

Transit States

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Labour, Migration and Citizenship in the Gulf

Edited by
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1

Histories of Migration to the Gulf

Omar AlShehabi

Understanding Gulf Migration

This introductory chapter discusses the historical roots and evolution of the extreme reliance on temporary migrant workers in the six states of the Gulf Cooperation Council (GCC). It focuses, in detail, on the most important changes that the region's population structure has experienced from the start of the oil era up to the first decade of the twenty-first century. Hence, this chapter aims to lay out the historical backdrop that underpins much of the analysis covered in subsequent chapters. Particular attention is given to areas of similarity within the individual experiences of each of the GCC states. The intention is to present a broad framework for understanding the rise of a demographic system between citizen and non-citizen populations that could be best summarised as 'restricted citizenship with unrestricted migration', and to shed light on the most important factors that contributed to its development.¹

The main focus will be on detailing the mutually constitutive relationship that exists between the GCC's modern population structure and the oil revolution that took place in the Gulf. Indeed, the economic and political system that accompanied the oil revolution formed the very foundations of the demographic dynamics we find in the region today. The chapter's main thesis is that the demographic structure was the result of two often overlapping but sometimes conflicting projects: the construction of a 'petro-modernist state' in each of the GCC countries, combined with the establishment of capitalism as the dominant (but not the only) economic mode of production. Both of these projects were to be driven by rising oil revenues and migrant labour flowing into the region.

The GCC economies are firmly embedded within the global economy, based primarily on the region boasting the largest and cheapest proven global reservoir of crude oil. Ever since commercial exportation of Gulf oil took off in the latter half of the twentieth century, the region has received the highest windfall of petrodollars of any oil producers in the world. This centrality to the global economy is mirrored domestically by the dominant role the state plays within the national economies of the GCC. The state, and particularly influential members of the ruling families, has large control over how the oil revenue is to be spent domestically. This is complemented with an elite class of investors, often also members of the royal families, who control the main economic opportunities that arose from the windfall of petrodollars.

The GCC's demographic profile came to reflect the internal and external aspects of this resultant economic and political structure, which, by opening the doors to unrestricted migration while restricting citizenship, segmented the population into groups of 'citizens' and 'expatriates', and used the region's population to service this political-economic configuration. From the perspective of citizens of the GCC countries, this post-oil historical period has been characterised by a decline in their political influence and their participation in economic production. This has reached a point where, by the start of the twenty-first century, nationals represented less than half of the workforce in any of the GCC countries, and their productive roles were primarily confined to employment in the public sector or financial services. However, the upside of this situation was that citizens, and only citizens, were provided with the benefits of an increasingly generous welfare state, providing free or subsidised services, opportunities for mass consumerism, as well as the ability to establish small and medium enterprises. These benefits were obtained through a notion of citizenship founded on loyalty to the state, which came to be largely identified with the ruling families, by now firmly embedded as the apex of the local political system.

In tandem, regional capital's growing need for labour was fulfilled by facilitating the entry of foreign workers. The GCC's doors were opened wide to migrant workers who not only became the central pillar of the region's workforce, but also came to form the majority of the population within most Gulf States. Strict measures, however, were put in place to control expatriate integration and to reduce their power in the region's economic and political activities. These measures served to prevent them, as non-citizens, from settling permanently, from forming trade unions, and from capital ownership. Thus, the population structure was formed by, and in service to, the demands of an economic and political structure that

evolved in tandem with the discovery of oil in the region. This demographic restructuring continued until the region began to resemble what some scholars have called a collection of scattered 'labour camps', rather than a set of cohesive and integrated societies (Al Kuwari, 2004a).

The First Oil Boom, 1931–1973

The population in what came to constitute the GCC was estimated at the start of the twentieth century to be approximately two million, of which about 900,000 were concentrated on the western shores of the Gulf and Oman (Seccombe and Lawless, 1987: 4). The cultural, historical and geographical scope of the region sits within an Arab and Islamic identity, but within this overarching framework it is considered one of the most culturally, ethnically and historically diverse parts of the globe, encompassing three continents that formed the ancient world. By virtue of this hyper-connectivity to the rest of the world, the Gulf's economies developed predominantly around commercial and entrepôt trade posts. The region is also distinguished as an important religious centre, being the birthplace and containing the two holy sites of Islam. As an historic point of convergence between different cultures and civilizations, most of the region's settled communities developed based on exchanges with the wider world, which naturally included population exchanges.²

This population exchange occurred predominantly in areas in close proximity to the Gulf and the Arabian Peninsula, with social composition based upon a complex network of commercial, cultural, geographical and familial ties. Environmental variables such as droughts and epidemics also affected the regional demographics and migration movements.³ Borders did not exist prior to the Uqair Convention of 1922,⁴ when borders were delineated for the first time between Saudi Arabia and Kuwait, and there were no official immigration controls, passports or citizenship documents until well into the 1900s.⁵ As such, an organic society developed over the centuries containing a mixture of ethnic groups, sects and beliefs, within the region's overarching Arab and Islamic identity.

The Arrival of the Oil Companies, 1931–1950

The systematic import of foreign labour began in the nineteenth century under British colonial rule, forming the starting point for a new type of

population flow into the Arabian Peninsula.⁶ What particularly distinguished this new type of migration was the organised import of a workforce by a 'sponsor' (in this case, the British administration) that did not necessarily have any cultural or geographical connection with the region. Migrants were systematically brought in by the British to carry out the functions of colonial administration. Thus we see one of the most important features of this new phase of migration: members of the migrant community were not required or encouraged by their sponsors to integrate within the local communities. In fact, often the intention was to import migrants that would *not* integrate into local society, and indeed could be used as a source of discipline and control. Often the purpose of this first wave of migration was to strengthen the security forces through which the British maintained their control (i.e. mercenary forces). Migrants also formed the administrative class, and the majority of these groups came either from the Indian subcontinent or from the United Kingdom itself. This process occurred mainly in the areas known as the Trucial States (the western coast of the Gulf stretching from Kuwait to Oman), where the British presence was strongest.

This migration phenomenon was limited in scope, being mostly confined to the state's administrative and security apparatus. The situation was fundamentally altered with the discovery of oil. The first oil well was drilled in Bahrain in 1931, and the rest of the Gulf followed suit over the next two decades, with oil exportation from the region taking off in earnest after the Second World War.⁷ It would not be an exaggeration to say that the region's political, economic and cultural roots were shaken and radically transformed over the course of a few decades. The Arabian Peninsula was transformed from a desperately poor area on the margins of the global economy, supporting its sparse population through pearling, entrepôt trade, and agricultural and herding activities, into an integral link in the global economic system. The discovery of the largest proven global reservoir of oil in the Gulf coincided with oil's transformation into the most important commodity of the economic and industrial revolution that swept the globe after the Second World War.

As the region's oil industry was laying its foundations between the 1930s and 1950s, expatriate labour poured mainly into the oil sector. The administrative and skilled labour classes came from Western countries, in accordance with the preferences of the American or British oil companies. In areas with British colonial presence, oil concessions were signed on the condition that preference would be shown towards workers already

under British rule, and so most of the skilled workers came from the United Kingdom. The same principle also applied to the class of clerks and semi-skilled workers, who hailed mostly from the colonised Indian subcontinent.⁸ The situation was different in Saudi Arabia, which never experienced direct British control. Instead, American companies had a monopoly over oil exploitation agreements, and so most of the administrative and skilled classes came from the US, while the demand for semi-skilled workers was met by importing relatively cheaper Italian settlers from Eritrea. In all the Gulf sheikhdoms, unskilled workers were sourced from the local population wherever possible, a condition imposed on the oil companies by the local rulers. The region was engulfed by an economic crisis in the late 1920s following the decimation of the natural pearl market by Japanese cultured pearls and the onset of the global great depression. Employment of locals in the oil companies provided a timely antidote (Seccombe and Lawless, 1987: 18).

The number of foreign workers in the oil sector grew rapidly after the end of the Second World War, when most Gulf States began exporting oil commercially. From no more than 2,000 in 1940, the number of migrants working in the region's oil sector as a whole had grown to about 16,000 by 1950. The majority of them came from the Indian subcontinent and the West. Although the majority of workers in the oil sector were still citizens, their proportions were shrinking fast. In 1945, citizens working in Bahrain's oil sector represented 63 per cent of the total workforce and 68 per cent in Saudi Arabia. In Qatar, the percentage of citizens among the workforce had shrunk to 54 per cent by 1948, while in Kuwait the number of migrants in the workforce rose from 5 per cent in 1945 to 68 per cent in 1949 (Seccombe and Lawless, 1987: 18). Hence, immigration in this period was driven mainly by the requirements of oil companies and the needs of the British colonial administration, both of whom were the principal parties involved in establishing the oil industry and controlling the resultant revenues.

Commercial Oil Production and the Emergence of Nationalism, 1950–1973

A new wave of migration took place between 1950 and the start of the 1970s. Increasing amounts of revenues were generated by the extraction and sale of oil on the global market, in what can be loosely termed as the

Gulf's first oil boom. Oil revenues flowed directly to the oil companies and the rulers' accounts based on the shares stipulated in the concession agreements between the two parties. Throughout this period, the percentage of oil revenue allocated to the rulers gradually increased as a series of renegotiations of concessions took place, particularly in Saudi Arabia and Kuwait.⁹

With increasing amounts of oil revenue being allocated to the state, economic opportunities in the region started to expand outside the oil sector. The public sector was the natural driver, concentrating heavily on building the basic infrastructure of roads, education, health services and administrative bodies. Attractive investment opportunities for capital accumulation began to emerge in the private sector too. Most of these activities were in secondary sectors that grew out of the oil boom, especially in construction and the importation of goods.¹⁰

Demographically, the first discernable development was a huge increase in the number of incoming migrants. Between 1950 and 1975, their numbers grew from no more than a few tens of thousands, to around one million (Chalcraft, 2010: 11–12). Some continued to work in the oil sector, but the vast majority were in the public sector, construction and the various service sectors that mushroomed in tandem with the growing oil revenues.

Migrants came mainly from other Arab countries. This was a logical development given that they shared a geographical, cultural and linguistic affinity to the Gulf. The consequences of the 1948 Palestinian *nakba* increased the number of Palestinian immigrants, and popular sentiment locally as well as the rulers' inclination was towards the import of Arab labour. King Abdulaziz of Saudi Arabia, for example, ordered in 1949 that citizens, then Palestinians, then Arabs and then the rest of the Muslim nationalities should be preferentially selected for work (Seccombe and Lawless, 1987: 26). The growing tide of Arab nationalism in Kuwait and the policies of the ruler Sheikh Abdullah Al-Salem, led to a preference for importing Arab labour there too. By 1975, 90 per cent and 80 per cent of expatriates in Saudi Arabia and Kuwait respectively were Arab. In the rest of the Gulf States, where the British mandate was still in effect, the proportion of Arab labour was smaller due to British sensitivities about the political implications of employing large numbers of Arab migrants. Instead, migration there tended to favour states already under British colonialism, particularly the Indian subcontinent. In Bahrain, Arabs accounted for 50 per cent of immigrants, two-thirds of which were from the Sultanate of Oman. By the same year, Arabs represented only a quarter of expatriates

in the UAE and the proportion was similar in Qatar (Chalcraft, 2010: 7–8). Overall, by the end of 1973, expatriates stood at about one million, the overwhelming majority of whom were Arabs.

The third striking development on the demographic front was the emergence of a strong labour and political consciousness within citizens, based largely on the experiences of the local labour force employed in the oil sector. Two main factors fuelled this process. To begin with, the income and living conditions of expatriate workers during this period were perceived as better than those of locals. At the same time, a strong political consciousness was emerging regionally, taking its cue from political movements in the rest of the Arab world (nationalism and pan-Arabism) and globally (such as Marxism and socialism). This led to the development of various nationalist and labour-oriented movements, with oil company workers demanding increasing economic and political participation in the various Gulf States. Between 1938 and 1965 strikes were a frequent phenomenon in Bahrain, demanding that the same wages and benefits be applied to Bahraini workers as to expatriates at the BAPCO oil company, with the biggest symbol of discrimination being the allocation of separate drinking water fountains for the British, Indians and Bahrainis (AlShirawi, 2005). In Saudi Arabia, local workers at Aramco oil company carried out several strikes in the 1950s and 1960s to demand better living and wage conditions (Vitalis, 2006). Qatar was no exception, with the oil strikes of 1950–1956 being the most notable, while Kuwait was an incubator for many of the region's labour movements between the 1950s and 1970s (Crystal, 1995).

Thus, the period from the beginning of the 1930s to the end of the 1970s, which encompasses the first and second phases of systematic labour migration into the Gulf, was characterised by the establishment of the region's oil industries and the development of a strong nationalist and labour-oriented consciousness among citizens. By the end of the 1960s, expatriate numbers stood at no more than one million, and the vast majority of them (about 80 per cent) were from neighbouring Arab countries. The next period was to have drastic transformational consequences for the Gulf's economic-political structure and its population makeup.

The Second Oil Boom, 1973–1985

Although the changes experienced by the Gulf States differed based on their individual histories of commercial oil exploitation and internal political

developments,¹¹ a pronounced demographic imbalance was to become a uniting feature within all states during the course of what we can term the ‘second oil boom’ of the 1970s and early 1980s. By 1971, all GCC states had achieved formal independence, with many hurriedly ushered in by their former colonisers to join the global community of nations as independent states.¹² The ruling families were by now receiving the lion’s share of the oil revenues after several rounds of renegotiations with the multinational oil companies. A dramatic oil boom burst on the scene in 1973, usually referred to in the West as the ‘first oil crisis’, as a direct result of the 1973 October war between Israel and the Arabs. A steady rise in global oil prices followed, and unprecedented amounts of oil revenues flowed into state coffers. This continued throughout the 1970s and was followed by the ‘second oil crisis’ of 1979–1980 in the wake of the overthrow of the Shah of Iran and the beginning of the Iraq–Iran war. This boom period radically restructured the region’s population for the rest of the twentieth century.

The Petro-modernist State, Capitalism and the ‘Demographic Imbalance’

An in-depth treatment of the political-economic structures that came to define the Gulf during the oil boom lies beyond the scope of this chapter. However, it is necessary to sketch an outline of these developments, particularly from the viewpoint of a demographic lens, in order to understand the profound shift in the Gulf’s population structures. The thesis put forward is that two processes, often overlapping and at other times competing, shaped the political-economic path of the Gulf States during the latter half of the twentieth century. One was the drive to establish a ‘petro-modernist state’,¹³ with the royal families situated at the apex of this state. The second is the firm embedding of the Gulf States within the global capitalist system. Although these processes had their foundations laid and were already developing in the previous period, they were to come prominently to the fore during what we have termed the second oil boom period.¹⁴

Over the next few pages, we will focus on detailing the network of relations and institutions that developed with the emergence of the modern state in the GCC, in conjunction with capitalism becoming the dominant, albeit not only, economic mode of production in the region. The particular way in which the population structure manifested itself on the ground depended on multiple factors, including push factors in migrants’ sending countries, the interaction between Western powers in the region, demands

of the global economy, local political considerations, historical specificities prior to the advent of the oil age and the influences these factors had on structuring the distribution of oil revenues. Indeed, the greatest power to dominate within local society lay with those who controlled the oil revenues. It is therefore necessary to look at who controlled oil revenues and how it flowed in order to understand how the region's society became structured. In order to analyse this radical transformation, the key actors in this socio-economic network should be identified.

Before the emergence of the oil industry, the key parties that had a stake in the economic dynamics of Gulf societies could be loosely categorised as follows: the ruling families, the local merchant class, the rest of the region's urban and nomadic population,¹⁵ and last but not least the Western powers whose sphere of influence extended to the region (particularly Great Britain and the US).

Pre-oil, the Gulf region lay on the periphery of the global economy, with its economic activity mainly dedicated to a pearling industry that catered for the global market, in addition to trade within the British colonial maritime network, facilitated largely through a clique of merchants with access to this network. Within this economic structure, the ruling families were strongly dependent on tax income and financing from these merchants, in addition to the political and economic support of the British.¹⁶ The state's dependence on merchants gave the latter some say in political matters, and so the power of the ruling families was in no way absolute. The power of the merchant class varied between countries. For example, in Bahrain and Kuwait, where intra-regional trade played a major role, the merchant class's political influence was significant. In Kuwait, the 1910 migration of the pearl merchants restricted the power of the ruler, Sheikh Mubarak, while in Bahrain merchants played a central role in the 1923 political protests that ended with the British removing the local ruler in favour of his son. In Saudi Arabia, the financial support of the Hijazi merchant class played a crucial role in the extension of Ibn Saud's rule from Najd to the Hijaz area.¹⁷

The ability of local rulers to exert control on the Bedouin tribes in the Arabian Peninsula was traditionally weaker in comparison to the urban areas, where the rulers' economic and political base tended to be concentrated. However, the power of the Bedouin tribes was severely curtailed during King Abdul Aziz Ibn Saud's military campaigns in the early twentieth century, successfully establishing his authority over the vast majority of the peninsula. The hegemony of the Bedouin tribes over the peninsula's hinterland areas (*Deirahs*) was severely curtailed, dealing

a mortal blow to their main economic mode of production based on trade access to these hinterland routes (Krimly, 1993: chapter 1).

The regional influence of British colonial power also varied. It was much stronger in Oman and along the Trucial coast (e.g. Bahrain), where the British were effectively the joint rulers with the local ruling families. In Saudi Arabia and Kuwait, however, the ruling families were much more independent in local affairs. Even in the latter countries, the British still played an influential role, particularly through their control of global maritime trade networks which were essential to the Gulf and Red Sea trade routes, and through their furnishing of funds to the local rulers.

The ascendance of oil radically reorganised this power structure. With the influx of oil revenue directly to state coffers, the ruling regimes' economic dependence on merchants and citizens decreased, effectively ending the government's reliance on its national population for fiscal revenues. On the other hand, international dependence between local leaders and Western countries strengthened, since they (particularly the US) were the main architects and guarantors of the global oil market.

This situation restructured social, political and economic relations to revolve around a petro-modernist state that is heavily integrated in the global economy and enjoys strong Western backing. If a 'high-modernist state' is one that is characterised by 'strong, one might even say muscle-bound ... self-confidence about scientific and technical progress, the expansion of production, the growing satisfaction of human needs, the mastery of nature ... and, above all, the rational design of social order commensurate with the scientific understanding of natural laws' (Scott, 1998: 4), then a petro-modernist state was characterised by a strong, one might even say muscle-bound, self-confidence in the power of oil revenues – coupled with the fuel of imported labour – to reorder the social and natural world.

Four essential elements characterised the vision of this petro-modernist state in the Gulf. First, it had to ensure that the ruling families were at the apex of the state's political structure. Second, its aim was to produce a disciplined population loyal to the state and the ruling elite. Consequently, the construction of a 'super-welfare' state for its citizens was the third essential element. Fourth, it displayed a curious combination of a modernist state, utilising the latest advances in science and technology to reform nature and society according to its vision whenever necessary, while also relying on pre-modern relationships whenever such relationships were more suitable to its goals.¹⁸ Most crucially, achieving these aims could