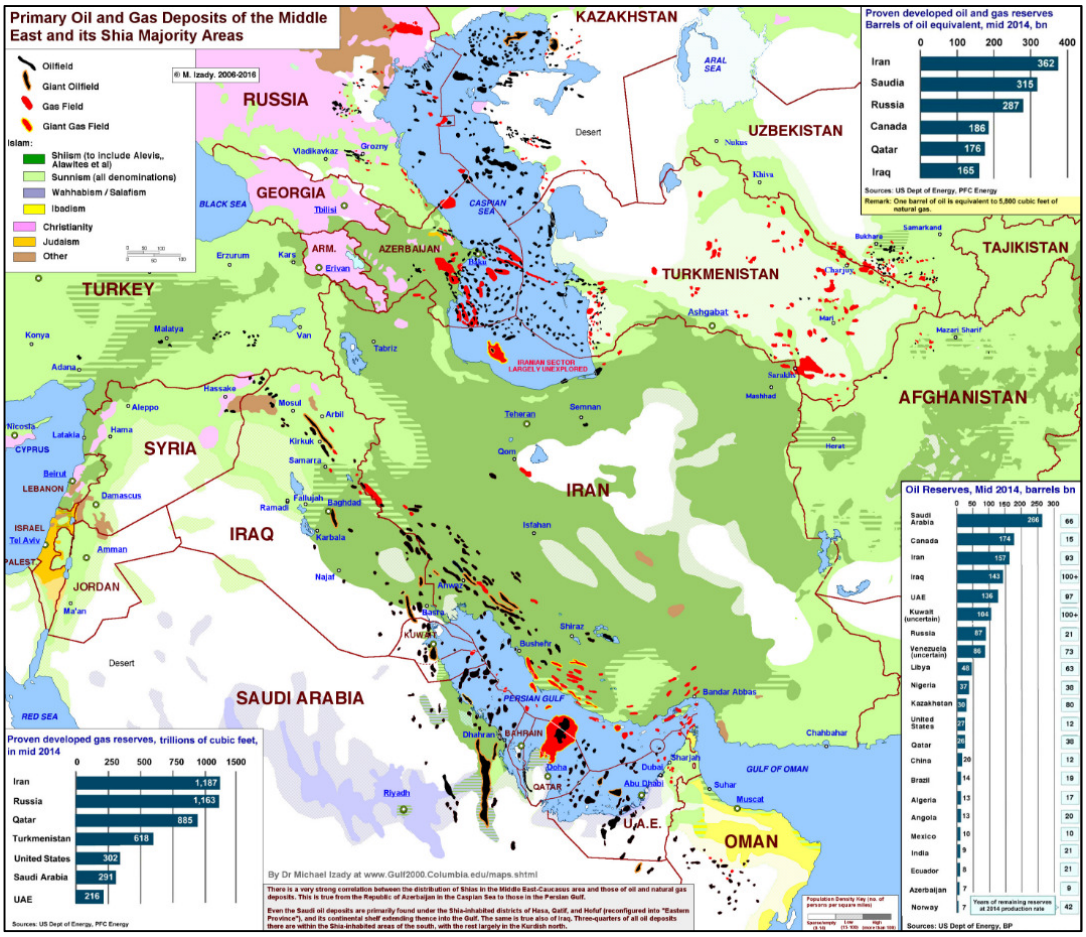


Figure 8: The Correlation between Natural Resources and Shi'a Locations
Source: Gulf 2000 www.gulf2000.columbia.edu/maps.shtml -Middle East Energy Deposits in the Context of its Religious Makeup

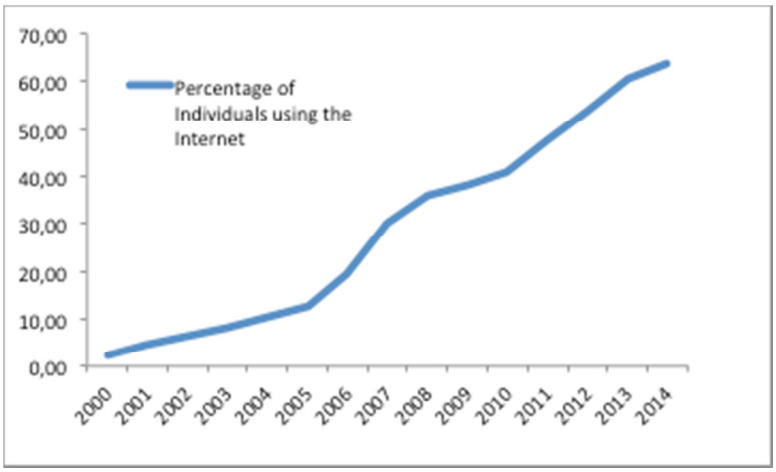
3.5. Civil Society in Saudi Arabia

If the thesis is to assess civil society in the Kingdom the following details should be revealed. According to the International Center for Not-for-Profit Law's NGO Law Monitor for Saudi Arabia there exists 650 registered organizations to the Ministry of Social Affairs (http://www.icnl.org/research/monitor/saudiarabia.html). However, due to language concerns the details of these organizations could not be revealed. Civil

society in Saudi Arabia is active but not in the form of opposition, challenging for more democracy or disagreement but in the form of good civil societies. By good civil societies, it is meant that the voluntary sector, the term used in Montagu (2010) like as service-provisions, non-profit organizations, social services, and etc. (p. 69). Yet, it is a well-known fact that the Saudi family consumed the whole bunch of opportunities for any civil society to sprout in order to be a pioneer for democratic alternatives.

> "Formal opposition groups, public demonstrations of the dissent are forbidden; combinations, marches, trade unions, and political parties are banned, though some Eastern Province Shi'a demonstrations in favor of Hezbollah in August 2006 took place, and universities are being encouraged to help their students form student unions" (Montagu, 2010: p. 74).

Although the civil society is too weak to challenge the authoritarian rule in Saudi Arabia, the new area of advocacy, Internet usage, is promising. According to the International Telecommunications Union's recent data, the percentage of individuals using Internet is more than doubled between 2007 and 2014 from 30 percent to 63.7 percent (see Graph 8).



Graph 10: Percentage of Internet Usage in Saudi Kingdom
Source: ITU

Nowadays, when Saudi people do not satisfy with the implementation of governance, they tend to share information, knowledge and build up dissent and rage via Internet (House, 2012: pp. 60-62). However, turning these into advocacy implementations is limited. For example, when the Saudi citizens organized a "Day of Rage" on March 11, 2011 in solidarity with protests in Bahrain and Libya via Facebook, the participation was not dense enough to bring about a solid change as Eman Al Nafjan reported in Guardian in his article called "Saudi Arabia's Day of Little Rage". Karen Elliott House is asking: Why do not Saudis take more initiative, more freedom of action, for themselves? And House gives the answer that this thesis would approach in doubt: "Both tradition and religion have made most Saudis accustomed to dependence, to being reactive not proactive; to accepting not questioning; to being obedient, not challenging; to being provided for rather than being responsible for their own futures" (2012: p. 65). However, in the oil rich provinces where Saudi ARAMCO operates as a capitalist institution, a different picture emerges. Although the motivation is sectarian, the culture of protest sprouts. On the day of rage, although the rest remained silent, the eastern province has the ongoing protests Al Nafjan reported on March 12.

As this thesis will depict, the working class movement and labor mobility is well alive although the other Saudis as Matthiesen puts it or the Shi'a were the main protestors. Notwithstanding the absence of a clear answer whether it is the sect or the class – consciousness that drives the rage, it is the labors who are on the frontiers in Shi'a populated regions' protests.

3.6. Containing the Arab Spring: Buying loyalty and other measures

In February and March 2011 after the Arab Spring was observed, the Saudi government declared to spend nearly USD 130bn over the coming years. The boldest commitment (more than USD 65bn) was in housing, with a promise to build five hundred thousand homes over the next five years and to boost the availability of state loans for home purchases. The Saudi government also pushed for immediate payments: A one-time bonus equivalent to two months' salary for government employees, military personnel, and retirees plus the largest private-sector employers. There were also the following measures: The introduction of unemployment benefits; an increase in the minimum wage for the vast majority of Saudis in the workforce who are employed by the state enterprises; a continuation of the approximately 5 percent inflation allowance to salaries in public sector; and the creation of more than sixty thousand public sector jobs (Gause III, 2011: p. 6). In fact, the share of expenditures for education, health and social services exceeded the share of military spending in 2015 budget targets (see Graph 6 in the Saudi economy section).

Beyond its capability to contain the consequences of the Arab Spring with money, the Saudi family has also reliable security institutions in its hand. The king and the dynasty have full control over the police, secret police, and the Special Forces under the authority of the Ministry of Interior and the National Guard and they are politically reliable and at Saudi family's service (Gause III, 2011: p. 7). For instance, on the day of rage, security forces were deployed all over Riyadh to prevent mass protests. The recruitment for these institutions is generally made from provinces loyal to the crown. "On the other hand, the security forces are professional and well trained

enough to avoid the collapse and fragmentation that the Yemeni and Libyan armies suffered during their recent political upheavals" (Gause III, 2011: p. 7).

The last factor that made Saudi Arabia somehow immune to Arab Uprisings is generally accepted as the Kingdom's utilization of religious motives to curb protests.

> "As early as February 4, 2011, even before calls for demonstrations in Saudi Arabia itself, Sheikh Abd al-Aziz Al al-Sheikh, the grand mufti, the highest religious official in the country, condemned the marches and demonstrations occurring in Arab countries as 'destructive acts of chaos' plotted by the enemies of Islam that result in 'the shedding of blood, the abuse of dignities, the stealing of money and life in fear and terror and error'" (Gause III, 2011: p. 8).

Nevertheless, all these explanations to Saudi dynasty's immunity reveal another factor. First of all, in oil rich provinces where oil business is operating, the protests live longer than other parts of the Kingdom as the day of rage indicates. Second, no matter what the motivation is Saudi citizens have a tendency to have the will and the means of organizing protest but the culture of protest seems as the missing part.

3.7. Oil and the Workers of the Kingdom

In a kingdom that experiences fundamental religious identity, a solid throne, and sectarian divergence although in the form of minorities, if there appears no mass protests it seems to be either because of religion, or the brutal and deceptive implementations of the Kingdom. Rentier state can be a determinant factor in the scarcity of social movements in Saudi Arabia, but in the form of rentier states' ability to consume labor movements. Only in the eastern provinces one could find organized labor activities, as it is the only industrious part of the country. As noted before, oil drives the Saudi economy and Saudi economy's heart is located in Shi'a populated

eastern provinces. Once this section reveals how being a labor has a bold link with the culture of protest and the culture of increasing voices against unfair implementations the audience would imagine that a fully industrialized Saudi Arabia would have a different story in the Arab Uprising era.

Toby Matthiesen (2015) in his piece "The Other Saudis: Shism, Dissent and Sectarianism" depicts a clear picture of oil and dissent in eastern provinces. From the mid-1930s onwards, Saudi citizens started to work mainly in the oil business but as unskilled workers. Yet, ARAMCO provided schooling and education abroad and later on many Shi'a occupied medium-level technical and clerical positions in ARAMCO. ARAMCO (California Arabian Standard Oil Co. then in 1933) founded in 1933 as Saudi Arabia grants oil concession to Standard Oil of California (SOCAL or Chevron as known today). SOCAL creates California Arabian Standard Oil Co. (CASOC) as a subsidiary to manage the business in the Kingdom. In 1936, Texas Company (Texaco) took over 50 percent in SOCAL's concession. In 1939 the first tanker load of petroleum was exported. In 1944, CASOC renamed as Arabian American Oil Company (ARAMCO). In 1948, Standard Oil of New Jersey and Socony-Vacuum Oil (both now ExxonMobil) join SOCAL and Texaco as owners of ARAMCO. In 1973, the Saudi government took over 25 percent of ARAMCO and eventually it took the 100 percent of it. In 1988, the company renamed as Saudi Arabian Oil Company, or Saudi ARAMCO. As of 2009, the Saudi ARAMCO reaches 12mn barrels per day in maximum oil production[‡‡‡]. Saudi ARAMCO operates in Jiddah, Rabigh, and Yanbu in the Western provinces and Dhahran, Qatif, Abqaiq, Dammam, Ras Tanura and in

‡‡‡ http://www.aramco.jobs/AboutSaudiAramco/Milestones.aspx#1930

several other urban centers in the Shi'a populated Eastern Provinces[§§§]. ARAMCO is said to be sectarian-blind meaning no segregation in sectarian differences but it knows the sectarian identity of each worker. In 1979, Shi'a workforce made up more than half of the 22,000 Saudi workers (2015: pp. 68-69). In the mid 20th century the seeds of advocacy began to sprout. Influenced by Nasserism and Arab nationalism many workers in the eastern province began to see the U.S. presence represented by the American airbase at Dhahran and by ARAMCO as imperialism. Segregated living conditions for American and Saudi or Arab workers could also feed anti-imperialism (Matthiesen, 2015: p. 70). It should be noted that in that kind of idea generation nationalism and anti-imperialism is in the frontier not sectarianism.

The ideas of socialism, pan-Arabism, Nasserism diffused from expatriate workers like Syrians, Egyptians, Lebanese, Italians, Indians immigrated to Saudi Arabia. Indeed, in 1950s and 1960s Nasserism was already a popular ideology among Saudi population especially in the Eastern Province and Hijaz. "The major labor mobilizations at ARAMCO occurred in 1945, 1947, 1953 and 1956. The strikes in the 1950s were organized by Saudis and Arab expatriates. The support for the strikes was cross-sectarian." (2015: pp. 69-71). Are the foreign workers the only source of class-consciousness? The distribution of communist inspired flyers, libraries, newspapers and cultural journals increased the political awareness in the eastern province. There were also local theatres and evening schools to spread the knowledge (2015: pp. 72-73). Indeed, the oil industry led to first labor movements in the country. However, the Saudi labor movement faced with imprisonment, and its demonstrations were banned. ARAMCO attempted to solve the issue by cutting the employment by half in five

§§§ http://www.aramco.jobs/Maps/map.html

years and by passing some operations to local contractors. Newspapers were shut down. In 1954 some activists founded the National Reform Front (*jabhat al-islah al-watani*) lately renamed National Liberation Front (*jabhat al-taharrur al-watani*) that demanded the liberation of ARAMCO workers, equal treatment to Shi'a and Sunni populations (2015: pp. 74-75). One of the NLF's leaders was the Shi'a cleric Abd al-Karim al-Humud. He was not an ARAMCO employee but he participated in demonstrations, was prisoned and sent to Beirut. Another leader of the movement, Hasan Faraj al-Umran attempted to consolidate pan-Arabian ideology with his religious beliefs. In 1954 he became a secretary at a Shi'a court in Qatif – oil rich urban area located in the Eastern Province and populated mostly by the Shi'a. These Shi'a activists like the two of them presented above were well-educated people who were influenced by pan-Arabism, socialism and communism and some of them were ARAMCO employees. They continued their attempt to criticize and raise their demand from the ruling dynasty. For instance, a delegation from Qatif delivered a petition to King Saud just after his accession in November 1953 that demanded the establishment of an elected *Majlis al-Shura* (Consultative Council), an independent judiciary branch and reform in education system (2015: p. 76).

Local elections in 1950s and in 1960s were critical in terms of the evolution of social movement in the Eastern Provinces (Matthiesen, 2015). In the first wave of local elections in 1950s the Shi'a population could not reach the representative majority they sought for. In his memoirs, Ali al-Awwami a municipal employee and also the leader of worker movement at ARAMCO in those years described the municipal council in Qatif as "corrupt, and lethargic". Later, in 1954 and 1956 elections with new waves of strikes, Shi'a activists enlisted an unofficial candidacy and their

candidates had won. However, these incidences were suppressed by arrests. Even the elected members of Qatif council were imprisoned. That council was dissolved and new elections were held. In fact, the leftist movement won that election, as well. Therefore, that council was dissolved too in 1959 and ultimately the government appointed the members of the new council. In this regard, when King Faysal made his power solid in 1960s, municipal authorities were centralized in the ministry of Interior and from 1975 onwards in the Ministry of Municipal and Rural Affairs. Between 1960s and 2004 no local elections were held in the Eastern Province but the culture of protest built up by the labor movement activists remained solid but changed its form (pp. 75-81).

Some ARAMCO workers who had prisoned during 1956 strikes founded the Organization of Free Men of the Arabian Peninsula (*munazzamat ahrar al-jazira al-arabiyya*) was served as the nucleus of Saudi Baath Party. Those Baathists, who are also active in worker class movements, were also the followers of Marxist Leninist ideology. One of the first show-off was their involvement in the demonstrations took place in 1967 related with the Six Day Arab-Israeli War. The demonstrations were obviously occurred in oil-rich Shia districts where ARAMCO operates, as well (Dhahran, Ras Tanura, Qatif and Dammam). In the 1969 and early 1970, the Marxist-Leninist Popular Democratic Party in the Arabian Peninsula (PDPAP) (*al-hizb al-dimuqrati al-sha'bi fi al-jazira al-arabiyya*) was found. The idea of the PDPAP was to remain immune to foreign regimes and diffuse to the whole Saudi Arabia. However, the PDPAP lost its strength in 1971 and split into two (pp. 80-84).

The built-up protest culture and the self-confidence of demanding rights led to mass demonstrations in 2011 in the Eastern Province. Protests beginning demanding the release of Shi'a clerics on March 4, escalated to the Day of Rage demonstrations on March 11. The slogans were like "Freedom", "Not Sunni, not Shi'a, Islamic Unity", "Our protest is peaceful, our demands are just". Yet, there were no protests in other provinces of the Kingdom (2015: pp. 200-214).

Saudi Kingdom as the sole authority that holds the instruments of production seeks to create a world after its own image. Its eagerness to keep the Shi'a population in check is related with the oil resources in the Eastern Province and its oil dependent economy, as well as religious interpretation. Hence, an opposition against Saudi Arabia's attempt to create a world after its own image either by playing with sectarianism, buying loyalty, involving other countries' domestic politics and its proxy wars could be categorized as protests driven by class-struggles. Saudi Arabia does not have a private bourgeoisie class but the Kingdom and the dynasty fills this role. However, as a rentier state there lacks mass labor movements. Class-consciousness is being observed mainly in oil rich Eastern Province. Alas, the rest enjoys its patronage-client type of relation. Nonetheless, since the workers in the oil rich provinces are mainly Shi'a and the country is ruled by fundamental Sunni Islamism, then some of the audience may find it hard to link rentier state and social movement relations in line with labor movement's impact on it. Therefore, the workers' participation in other uprisings in Egypt will be presented so that the audience would find the main premise of the thesis as clarified.

4. Conclusion

The thesis has attempted to find the underlying reason why in a rentier state social movements are constrained and have limited capacity to rise in favor of their social demands. The organized labor movement in Tunisia and Egypt indicated that being a non-rentier state paves the way for organized, mass labor population in the country that could be powerful enough to yield social and political changes in the country via affecting the veins of the economy with strikes, sit-ins and unrests. It should be noted that, the case of Iran after the revolution distorted the idea that being a rentier state alone is the sole chain against social movements. A rentier state lacks huge labor population in the country. Yet, if this particular rentier state provides trade unionization even in oppressed conditions and the ballot box for the citizens as in Iran, it opens a door to organized labor movements and the accountability of the government before the people, respectively. However, this could be the agenda of further research.

Saudi Arabia is a monarchy with no ballot box and no tolerance for organized labor movements and unions. Nonetheless, it is still an unknown that in which circumstances political loyalty erodes in a rentier state. Does sectarian differences matter more than class conflicts? What if all the oil workers in eastern provinces in Saudi Arabia were Sunnis, would they protest the Saudi Dynasty like the Shi'a workers did? Alas, these are the blind spots of the thesis. Uprisings in the eastern provinces of Saudi Arabia could happen because Shia population of Saudi Arabia is located in oil rich provinces. They could rise against Saudi autocracy due to sectarian rage. Nevertheless, there are also open spots, as well. First, independent from the

motivation, culture of protest has its roots in class formation as the thesis has depicted. Especially, labor mobilization from other countries led the proliferation of ideas concerning class disputes. Second, labor movement is a historical fact and it has powerful influence on social changes in non-rentier states. Contemporary examples from industrialized world and recent Arab Uprisings in non-rentier Middle Eastern countries are the proof. Third, Saudi Arabia's rentier characteristic with a strong autocracy is the key element that prevents labor movements in the country. Protests in the Kingdom has been observed in oil rich provinces. In the central Saudi Arabia, people's loyalty seem to be bought and class consciousness could be eroded with patronage kind of relationship between the monarchy and the society. All in all, the thesis depicted that rentier state literature misses the labor factor when attempts to analyze the relationship between a rentier state and social movements within. In this regard, due to lack of field research concerning Saudi working class, whether sectarian disputes or class consciousness has an upper hand in labor movement remains an unknown.

Bibliography

Books

Abdelrahman, Maha (2015), *Egypt's Long Revolution: Protest Movements and Uprisings*, New York: Routledge, Kindle edition.

Alexander, Anne and Mostafa Bassiouny (2014), *Bread, Freedom, Social Justice: Workers and the Egyptian Revolution*, London: Zed Books, Kindle edition.

Bayat, Asef (2008), *Sokak Siyaseti (translated by Soner Tolak)*, Ankara: Phoneix Yayinevi.

Beblawi, Hazem and Giacomo Luciani (ed.) (2016), *The Rentier State*, New York: Routledge.

Beinin, Joel (2016), *Workers and Thieves: Labor movements and Popular Uprisings in Tunisia and Egypt*, Stanford: Stanford University Press.

Cook, M.A. (ed.) (1970), *Studies in the Economic History of the Middle East from the Rise of Islam o the Present Day*, Oxford: Oxford University Press.

Davis, Gerald F., Doug McAdam, W.Richard Scott and others (ed.) (2005), *Social Movements and Organization Theory*, New York: Cambridge University Press, Kindle edition.

Greenspan, Alan (2007), *The Age of Turbulence: Adventure in a New World*, New York: Penguin Press.

Harcourt, Bernard E. (2013), "Political Disobedience", *Occupy: Three Inquiries in Disobedience*, ed. W.J.T. Mitchell, Michael Taussig ve Bernard E. Harcourt, London: Trios.

Harvey, David (2013), *Rebel Cities: From the Right to the City to the Urban Revolution*. New York: Verso.

Haykel, Bernard, Thomas Hegghammer and Stéphane Lacroix (ed.) (2015), *Saudi Arabia in Transition: Insights on Social, Political, Economic and Religious Change*, New York: Cambridge University Press.

House, Karen Elliot (2012), *On Saudi Arabia: Its People, Past, Religion, Fault Lines – and Future*, New York: Vintage Books.

Hobsbawm, Eric (2014), *The Age of Capital: 1848-1875*, London: Abacus.

Hobsbawm, Eric (2014), *The Age of Empire: 1875-1914*, London: Abacus.

Hobsbawm, Eric (2013), *The Age of Extremes: 1914-1991*, London: Abacus.

Johnston, Hank (2014), *What is a Social Movement?*, Cambridge: Polity, Kindle edition.

Kishlansky, Mark, Patrick Geary and Patricia O'Brien (2003), *Civilization in the West Volume II: Since 1555*, New York: Longman.

Mabon, Simon (2013), *Saudi Arabia and Iran: Power and Rivalry in the Middle East*, New York: I.B. Tauris.

Matthiesen, Toby (2015), *The Other Saudis: Shiism, Dissent and Sectarianism*, New York: Cambridge University Press.

Tilly, Charles (2006), *Regimes and Repertoires*, Chicago: The University of Chicago Press, Kindle edition.

Tilly, Charles and Lesley J. Wood (2016), *Social Movements: 1768 – 2012*, New York: Routledge, Kindle edition.

Time (2011), *What is Occupy: Inside the Global Movement*, New York: Time Books, Kindle edition.

Thompson, E.P. (1991), *The Making of the English Working Class*, New York: Penguin Books.

Ross, Michael L. (2013), *The Oil Curse: How Petroleum Wealth Shapes the Development of Nations*, Princeton: Princeton University Press.

Savran, Sungur, Kurtar Tanyılmaz, E. Ahmet Tonak (ed.) (2014), *Marksizm ve Sınıflar: Dünyada ve Türkiye'de Sınıflar ve Mücadeleleri*, İstanbul: Yordam Kitap.

Yergin, Daniel (2003), *The Prize: The Epic Quest for Oil, Money and Power*, New York: Free Press.

Articles

Al-Rasheed, Madawi (2011), "Sectarianism as Counter-Revolution: Saudi Responses to the Arab Spring", *Studies in Ethnicity and Nationalism*, 11 (3): 513-526.

Altunisik, Meliha Benli (2014), "Rentier State Theory and the Arab Uprisings: An Appraisal", *Uluslararası İlişkiler*, 11 (42): 75-91.

Herb, Michael (2005), "No representation without Taxation? Rents, Development, and Democracy", *Comparative Politics*, 37 (3): 297-316.

Kuru, Ahmet (2014), "Authoritarianism and Democracy in Muslim Countries: Rentier States and Regional Diffusion", *Political Science Quarterly*, 129 (3): 399-427.

Montagu, Caroline (2010), "Civil Society and Voluntary Sector in Saudi Arabia", *The Middle East Journal*, 64 (1): 67-83.

Ross, Michael L. (2001), "Does Oil Hinder Democracy?", *World Politics*, 53 (April 2001): 325-361.

Sune, Engin and Ali Murat Ozdemir (2012), "Rantçı Devlet Yazını Üzerine Deneme", *Uluslararası İlişkiler*, 9 (35): 3-31.

Sources and Reports from Internet

Al-Rasheed, Madawi (2015), "Saudi religious scholars enraged over Moscow's recent Syria strikes", *Al-Monitor*. http://www.al-monitor.com/pulse/originals/2015/10/russia-strikes-syria-anger-saudi-scholars.html

Al-Youssoufi, Hala (2014), "Tunisian Labor union Serves as Political Mediator" (translated by Sami-Joe Abboud), *Al-Monitor*. http://www.al-monitor.com/pulse/politics/2014/03/tunisia-labor-union-political-balance.html

Beinin, Joel (2012), "The Rise of Egypt's Workers", *The Carnegie Papers*, http://carnegieendowment.org/files/egypt_labor.pdf

"Egypt unrest: Banks reopen after week of closure", *BBC*, http://www.bbc.com/news/business-12376403

"Fiscal Breakeven Oil Prices: Uses, Abuses, and Opportunities for Improvement", *CFR*, http://www.cfr.org/oil/fiscal-breakeven-oil-prices-uses-abuses-opportunities-improvement/p37275

"France labour dispute: Paris protests descend into violence", *BBC*, http://www.bbc.com/news/world-europe-36531345

"French labour law protests again descend into violence", *The Guardian*, https://www.theguardian.com/world/2016/jun/14/french-labour-law-protests-violence-police-paris-strikes-transport-euro-2016

Gause III, F. Gregory (2011), "Saudi Arabia in the New Middle East", *Council on Foreign Relations*, Council Special Report No: 63. http://www.cfr.org/saudi-arabia/saudi-arabia-new-middle-east/p26663

Gökkent, Gıyas, Garbis Iradian, George Abed and others (2015), "Saudi Arabia: Record Budget Despite the Oil Price Collapse". https://www.iif.com/publication/research-note/saudi-arabia-record-budget-despite-oil-price-collapse

Gray, Matthew (2011), "A Theory of Late Rentierism in the Arab States of the Gulf". https://repository.library.georgetown.edu/bitstream/handle/10822/558291/CIRSOccasionalPaper7MatthewGray2011.pdf?sequence=5

Henderson, Simon (2009). "After King Abdullah: Succession in Saudi Arabia", *The Washington Institute for Near East Policy*, https://www.washingtoninstitute.org/uploads/Documents/pubs/PolicyFocus96_Henderson.pdf

"Internationally Recognised Core Labour Standards in Saudi Arabia", *ITUC*, http://www.ituc-csi.org/IMG/pdf/final_tpr_saudi_arabia.pdf

Maher, Stephen (2011). "The Political Economy of the Egyptian Uprising", *Monthly Review*, 63 (6). http://monthlyreview.org/2011/11/01/the-political-economy-of-the-egyptian-uprising/

Omri, Mohamed-Salah (2013), "Trade Unions and the Construction of a Specifically Tunisian Protest Configuration", Open Democracy. https://www.opendemocracy.net/mohamed-salah-omri/trade-unions-and-construction-of-specifically-tunisian-protest-configuration

"Saudi Reform Plan Approved by the Government's Top Economic Council", *Euronews*, http://www.euronews.com/business-newswires/3203183-saudi-reform-plan-approved-by-governments-top-economic-council/

Seznec, Jean-François (2016), "Saudi energy Changes: The End of the Reniter State?", *Atlantic Council*. http://www.atlanticcouncil.org/publications/reports/saudi-energy-changes-the-end-of-the-rentier-state

Tapscott, Don (2011), "The world's unemployed youth: revolution in the air?", *The Guardian*, https://www.theguardian.com/commentisfree/2011/apr/04/unemployed-youth-revolution-generational-conflict

Taylor, Alan (2016), "Monthslong Protests and Strikes in France Over Labor Law Changes", *The Atlantic*. http://www.theatlantic.com/photo/2016/06/monthslong-protests-and-strikes-in-france-over-labor-law-changes/487196/

"Transcript: Interview with Muhammad bin Salman", *The Economist*, http://www.economist.com/saudi_interview

Wallerstein, Immanuel (2016), "Saudi-Iranian Collaboration: A Forgotten Story". http://iwallerstein.com/saudi-iranian-collaboration-a-forgotten-story/