


**THE STATE AND POLITICS OF MIGRANT LABOUR  
IN KUWAIT**

by

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## Abstract

This study examines the relationship between the state in Kuwait and the use of large numbers of migrant workers in the Kuwaiti economy. Migrant labour has become essential not only in every aspect of economic life but also as a means of reproducing state power based on traditional social relations. An understanding of the migrant labour system is thus necessary for any understanding of the nature of political relations and political power. Although imports of foreign labour arose in response to economic, rather than political, changes (specifically the development of the oil industry) the state has regulated its presence in such a way as to strengthen its own position by increasing the loyalty of Kuwaiti citizens. While migrants staff virtually all key sectors of economic and administrative life, oil revenues have been used to guarantee government employment and numerous state welfare benefits to all indigenous workers. The effect of this is an "embourgeoisement" of Kuwaiti labour with a consequence that a significant indigenous working class in the industrial sense does not exist. This situation has, in turn, served to legitimate the political system (and with it the traditional stratum of power holders) in the eyes of Kuwaitis. Migrant labour has also come to serve indigenous capitalists interests. Class fractions such as landlords and import merchants have constructed their prosperity around migrant labour, a factor which has served to lessen tensions between the merchant class and the ruling family and thus further stabilised and legitimised the state. Both Kuwaiti workers and merchants derive numerous state benefits from a legal structure which curtails the civil status of migrants, denying them political rights of expression and association, most social benefits and the right to own property, while simultaneously placing them in relationships of dependence on Kuwait. The presence of migrants, therefore, makes possible the development of Kuwait's oil wealth, ensure the profits and privileges of its citizens, and allows the state to use economic development and oil wealth to strengthen its own position and avoid the political challenges which modernisation might otherwise bring through the process of class formation.

**This Thesis is dedicated to my parents  
Rateb and Lamia**

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## Preface

This study is about the relationship between the state and migrant labour. We will argue that migrant labour is essential to reproduce a state that is controlled by a traditional ruling class.

Although this is a political study, we will adopt an inter-disciplinary approach examining the economic and sociological factors in helping to explain in part, the relationship between the state and migrant labour. Above all, we will argue that this relationship must be situated in the historical experience that Kuwait underwent which subsequently created a demand for migrant labour and hence shaped the political, economic and social relationships of the society.

My interest in undertaking a political study of migration in Kuwait emanated from two factors. The study of migration for the most part tended to be confined to three disciplines; economics, sociology and geography. In the politics discipline few studies have been done on migrant labour, most adopting the American behaviouralist tradition of political analysis and seeking to examine attitudes and behaviour to migration among the indigenous population. Most studies focus on how migrant labour affects Kuwaiti society and economy; few have considered its implication on the state and structure of power.

Questions of political power, domination and control of migrant labour in Kuwait are not researched. It is our contention to show that the existence of migrant labour, its heterogeneity, and its legal control came to serve a useful purpose for the traditional rulers of Kuwait.

Throughout the study we used both primary and secondary sources. Of the primary sources, we relied upon various documentary and statistical evidence such as, government reports and statistical material from the Ministry of Planning and the Ministry of Social Affairs and Labour concerning labour migration. Reports from the Central Bank of Kuwait were also used. We also used Proceedings of the National Assembly of Kuwait to throw more light on the political and economic structure of Kuwaiti society. In addition to that extensive archival material was obtained from national newspapers and magazines not only for the contemporary period, but also for the early fifties when migrant labour was increasing to Kuwait. During the fieldwork in 1985 and 1987 I met and interviewed some immigrants, some Kuwaitis and a number of officials and academics who provided with useful information, which broadened my understanding of the nature of the migration process.

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## CHAPTER ONE INTRODUCTION

This thesis explores the relationship that has developed between migrant labour and the state in Kuwait. The central features of this relationship concern political power and domination. The migrant population is seen as essential for the reproduction of a traditional social formation that is based on the perpetuation of a traditional system of power relationships. Thus, there is a strong relationship between dependence on migrant labour and the nature of Kuwait's state and society: Kuwait as a socio-political entity must be seen in terms of a number of actors (the rulers, the merchant class and the rest of indigenous society) all of whom benefit from the presence of migrant labour.

Those who benefit most are the rulers and the merchant class. The former use migrant labour to perpetuate their political power, while the latter see it in terms of capital accumulation. Political power and the stability of the state rest on the structural division between indigenous and migrant labour forces. Economic development rests on migrant labour power, while the indigenous population is removed from work in the productive sectors of industry and concentrated in government employment. In turn, the state regulates migrant labour to minimize its political and economic impact on society. Migrants are controlled by the state, and the threat of deportation ensures their political quiescence. Public sector employment is seen as a method of ensuring the political passivity of Kuwaitis at the same time as binding them to the survival of traditional structures of power. Since 1945 the dependence on migrant labour has steadily increased.

Migrant labour thus constitutes an important "safety valve" in Kuwait, a mechanism whereby a modern labour force can develop without challenging state power and the grip of traditional rule on it. Initially this relationship did not result from any conscious policy decisions or "conspiracy". Rather it was the by-product of fundamental economic change; migrant labour was needed in Kuwait because of the sudden wealth that oil created. This sudden wealth meant that the state embarked on many infrastructural economic projects. These required imported labour because the existing indigenous labour force was small and, more importantly, did not have the skills that were necessary for a modern economy. Thus, the relationship between the state and migrant labour must be understood in terms of historical factors related to the structure of society.

The initial need for imported labour developed into a structural characteristic of the social formation, with migrant labour occupying the dynamic, industrial sectors of the economy while indigenous workers were concentrated in non-manual government employment. From the 1950's, this concentration of government employment in the public sector became ever more marked. Such a division of labour bound the state and indigenous Kuwaitis together in mutual advantage: both could experience the benefits of the oil revenues while minimising the costs of change. Kuwaiti society protected white-collar public employment and the state could accommodate the development of a proletariat without many of the political costs such a development might exact from a traditional ruling group. The fusion of interest between state and civil society was largely directed by government through a variety of laws designed to divide citizens from expatriate workers and to co-opt the indigenous population by treating it differently from migrants - especially by giving all citizens a guarantee of employment in the government sector. This fusion of interest is discussed briefly in the next section.

### 1.1 The integration/exclusion dichotomy

The dynamic of the relationship between the state and the dependence on migrant labour is expressed in the concept of what we have termed the integration/exclusion dichotomy. This refers to the system of laws, regulations and government procedures which govern and separate the indigenous and expatriate populations. This dichotomy relates to the nature of relationship between the state, citizens and expatriates.

What is distinctive in the relationship between the state and migrant labour is that while the latter is important for the reproduction of the state and economy, it is at the same time excluded from all citizenship rights. There exists a myriad of laws, regulations and procedures designed to control the effective participation of immigrants in society. These laws and regulations apply to the economic and, hence, social status of immigrants in the country. There are laws governing entry, residence, employment and property ownership. Thus, when looking at migrant labour in Kuwait, their importance for the economy is accompanied with their necessary exclusion from society.

By contrast, the indigenous population are characterised by the integration aspect of the dichotomy. Besides the guarantee of public employment, the state has instituted a welfare system for Kuwaitis which is one of the most comprehensive in the world, providing free medical care, free education, free housing, welfare benefits and early retirement pensions. The retirement age from government service is forty years, when the Kuwaiti, with a generous retirement pension, may take up another occupation in the private sector.

Thus, it can be seen very clearly that the state has tended to follow two separate policies, expressed in the integration of the indigenous population and the exclusion of the migrant population from the benefits of citizenship.

### 1.1.1 The notion of duality

The legal system of laws of Kuwait has produced a number of dualities between the national and expatriate sectors of the population. These dualities either emanate from state law, or are the effect of it.

Although migrants make up the overwhelming majority of the workforce in both the public and private sectors, there is duality in the labour force, in the nature of separation of citizens and non-citizen rights and in the protection and privileges afforded to Kuwaitis. In addition there is duality in wages with the Kuwaitis generally receiving higher rates of pay than expatriates; there are restrictions on non-citizens access to certain types of occupations and economic activities; there are restrictions on migrants joining associations, whether trade unions or cultural organizations; there are restrictions on the right to own property and there is de facto residential segregation which came about as the effect of the prohibition on migrants owning property.

The indigenous population, in addition to their incorporation in the state, have become a relatively privileged minority, not only enjoying the rights and expenditures made available by the state in the form of welfare, subsidies and grants, but also because the indigenous population has been made responsible directly and legally for the stay and occupation of the expatriate population. Hence the operation of the al-Kafala system which will be discussed in Chapter eight.

The effect of these measures has been to produce a society that is divided along national and ethnic lines with two main effects. Firstly it has led to the embourgeoisement of elements of the indigenous sector of the population. The embourgeoisement of certain sections of the indigenous population has conferred renewed legitimacy on the traditional system of power. It has done so because the state (a) differentiated, politically, economically and socially between the indigenous and the expatriate populations and (b) this differential treatment has had ideological consequences in that Kuwaitis have come to regard themselves as part of the society while migrants are seen as intruders.

The second crucial effect of this divided society is that it has served capitalist interests. The state's dependence on migrant labour must be seen, as indicated above, within the socio-economic context of Kuwait as an oil producer. Thus, migrant labour is essential for the reproduction not only of political relations but also of the socio-economic formation itself. Migrant labour is imperative for the structure of accumulation that operates in Kuwait. Indeed, migrant labour is seen both as essential to reproduce an



economy in terms of the manpower it provides for its various sectors and in terms of its role as an internal "market".

Although this thesis is primarily concerned with the role migrant labour plays in relation to state power, it is important to stress here the crucial fact that it is because of the nature of capitalist development, and the fact that Kuwait is based on an economy of oil extraction that migrant labour is so important: it constitutes both an economic necessity and a problem for political power.

## 1.2 The structure of the thesis

This study of the development of migrant labour in Kuwait and the role it plays in the perpetuation and reproduction of state power, is approached in two parts. Part I is concerned to establish the nature of the economic and political relations which have shaped and been shaped by the development of migrant labour in Kuwait. It considers a variety of perspectives which have sought to explain the nature and role of migrant labour. It sets out the nature of the economy, the central place of oil in it and the development of new sectors based on trade and circulation, which have become important politically. It then considers the class relations on which state power rests. The ability of a traditional ruling class to perpetuate itself through its control over oil revenues and their distribution, its use of the state in the process of accumulation and its control over public expenditure, is a feature of political power in Kuwait. Part II then considers the role played by migrant labour in the perpetuation of these relations and processes.

Part I begins with a discussion in chapter two, of theoretical aspects of migrant labour, focusing on some of the literature on migration in post-war western Europe, and South Africa. Whilst we are not concerned to examine these in a case study form, the object of this chapter is to establish trends in migration with regards to capital accumulation. These studies serve to establish links between the experiences of Western Europe and South Africa and that of Kuwait to bring out the similarities as well as the differences between both kinds of labour migration, and to stress the distinctive nature of the Kuwaiti case.

Chapter three then presents an evaluation of the nature of the Kuwaiti economy, its dependence on oil and the disarticulated character of its different economic sectors. This is important for the second part of the thesis because migrant labour will be seen to perpetuate this pattern of economic development. Chapter four is concerned with the state and its class relations. It looks at the nature of political power, its control by one family and their allies, the merchant class.

Both these chapters are treated historically. In chapter three, we attempt to periodise the different stages of economic development, culminating in the development of the oil industry and the revenues it

provided. This oil revenue is central to the class, and hence political relations of the state. Oil structured the economic development of post-1945, and created a demand for migrant labour to carry out infra-structural projects.

Having established this background part II then explores the role of migrant labour in Kuwait in five chapters. Chapter five is concerned with the development of migrant labour from the beginning of the 20th century. It shows that one of the major reasons for the growth of migrant labour was the expansion of economic opportunities that occurred, firstly, in the growth of the oil industry in the 1940's and secondly in the consequences of that growth for the other sectors of the economy. In chapter five, we will show that migration has developed in distinct and complementary stages:

- (a) stage I from the late 1940's to the early 1960's. This stage was characterized by migration of single workers;
- (b) stage II from the early 1960's to the early 1970's. This was characterized by settlements of migrant families among some groups of migrants;
- (c) Stage III which, from 1973 till the early 1980's, witnessed the growth of single worker migrants. In contrast to the second stage pattern, stage III consisted of short-term migrants who come for single-worker contracts and left the country once their contract expired.

Migration of single workers was followed in the 1960's by the permanent phase when families began to join the head of the households, so that there began a trend towards the equalization of the sex structure of the developing migrant population. The third phase of the migration process that of importing short-term migrant workers was a response to the needs of local capital and the consequent boom in construction activities. With the completion of work on the infrastructure the demand for this kind of labour was reduced. We will return to this periodisation throughout the thesis in order to illuminate the different dimensions of the entire process.

Having established the development of migrant labour system in Kuwait, chapter six then sets out the importance of expatriates in providing the labour force for the major strategic sectors of the economy, whether in public or in private. The chapter shows how the situation developed historically and considers different explanations for this process. It analyses the labour market in order to show that the concentration of citizens in government employment and the dependence on long-term migrant labour elsewhere is a deliberate strategy of the state to retain political support among indigenous Kuwaitis.

Chapter seven deals with the lack of a coherent migration policy on the part of the government despite its determination to pursue the dual strategy discussed earlier. We will show how the issue of migration came to be intertwined with the political relations in society. These relations, in turn, stemmed from

various capitalist interests that came to be built around the perpetuation of migrant labour. Chapter eight, in turn, deals with the laws that have been passed to govern the situation of migrants in Kuwait. We consider the types of labour laws that exist in the public, private and oil sectors, and their different treatment of the indigenous and the expatriate labour forces. This permits us to identify the crucial role of state power in certain aspects of these labour laws, like those dealing with wages and unionization. A variety of legal exclusions of migrants are considered: these include laws dealing with the economy, including restrictions on ownership of companies, on insurance, banking and import agencies, which are reserved for Kuwaitis only. These laws were passed between 1959 and 1964, at a time when the expatriate influence on the policy-making process was strongest. The implication may well be that certain expatriates in the top government hierarchy were responsible for the formulation of these laws.

Having discussed these laws, a final section of chapter eight will account for the sponsoring system. We discuss this system as part of the laws, because it, in effect, overshadows these laws. In the area of employment and business, an expatriate must have a Kuwaiti "sponsor" who will be responsible for the expatriate during his stay in Kuwait. This is very useful in terms of the legitimacy of the system because Kuwaitis come to feel that they have a stake in such a system. This has a positive value for the traditional system of power.

Chapter nine examines the effect of the whole process on social relations in the society. We look at two aspects which it is argued are the direct result of the laws that were discussed in chapter 8; these are the lack of social interaction between Kuwaitis and expatriates, and the development of an informal residential segregation, where Kuwaitis come to live in certain districts and immigrants come to live in others.

Chapter ten serves as a conclusion where we stress that the migrant labour system came to structure political and economic relations in society and how the presence of expatriate workers came to reproduce a social formation that was based on the traditional system of power. First, however, we need to consider the nature of labour migration and various explanations of it which have been put forward.

**PART ONE**  
**KUWAIT: STATE, ECONOMY AND SOCIETY**

## CHAPTER TWO

### PERSPECTIVES ON MIGRANT LABOUR AND KUWAIT

This chapter considers some theoretical and comparative perspectives on migrant labour. Its aim is to provide a theoretical framework for the later chapters on labour migration to Kuwait. We do so by examining labour migration to the Gulf and hence to Kuwait using a comparative approach in relation to Western Europe and South Africa. It is hoped that such an approach will illuminate the distinctive features of the Kuwaiti case. This is important, to show that the migration process to Kuwait was not only distinct in itself, but was different also in that migrant labour-power was used to restructure political, economic and social relationships in Kuwait.

However, before we begin to analyse migrant labour, the first section of this chapter will be concerned with the concept of international migration and, in particular the development of international labour migration in the global economy of the 20th century.

#### 2.1 Economic and Non-Economic Sources of Migration.

The 20th century and especially the periods after 1945, has experienced migration on a large scale. Some mass migrations have occurred for reasons that were not primarily economic, such as natural disasters, wars and forced migrations of population.

Here we are concerned with forced migration in the form of the creation of refugees. It should be said that while forced migration has not been exclusively a 20th century phenomenon, the creation of refugees has been very much increased in the present century(1). Kingsley Davis points to evidence suggesting that between 1913 and 1968, 71 million people were made refugees(2). Rees said that in the dozen years after 1945 about 40 million refugees were created(3). Peterson argued that the magnitude of this can be comprehended only when we remember that total migration from all of Europe between 1800 and 1950 was only 60 million(4).

Beijer uses somewhat different figures than Davis and Rees, and he suggests that, from the Balkan wars of 1912-1913 to the time of writing in 1968, over 100 million people became refugees(5). He further suggests that between 1945 and 1967, about 22 million people in Asia and a million in Africa were made into refugees(6). Thomas points out that following the partition of India and Pakistan 18 million people were expelled from their homes(9). In addition and of importance to this thesis, in the Middle East over 780,000

Palestinians(Arabs) were made stateless in 1948 as a result of the establishment of the state of Israel(7). A further expulsion of 300,000 Palestinian Arabs took place in 1967 as a result of Israel's annexation of the West Bank and the Gaza strip(8). What is suggested by all this is that refugees have been an important part of the development of international migration.

Besides this population movement, the post 1945 period has seen the rise of a different type of movement of people and that is the movement of labour across international boundaries. This movement of labour power was a response to the growth of the international capitalist system. This was the case in post-war Western Europe, where the conditions of growth were guaranteed by Marshall Aid.(10) and in the United States where growth has required migrant labour-power. In this instance, Mexico has served as a labour reservoir for American capitalism. In the case of Western Europe, Adler suggests a total of about 13million migrants for the period. In the case of the Middle East, Birks and Sinclair suggest a figure of about three 3 million by 1975, 2.5 million of whom were Arab migrants and their families, while 500,000 were non-Arabs(11).

Various theories have been put forward to explain this labour migration and these can be seen to fit into two paradigms. While they will be explained more fully later on, it is necessary here to state simply what they are and to mention their respective historical traditions. One paradigm, while recognising that there are different movements of international migration, is essentially concerned with the movement of labour across international boundaries as a response to the expansion of the world capitalist system. This paradigm sees migrant labour as a provider of cheap labour power to increase capital accumulation. The other paradigm sees migration(whether international or local) in terms of "push-pull" factors, and those who adopt it argue that migration occurs between two areas, from one where economic opportunity is lacking to one where it is abundant.

Before we discuss these two paradigms, we must first of all locate them in their respective historical traditions and to this end the next subsection will be concerned with the historical development of migrant labour. The issue of labour power and hence labour migration theory will be shown to be directly related to earlier writings on political economy. The "push-pull" approach can be seen to present a much older tradition of analysis, deriving from the classical economics of the late 18th century, when Adam Smith and others saw economic phenomena as largely determined by supply and demand factors. The radical paradigm of migration was first inspired by Karl Marx and Engels, and elaborated later by Lenin and others. In the next section we will periodise the historical development of migrant labour, seeing it to be directly coincidental with the development of capitalism.

## 2.2 The Historical Evolution of Migrant Labour.

Labour migration has not only been a 20th century phenomenon, but present from the beginnings of capitalism. In contrast to the migration that developed in the 20th century, when labour migration came from the periphery to the centre, migration in the 19th century followed the opposite pattern: people moved from the centre to the periphery.

We would suggest that, at any given time, the pattern of migration directly reflected a particular stage of the development of capitalism. For Marx the basic dynamism of capitalism is the availability of free labour(12). In the transition from feudalism to capitalism, peasants who were driven off the land by the onslaught of new agricultural techniques flocked to the towns in search of employment. In the case of England, the development of the Enclosure Movement beginning in the 16th century and the introduction of capitalism in agriculture created a landless proletariat who were forced to sell their labour-power(13). Marx says of this process that

Part of the agricultural population is...constantly on the point of passing over into an urban or manufacturing proletariat, and on the look out for opportunities to complete this transformation. There is thus a constant flow from this source of the relative-surplus population. But the constant movement towards the towns presupposes, in the countryside itself, a constant latent surplus population, the extent of which only becomes evident at those exceptional times when its distribution channels are wide open(14).

The point of the above is to show that the increased availability of labour was essential to capitalism. The countryside was to serve as a large pool of labour for capital to exploit. As Marx said

The extent and energy of accumulation rivets the worker to capital more firmly...capital holds the rural world which it has penetrated in its thrall, not in some loose sense of a set of trade relations ....but because trade relations are a surface manifestation of a more important capacity, that capacity to unlock a giant migratory stream of labour-power to help build capital's productive forces(15).

However this reserve of free labour was not always readily available in the era of merchant capital. In fact as we shall show, the creation of labour reserves was not fully completed until the 19th century, when capitalism moved from its mercantile to its competitive stage of development. It is now appropriate to discuss the elements of the labour debate, particularly in relation to emigration according to the various historical stages of capitalist development.

In the mercantilist phase of capitalism emigration was discouraged by European governments(16). Portes and Walton argue that the mercantilist school of the 18th century was opposed to emigration to distant lands as they thought this would create a crisis in economic development(17). A loss of labour power in the form of emigration was seen as blocking national development(18). Thus, the mercantilist school saw the growth of capital as directly proportional to the availability of labour.

With the further expansion of capitalism in the 19th century emigration began to be seen as a way of strengthening the national economy by opening up new markets and by relieving the pressure of overpopulation(19). 19th century political economists like John Stuart Mill thus argued exactly the opposite of the mercantilist school; (20) migration was seen as part of the expansion of capitalism. Mill saw

the export of population, as well as capital, as ways of counteracting the tendency of profits to fall to a minimum. The release of part of the circulating capital and labour to the colonies would alleviate the pressure on the fertility of the land and, hence, retard the trend toward decreasing profits(21).

In contrast to Marxian theory (as expressed in the fundamental relationship between the growth of capital and free labour-power) John Stuart Mill considered that the best way to alleviate population pressure was by exporting it. Another advantage of the export of population was that it helped to avoid conflict that might arise at home as a result of urbanization(22). Above all, this movement of labour was to follow or to go hand in hand with the movement of capital that was to be invested abroad. Thomas notes that the period 1840-1924 witnessed an upsurge in the development of economic relations between Europe and the United States, with over 45 million people moving to settle in the United States and the Caribbean(23). It appears to support Mill's view that Britain was the chief provider of capital for foreign investment and 70 per cent of these investments were placed in North and South America, and Oceania(24).

While the movement of labour in the 19th century followed the export of capital overseas, the further development of capitalism into a global system in the second half of the 19th and early 20th century changed the dynamics of capital accumulation in western countries and thus altered the flow of migration(25). In the development of capitalism on a world scale there began a fundamental shift in labour migration, a shift that became more marked in the period after World War II. Workers from the periphery increasingly came to capitalist states to sell their labour power; initially the movement was no more than a trickle of individuals but overtime it was systemised and from 1945 it had become a movement of millions. Hobson notes that emigration from England, France and Germany began to decrease in the last two decades of the 19th century, while immigration to the capitalist countries began to increase(26).

Migrant labour moving to the centre served not only as a source of cheap labour but to weaken the labour movement of the advanced capitalist countries(27). The import of cheap migrant labour served as an additional factor bringing an increase in the profit levels, because of its low wages. The implication of this is that, during the stage of monopoly capitalism, the strain on the rates of profit comes from a fully developed industrial working class which is represented by an organised labour movement(28). The import of migrant labour-power is seen as the way to form an industrial "reserve army", the purpose of which is to split the working class.



At a macroeconomic level of analysis, it would thus appear that the development of migrant labour was very much a response to the development of capitalism. Whilst according to Marx the country-side served as a pool of labour for capital, from the late 19th century when capital became internationalised this pool of labour also became internationalised and the flows of labour came increasingly from the periphery to advanced capitalist countries.

Having established the historical evolution of migrant labour, our next step is to give an account in some detail of the various theories, already mentioned above, that have been put forward to explain modern migratory movements, the first of these will be the push-pull paradigm.

## 2. The Push-Pull Paradigm.

In this section we will examine the “push-pull” paradigm, its variants and its application to the Gulf. We will then examine the value and limitations of such a theory, again with particular reference to Kuwait.

As already noted, those using the concept of “push-pull” have tended to explain post-war migration in terms of supply and demand factors(29). “Push-pull” can be defined at various levels. It was the economic market that determined migration, according to Ravenstein. He argued that while the great majority of migrants travel for a short distance, such migration was predominantly to “great centers of commerce and industry”(30). Since Ravenstein formulated his “laws” subsequent writers have attempted to build on his ideas. Lee says

Migration is defined broadly as a permanent or semi-permanent change of residence. No restriction is placed upon the distance of the move or upon the voluntary or involuntary nature of the act, and no distinction is made between external and internal migration....no matter how short or how long, how easy or how difficult, every act of migration involves an origin, a destination and a intervening set of obstacles. Among the set of intervening obstacles, we include the distance of the move as one that is always present(31).

In contrast to forced migration, at the heart of the “push-pull” explanation is the “voluntary” element which guides migration(32). This means that the individual has the choice of whether or not to migrate, though this choice is not freely made, being dictated by the laws of supply (that is, the inability to find work) and demand (that is, the movement of labour-power to areas where the opportunity for work is plentiful). While the movement in search of work is not mentioned in the above quotation from Lee, nevertheless it is implicit in the “push-pull” paradigm. The clearest statement of this is to be found in the writings of Stouffer in the 1940's. As Jackson says

Stouffer, for example, postulates that “that there may not necessarily be a relationship between mobility and geographical distance( as Ravenstein's Law presupposes) but

the number of migrants is directly proportional to the number of opportunities in the distance, inversely proportionate to the number of intervening opportunities(33).

Stouffer talks of migration in terms of economic opportunity, and, unlike Lee, sees the push-pull paradigm in terms of mobility dictated by supply and demand.

However, having established this economic imperative which underlines the push-pull model, it is necessary to point out some of its limits. Mitchell points out that

Quite clearly, individuals migrate for a number of different causes - desire to escape oppression and famine, financial ambition, family reunification, or education of children. Nothing is easier to compile lists of such "push and pull" factors and present them as a theory of migration. The customary survey reporting percentages endorsing each such "cause" might be useful as a sort of first approximation to the question "who migrate"? In no way, however, does it explain the structural factors leading to a patterned movement of known size and direction, over an extensive period of time(34).

Thus the "push-pull" model, it can be argued, is only really capable of offering an explanation for the movement of people at a micro level.

### 2.3. Applicability of the Paradigm to the Middle East.

The economic and political changes which characterised the Gulf in the 1970's in the wake of rising oil prices and revenues and the consequent demand for migrant labour which it produced, created a great deal of intellectual interest in the region and in labour migration. Although Kuwait had been importing foreign labour since the end of the war there had been little interest in the area before 1973.

With the oil price increase the Middle East became of crucial strategic economic and political importance especially because of the enormous revenues which Gulf governments now controlled. This situation brought about an economic boom in the area and a demand for further imports of foreign labour. In turn, this produced an international concern with migration to the Gulf so that the International Labour Office commissioned a World Employment Programme in the second half of the 1970's to study labour migration trends to the countries of the Middle East. Birks and Sinclair were the authors of this study and report(35).

Birks and Sinclair saw international labour migration in the Middle East in terms of movement from capital-poor to capital-rich states(36). Their model identifies capital-poor states as those which lack capital but have an abundant population, thus displaying classic "push" characteristics. Such states included Egypt, Sudan, Jordan, Yemen( North and South ) Lebanon, and Syria(37). The other group of countries identified were the oil states, which had abundant revenues but small populations. They thus lacked manpower but can pay for it - hence providing the "pull" factor.

Following on from the writings of Birks and Sinclair there have been other authors who have continued to study the migration process in the Middle East within the same paradigm. Inter-Arab semi-official institutions have become that much more aware of the need for manpower planning and human resource development. Within the Gulf area there have been writings on particular states, emphasising their demand for migrant labour. Kuwait proved an important area for such research(38). One variant of this interest approach can be found in the work of authors like Richards and Martin who have tended to employ a laissez-faire perspective(39). Labour migration, they maintained, despite legal restrictions has occurred within a laissez-faire environment, where market forces have dictated the volume of entry of labour(40).

Moving on from the strictly economic-determinist approach of the World Bank, Birks and Sinclair and, later, Richards and Martin, Gulf writers began in the late 1970's to increase the level of sophistication in the use of the "push-pull" paradigm. Thus they moved beyond an explanation rooted only in market forces. Al-Essa and Farah and Al-Salem, for instance, while categorizing the international labour movement in the Gulf in terms of a set of economic necessities and economic opportunities,(41) have also examined the effect of internal political processes on the migrants themselves(42).

Having examined the "push-pull" paradigm and its subsequent variants with regard to the Middle East it is now necessary to consider the limits of the "push-pull" approach. Above all, its concern with market forces ignores the social and political structures underlying migration. The paradigm also virtually completely ignores, or underplays, the forced migration which is so important in the history of the Middle East. The status of the Palestinians as a community in the Gulf is an interesting example. Their existence in Kuwait has not been linked to their "refugee" status, but to the fact that they have provided skilled manpower, especially of a technical and professional nature(43). While the Palestinian community, like other migrant communities in Kuwait, have adopted an apparently settled existence, this has not signified any special privileges for them. The fact that their migration to Kuwait in the mid-1950's was en masse, meaning the migration of whole families rather than a voluntary migration of single migrants(44), did not alter their "migrant" status. Their continued existence in Kuwait has been based on their continued employment there. The existence of the Palestinians may be argued to pose difficulties for the "push-pull" paradigm since, on the one hand, they have lost their land and, on the other, they have become labour migrants. The "voluntary" element of migration as propounded by the paradigm was clearly absent, for the "decision" to migrate had been bypassed by their expulsion from their homeland by military means.

Besides the Palestinian community, other long-term migrants can be identified in Kuwait among various other Arab nationalities, such as the Egyptians, Lebanese and Syrians who have become long-term residents in Kuwait. However, despite this they are still officially labelled as migrants, with all the legal disadvantages accruing to this status. The “push-pull theory is clearly inadequate to explain this movement of labour since it does not take into account factors such as residence, ethnic formations (development of communities from the same nationalities), and the rights and obligations of the individual and the state, in the migration process but sees the process as governed merely by economic factors of necessity, availability and opportunity.

Such theory did not go beyond socio-economic factors and certainly did not seek a “political” view of migration. Migration as a political phenomenon affecting the internal forces of the state remained an area largely ignored by social theorists. Besides this, the “push-pull” paradigm is criticised on much more fundamental grounds relating to the benefits which it is purported to achieve both for labour-importing and labour-exporting states. While it is argued by the proponents of “push-pull” that its positive effects are seen in the remittances that workers send back to their home countries and the skills that they acquire in the host country, this is contested by others(45) who argue that the negative effects outweigh the positive ones.

Having shown the elements of the “push-pull” model we can say that it is useful as a theory to explain the movement of labour between different areas in the Middle East, but that it lacks any theoretical basis that will help us to understand the relationships between migrant labour and the state in Kuwait.

#### **2.4 The Political Economy Approach to Migration.**

As a counter to the existing paradigm a radical school of analysis appeared in the late 1970's and early 1980's. This school was specifically interested in the study of the migration process in the Gulf. Like the neo-Marxist theories on migration that had been developed for Western Europe and America, this school argued that migration should be seen as part of the development of the capitalist system on a world scale and that the issue of labour-power should be seen in terms of the growth of capital accumulation(46).

As will be argued more fully in chapter 3 the Gulf states, including Kuwait, have been historically incorporated into the international economy through the incursion of capitalism. This incursion has been deepened as a result of the discovery and development of oil(47). And as explained earlier, it is this development of international capital that has created the conditions for the development of international

migrant labour. Thus, while the political economy approach seeks to explain migrant labour in terms of its structural location in the economy, its argument rests squarely on the internationalisation of capital accumulation. In addition, though, it not only looks at migrant labour in terms of its importance to the economy of Kuwait but also in terms of its relationship to the state(48), as has been the case with other writers on migration to capitalist countries(49). In other words, this paradigm does not try to explain migrant labour simply by the concepts of supply and demand but seeks to explore structural factors relating to capital accumulation, class forces and political power.

Those who use this paradigm can be divided into two schools of thought. The first consists of those who see internal economic structures, and hence class forces, as a reflection to the requirements of international capital and as a reflection to Kuwait's role in the international division of labour. The other school, while recognising the importance of such external forces, in shaping the internal structures of Gulf societies, nevertheless concentrate on internal conditions and adopt a much more political-economic view of migrant labour. It sees the role of the state and the political process as essential in understanding the dynamics of labour migration and the relationship between migrant labour and Gulf states.

We too have argued that there is a relationship between the state and migrant labour, and it is now necessary to examine this further, in the light of various theories that have been put forward. Beauge and Sader, and al-Turrah(50) see the existence of a large proportion of migrants as essential to the composition of the state and the perpetuation of a traditional power structure . The relationship between migrant labour and the state must therefore be seen in terms of the perpetuation of a socio-political entity, involving the reproduction of the hegemony of a traditional ruling class(51).

In this section we shall only briefly mention Beauge and Sader's and al-Turrah's work, leaving a full analysis of it in chapter 6. They argue that the reproduction of the traditional political authority is realised through the labour market. This is done through increasing the state's dependence on migrant labour and at the same time "removing" the indigenous labour force into non-productive employment in the government sector(52). In this way the state has avoided the creation of an indigenous working class in the industrial sense which would demand democratisation of the system(53).

The availability of large subsequent oil revenues has given the Kuwaiti state and (hence the traditional ruling class) the capacity to perpetuate their rule. Hence, as Beauge and Sader argue, it has been the surplus revenues that have enabled a particular power structure to survive. Like other post-colonial formations, the Kuwaiti state has come to have a dominant position in the economy through the creation of both infrastructural

projects and a large bureaucratic apparatus. However, the surplus revenues it obtains from oil give the Kuwaiti state a potentially more powerful position in society than is the case in most of the third world. As a result of the oil revenues, the structure of power has been preserved through the creation of bases of legitimacy, in the form of what Beauge and Sader call “the bureaucratco-tribal” employment market(54). This means essentially the creation of sinecure posts within the bureaucracy.

We need two dimensions of analysis when we look at migrant labour in Kuwait: the state and the economy. To a certain extent these two levels are inter-related. While Beauge and Sader, al-Turrah, and others, have tended to concentrate on the “political” dimension of migrant labour, (though of course seeing the process in terms of the state’s role in the international division of labour) they have often paid less attention to the importance of migrant labour to the economy.

Migration has become essential to the Kuwaiti economy, not just as a supply of labour but also because of family migration to Kuwait has come to serve as a source of consumption. Because of the nature of the economy, which is based on supplying raw materials for the international economy in return for foodstuffs and consumer durables, the issue of migration has become important for local capitalist interests. Thus, while we have tried to distinguish two levels of interests, that of the state and of capital, in reality these are intertwined. Furthermore, multinational capital could be said to be a third party interested in migrant labour. It can be said that the interest of international capital in migrant labour is not a direct one. International capital is interested in a local economy that is wholly dependent on the international market, and to this extent it sees the benefits of a large number of people, whether migrant labourers or their families, who represent purchasing power, especially in view of the small size of the indigenous population of the Gulf states.

While the theories put forward by Beauge and Sader and al-Turrah go a long way in explaining how migrant labour came to regulate the social and political relationships and the perpetuation of power in the hands of the traditional rulers in Kuwait, nevertheless, it is somewhat ahistorical. This is because these theories do not sufficiently attempt to address the question of the development of the relationship between the state and migrant labour. An attempt to answer this question is to be found in the three explanations we put forward in chapter 6, however, we must here highlight it. The present relationship between state, civil society and migrant labour must be located in a historical perspective that deals not only with the nature of Kuwaiti society, but also with the rapid pace of transition from essentially a society that was based on maritime activities to one that became based on oil. Indigenous society because of this rapid transition was not equipped for this development. Migrant labour had to be imported. This state of affairs subsequently shaped the relationship between state, civil society and migrant labour.

In the case of al-Turrah, while he talks in terms of the importance of migrant labour to the state, and to the movement of indigenous labour away from the productive sectors into government employment, nevertheless, he does not sufficiently examine the implication of this development i.e. the divided structure of the labour market for the nature of political power, but says that the concentration of the indigenous population into government employment emanated from Kuwait's role in the international economy(55).

We have considered the two main approaches within the radical paradigm, one focusing on the development of capitalism as an international system of accumulation and the other concerned with the state and the role played by migration in perpetuating the rule of a traditional class(something which we will explore more fully in chapter 4). We have noted the partial character of these two explanations and their weakness in providing an explanation of the role of migrant labour in Kuwait.

One important attempt at a more integrated approach needs to be mentioned here in concluding this section. Sassen-Koob has sought not only to combine both approaches within this radical paradigm but also to link both these approaches to the liberal paradigm. In taking this view she incorporates both a political-economy approach, which focuses on the world economy, and a liberal approach, that of the nation-state(56). She argues that the state has been important in facilitating the growth of capital accumulation on a world scale through its border controls, in particular its control of the entry and exit of labour(57). What is distinctive about this view is that the state is given greater weight in the movement of labour migration, and is seen as structurally important for international capital(58). The state as an independent political unit is seen to benefit international capital through its role in controlling the entry and exit of migrant labour. In Western Europe, during the boom years of the fifties and sixties, the states opened up their borders to migrant labour, though this was to change in the economic crises of the seventies, when labour immigration was very much discouraged(59). While Sassen-Koob attempts to reconcile the role of the nation-state with that of international capital, nevertheless what is so distinctive about Kuwait, is that the nation-state does not merely serve an agent for capital by having border controls, but that migrant labour is essential to reproduce state, economy and civil society.

The partial character of these various forms of explanation indicates clearly that only an integrated approach, firmly rooted in the historical experience and specificity of each case can explain the role played by labour migration. A consideration of other post-war experiences of migration, to which we now turn, will reinforce the singular character of migrant labour in Kuwait.

## 2.5 Migrant Labour in a Comparative Perspective.

The experiences of Western Europe and South Africa with systems of labour migration is illuminating not only for the contrasts between them but also because it demonstrates the peculiarity of the experience of Kuwait. In the European case the use of migrant labour grew markedly in size and importance after 1945, being as central to economic and political processes as in Kuwait or South Africa. In the case of South Africa the demand for migrant labour came earlier than in Europe and had greater political and economic importance. As in Kuwait, the regulation and control of migrants was a primary task of the state and a crucial pillar of economic development. Yet even here, as we shall see, the differences outweigh the similarities and confirm the unique character of the Kuwaiti social formation.

### 2.5.1 The Case of Western Europe

In this section we will be concerned with migration as it affected the economic development of post-war Western Europe. We shall examine its effects both on capital and the state.

In Western Europe migrant labour-power has proved very important in the post-war period. While the degree of dependence on migrant labour has varied in different countries, it is clear that if there had been no large labour reserve to draw on, the degree of accumulation might have been much slower. Kindelburger, has attributed their economic growth, at least in part, to the availability of labour-power(60) in the form of migrant workers(61). Kindelburger argues, that the states which recruited the most migrants, such as West Germany, Switzerland and France, were the ones that experienced higher economic growth(62). In the case of Britain, where migrant population growth was lower, economic growth was proportionately lower(63). The conclusion is that it is because Britain did not draw on migrant labour on a large scale that it did not experience economic growth as high as other states of Western Europe.

Migrant labour was seen as essential to certain occupations. These were particularly in the skilled sectors of industry(64). In France and Switzerland 40 per cent of industrial workers were immigrants while in Germany the figure was 12 per cent(65). In Germany immigrants became a vital part of the labour force and were situated in key sectors of industry like engineering and chemicals(66).

Castles and Kosack argue that contemporary migration to Western Europe had two distinct features(67). First, imported labour came to form a permanent part of the economic structure whereas previously it was employed on a temporary basis, when there was a labour shortage. Second, migrant labour has come to form an important element of the productive sectors, and so became a new industrial reserve army, which functioned also to ensure a divided working class(68). Jenkins argues that migrant labour indirectly regulates the level of class conflict in society both by serving as the industrial reserve army, (and thus under-cutting



domestic wage-labour) and by restructuring class loyalties by using the immigrants as “scapegoats” (69).

In addition, migrant labour is essential for economic growth because, in the words of Kindelburger, it reduces “inflationary pressures” on the economy by working for low wages(70). This feature is combined with one other principal characteristic which is that the cost of reproduction of migrant wage-labour is low, in that the social cost (such as expenditure by the state on health, social benefits, and housing) is not fully met by the country receiving labour migrants, because they are not entitled to the same benefits as the citizens of the country.

However, this last argument began to lose some of its force in the sixties because of the trend towards settlement and family migration. The immigrants who brought in their families became eligible for some state benefits because of the length of time they had been in the country. The transition from single-worker migration to family settlement revealed fundamental contradictions within state and capital. These contradictions were related to the social cost of long-term family migration. The West European states, in particular West Germany and Switzerland, tried to control the length of stay of migrants by signing official agreement with sender countries(71). The purpose of these agreements was to ensure a flexible supply of short-term labour on fixed contracts, which maintained the constant rotation of migrant workers(72). For the state short-term workers were desirable because of their low cost of reproduction.

Capital, on the other hand, particularly by the late fifties and throughout the sixties wanted to see the development of a stable migrant labour force. Rotation of migrants proved to be costly in terms of time and training(73). (It should be said that, while capital did want a stable labour force, it did not want a change in the immigrants’ legal status(74), for such a change would have entitled them to make demands on their employers which would have cancelled out the advantage of migrant labour). Coupled with this pressure from capital on the state to allow immigrants to stay for longer periods, the very nature of the labour agreements that were signed gave the sending states some power of manoeuvre to fight for better conditions for their migrants and to obtain concessions from the host state over long-term settlement(75). It has therefore been of some political value to migrants that host society and home countries have negotiated their conditions.

### 2.5.2 The Case of South Africa.

As in Western Europe, capital in South Africa, particularly in the gold mines demanded a constant flow of cheap labour. The distinctive feature of labour migration within South Africa is that not only does migration provide cheap labour, but that the cost of its reproduction has been met in large measure through the

maintenance of a subsistence rural economy - indeed this later became known as the “reserve”. Capitalist development came to depend on the creation of these large labour reserves and low wages. The creation of these labour reserves was not the result of the inception of apartheid in 1948, but had its roots in the 19th and early 20th centuries. Apartheid institutionalized a system that involved segregation along racial grounds. Inherent in this system was the logic of early capitalist accumulation: the labour reserves came to supply cheap labour for mining and agrarian capital. This migrant labour power ensued and permitted many of the elements of its reproduction to be realised in the subsistence economy. We mean by this that part of the subsistence cost was borne by the labourers’ families in the subsistence economy.

What is interesting about the South African case is that migrant labour, in the initial stages of industrialisation, had to be created from scratch. There was a demand for labour-power from mine-owners and white farmers. Peasants who worked in the self-sufficient pre-capitalist economy had to be made to sell their labour power. Hence the colonial state, generally Britain, acted to bring this about through a mixture of incentives as well as coercion in the form of land and poll taxes(76). Because of the early stage of industrialisation and the low profit margins for the mine-owners, the creation of labour power depended more on the action of the state than the forces of the market.

The 1913 Natives Land Act can be argued to have been an important landmark in the creation of the native labour reserves, in that it initiated the institutionalisation of a system based on racial segregation. The 1913 Act stated that no African could own land outside the areas designated by the state. It thus forced Africans to live in certain areas(77). In addition, its purpose was to assure a constant supply of cheap labour (78). Burawoy argues that what is distinctive about the South African experience is that there is a separation between the processes of renewal and maintenance of migrant labour(79). The cost of reproduction of migrant labour is “externalized” into the labour reserves as a burden on the subsistence economy(80). This process is maintained by state law and a coercive apparatus. Burawoy says that the separation of these two processes has major benefits for state and capital by reducing the cost of reproducing migrant labour.

Functions normally performed by the state, such as the provision of welfare facilities, education and social security, are transferred to the communal context of the pre-capitalist economy(81).

For Burawoy the state has been essential in creating this system through its legal and political processes(82). There are laws restricting residence in “white” areas; these are incorporated in the “pass” laws which restrict the movement of the black population and hence migrant workers. Cohen says:

At the heart of the system is the “pass”...in effect, an internal passport which serves as an identity document, an indication of work and residence status...(83).

African workers go to the urban areas purely to work, and once this is over they must return to the "Bantustans"(labour reserves).

In contrast to the transition that has occurred in Western Europe, where a large proportion of migrants have now become settled, in South Africa the state and capital joined together to prevent settlement in order to perpetuate a system of migrant labour reserves which serve (white) capitalist accumulation. European states, on the other hand, were forced to compromise on the position of migrants and to allow them to settle, as a result of pressure from labour exporting countries and capitalists. In South Africa the state sought to restrict the rights of migrant workers and to institutionalise discrimination against them by denying them citizenship. Instead, millions were artificially, but legally stripped of South African citizenship and made "citizens" of "Bantu Homelands" or "Bantustans" - the labour reserves given the fictitious form of nation-states.

## **2.6 The Development of Migration to Kuwait.**

The experiences of Western Europe and South Africa, contrasts markedly with that of Kuwait. This section will examine the development of migration to Kuwait stressing its nature and characteristics. Migration to Kuwait involved the transfer of workers between states who are mostly from the third world(84), initially from neighbouring Arab states and then from states from South-East Asia.

In Kuwait the two factors calling for the import of migrant labour were its undeveloped character combined with its sudden capital-surplus resulting from oil. The demand for migrant labour was very high because of rapid infrastructural development and because of a low level of skills in the indigenous labour force. Kuwait can thus be argued to have been unique because unskilled, skilled and professional labour imports alike were badly needed. Migrant labour has not only been confined to certain menial occupations as in post-war Europe, but its presence has been of major importance to all aspects of the economy.

The degree of importance of migrant labour to the Kuwaiti economy can only be comprehended when it is realised that the oil economy was superimposed on a traditional social formation based on a pre-capitalist mode of production. This mode was related to maritime activities and involved fishing, pearling and long-distance trade as we shall see in chapter 3.

The importance of migrant labour can be seen if we look at economic, political and administrative posts in Kuwait. Migrants in the fifties and early sixties were particularly important for the functioning of the state apparatus. Because of the nature of the development brought about by the oil surplus, migrant workers influenced the pattern of administrative development. Coupled with this, the importance of their labour-power

for the functioning of the economy gave them political influence quite unlike that found in any other country which has experienced labour migration.

Two essential differences from the European experience can be seen. Migrant labour in Kuwait has dominated most sectors of the economy, and it has not operated as an agent to split the indigenous working class, but, on the contrary, to facilitate their embourgeoisement in public sector employment.

The centrality of the expatriate workforce produces a singular pattern of class contradictions. An indigenous working class does not exist in the industrial sense of the term in Kuwait(85). There are very few indigenous manual workers, but the majority are to be found in government employment, most of whom are clerical workers. The right to work in the government bureaucracy is constitutionally guaranteed by the state. These indigenous workers can be argued to have constituted a "labour aristocracy" that has been "co-opted" by the state through fringe benefits and government welfare so as to defuse any elements of class struggle and working class solidarity.

We would suggest that, since classes exist in Kuwait, the potential for conflict is there; What has happened, however, is that the state's regulation of expatriates and distribution of revenues has served to suppress such potential antagonisms(86). Class differences have been overshadowed by the existence of a large migrant community, which the state can depict as a threat. The indigenous population, despite its class contradictions, is represented in "union" with the state against the migrant population.

The existence of differential wage rates (a subject of chapter 8) underlies this unity of the indigenous population. While one function of the industrial reserve army of labour was regarded as creating a downward pressure to restructure on wage levels (as by many writers from Marx to Castles and Kosack) in the Kuwaiti case there is duality in wages across the board. The state specifies a marked differentiation between indigenous and expatriate's population's wages as this differentiation especially affects middle and lower levels of income. The contrast in the level of wages specified in government directives has ensured the concentration of indigenous labour in government employment(87).

The main problem with the concept of the "industrial reserve army" for our purposes, lies in the fact that this reserve does not really depress wages because of labour market segmentation, that is lack of contact and competition between indigenous and foreign workers. It is argued by various writers(88), that migrant workers are concentrated in certain occupations where there is low employment of indigenous workers, and no strong trade union representation. In such a situation, their wages are inevitably low. In the Kuwaiti case, wage differences are institutionalised as we shall see in chapter 8.

In the above section we have tried to show the development of labour migration in Kuwait, and have emphasised the nature of the migration process as it has come to dominate the economy. In the next section we shall look at the class nature of this type of migration through two cases discussed earlier in the chapter.

### 2.6.1 The Class Nature of Migrant Labour.

Migrants are divided by class, between the professional workers and the semi- and un-skilled. The migrant population is also divided along national lines with different languages and cultures(89). It is these aspects of migration to Kuwait, the class differences and the proliferation of different groups that have posed the major obstacle to worker solidarity. Even the various Arab nationalities, sharing a common culture and a common language, are often socially isolated from one another(90). Such class and cultural factors fragment and divide the migrant population, weakening even more than do the legal constraints imposed on it. The higher incomes of migrants with administrative or technical skills may give them a stake in the system and lead them to favour actual control of migration.

Unlike the migration that has been experienced in Western Europe, where migrants have been concentrated in the skilled and unskilled manual sectors, so that the working class nature of the migration has been clear, Kuwait has experienced a migration that included a whole spectrum of classes. Because of the uneven and distorted effect of the development that this social formation underwent, the social dynamics necessary to cope with a movement from one mode of production to another have been lacking, both in qualitative as well as quantitative terms(91). Embarking on the strategy of development that was made necessary by the abundance of oil revenues inevitably required the import of labour for a multitude of occupations, including some with high levels of expertise. Thus Kuwait's migrant population constitutes less a class than a range of class interests.

We have attempted to outline the development, nature and importance of migrant labour to Kuwait. Our purpose in outlining the characteristics of migrants in terms of their origins, heterogeneity, skills and different social backgrounds has been to contrast them with the traditional nature of the ruling elements in Kuwait. In the next section we will attempt to show how these characteristics blend in well with the predominant type of capitalist interests and the traditional nature of political authority in Kuwait.

## 2.7 Migration, Capital and the State.

The class characteristics of migrant labour imply social relations with both the state and capital. The nature of the discussion that follows will examine the state and capital in relation to the development of the stages of migration that were outlined in chapter 1. It must be realised that the oil revenues have conditioned the relationship between the state, capital and migrant labour. The oil revenues have enabled the state to become much more interventionist in the economy by way of its expenditure on infrastructural activities; this meant increased accumulation for capital. First we shall talk about capitalist interest and then we shall consider the interests of state.

On a macro-level the existence of the migrant population has been essential for the reproduction of capital in Kuwait. On a micro-level, however, certain capitalist interests, have come to be built around particular stages of migrant labour, whether short-term single-workers or long-term family migrants. In the second stage of migration, for instance, which was characterised by the development of family migration, various capitalist interests such as the import merchants and landlords came to benefit from such a development. Family migrants were seen as a market to exploit.

In the 1970's because of the construction boom that occurred as a result of the oil price rise of 1973, capital in the form of construction companies began to demand a certain kind of labour, that was single, cheap and short-term. Such labour was predominantly non-Arab and came from South-East Asia. From a political point of view, the import of predominantly male labour was not so much as to dispense with existing labour as to create an additional industrial "reserve army" whose purpose was to increase the heterogeneity of migrant labour and to fractionalise their potential political and economic influence. The state, which was dependent on migrant labour for the reproduction of its power, sought to defuse this dependency by widening its sources from the international labour market. It will be shown in chapter 6 when we come to discuss state policy that the state sought to diversify this internal migrant population so as to lessen its dependence on any one group of migrants. It can thus be argued that the import of this additional labour reserve was desired by the state not with a view to its utilisation but so as to create psychological pressures on the long-term migrants working in the public and private sectors.

As a contrast, we will talk about Rhodesia at the turn of the 20th century. Because of the demand for labour to work in the mines, various views were formed within the mining companies. These views represented two schools of thought(92). The first school was called the "proletarian" school, and argued that the best way to relieve the labour shortage in the mines was to recruit labour on a long-term basis(93). The workers would be

housed near the mines together with their wives and children(94). The second school of thought, called the “migrant” school, argued exactly the opposite, asserting that the solution to the labour shortage was to recruit single men...employed on a contract basis, while still attached to (their) families in the rural areas...(95).

The conflict between the schools reflected the tensions within the mine companies, which wanted a labour force that was cheap and efficient. At that time the profit margins of the companies were low and there was the need to recruit labour that was stable and that was cheap(96); although some mine owners were in favour of having a stable labour force, the great majority of mine owners were in favour of the “migrant” school of thought. This was not only because migrants were cheaper to employ but there was insufficient local labour that could be made to sell their labour-power, the majority of whom were peasants. Thus, the “migrant” school won the day and the mine owners went in favour of employing migrants rather than create a stable labour force.

In the case of Kuwait, there was also a trend against proletarianising the labour force and the state went in favour of importing a migrant population. However, there is one major difference between the two cases. The Rhodesian mine owners went in favour of a migrant labour force precisely because of economic reasons, that is, it was cheaper to employ. In Kuwait migrant labour as we shall show was essential to reproduce a socio-political entity, and maintain relations of political and economic power. It is within this context i.e. at the political level, that indigenous capital is able to draw on migrant labour.

Kuwaiti policy-makers, facing the same dilemma as the Rhodesian mine companies, decided to use both long-term and short-term migrant workers. While the official policy is that migrants are a temporary expedient(97), in reality migrants, particularly Arabs, have stayed on a de facto permanent basis. This is not to say that official policy has encouraged them to stay. The government can be argued to have been ambivalent regarding the flow of migrants to Kuwait. While it did not encourage them to stay, it neither forced them to leave. This is because the state has to consider both security questions relating to dependence on migrant labour and various capitalist interests which have come to be built around the existence of migrant labour( these two points will be discussed fully in chapter 7). While on the one hand migration increased, the workers were also increasingly diversified through the import of single migrants. In Kuwait, the family reunification which characterised the second stage of migration, was tacitly accepted in the sixties, but from the mid-seventies onwards family migration has been actively discouraged, and this continues by means of measures specified in the latest Five Year plan in the mid-1980s (98). In Europe, while the large-scale migration that characterised the fifties and sixties has ended, the trend towards family reunification has continued.

Thus while the state has tried to maximise the rotation of migrant labour, as Sassen-Koob suggests(99), this rotation is more complex than she understands and demands further analysis. Because of the nature of the state's dependence on migrant labour, the rotation of workers, that is short-term workers, has become viable only in certain sectors of the economy, such as construction. This sector which experienced large-scale growth after 1973 and as we saw has been characterised by the use of cheap short-term migrant workers who were brought in for specific construction projects were made to leave the country once the projects were completed. The completion of major infrastructural projects in the eighties has reduced the demand for this type of labour.

In contrast, the existing(settled) migrant workers, predominantly Arabs, occupied many of the crucial positions and strategic sectors, public and private of the economy, by virtue of the need for professional and technical skills. It is this strategic role of the predominantly Arab migrants that makes them indispensable to the economy. Their importance, coupled with the reduced entry of short-term migrants because of a decline in construction projects has led some writers to suggest that a fourth stage of the migration process began in the early eighties and still continues(100). This fourth stage implied a greater stabilisation of the "old" predominantly Arab migrant population. This situation, now occurring in Kuwait, Seccombe has called the return to stability: fewer and fewer migrants are entering the country, whilst the existing migrants are staying for longer periods.

Having talked about the importance of migrant labour both to the state and capital, in the next section we will discuss the issue of citizenship as an important indicator for Kuwait's divided society along national and expatriate lines.

## **2.8 The Problem of Citizenship.**

As soon as we begin to talk about migrant labour in Kuwait a problem arises, which is that the concept of migrant labour is very narrowly defined. While the immigrants have developed into a settled population, they have continued to be regarded officially as "temporary". Being labelled as such has meant restriction of their access to the welfare system and also legal restrictions on their activity and movement. Minorities in Kuwait are still regarded officially as temporary residents despite the fact that some ethnic communities have lived in the country for more than twenty years. The length of stay of a foreigner does not bear any relation to his legal status. Kuwait is not unique in having stringent policies on residence and naturalization; indeed it can be said to resemble some European countries, like Germany and Switzerland. In the case of Germany, Castles argues that

...the minorities in West Germany are in general referred to as "foreigners" because this term best reflects their dilemma. They came as foreign workers, they remain foreigners after many years in West Germany, and their children are born as



foreigners. Indeed members of the second generation are doubly foreign. They are not granted citizenship, and are treated as foreign by the country of birth but are foreign, in all but name, in their parents' country of origin too. The legal, socio-economic and cultural status of "foreigner" is the distinguishing mark of the minorities in West Germany, just as being black is the clearest sign of minority status in Britain(101).

In the Kuwaiti case the granting of citizenship is very narrowly defined so as to exclude the great majority of the immigrants regardless of whether or not they were born in Kuwait. As far as citizenship rights are concerned, while the law does confer citizenship after a certain period of time, it is interpreted in such a manner as to make it almost meaningless. While migrants may apply for citizenship after 15 years of continuous residence, in reality the bureaucratic procedure that is followed makes this provision very difficult to execute. The minister who grants naturalization has wide discretionary powers, and he may grant only 50 naturalizations per year.

Naturalization and citizenship rights in Kuwait are essentially limited to those who can prove their residence in Kuwait prior to 1920. The result of this is that citizenship rights are beset with contradictions, basically because a sizeable proportion of Kuwait's indigenous population has not been granted citizenship, because they cannot prove their residence in Kuwait prior a certain year(102). This has been very effective in preserving a privilege for relatively few people, namely the ruling clan as well as the traditional merchant class(103). In purely political terms the law has tended to be used by the ruling class to bestow privilege and to gain allegiance(104). The terms of the law and its subsequent interpretation has meant that only a minority may hold citizenship and it is they who subsequently control access to such rights.

The citizenship issue has raised another complex set of questions for the state itself, about the nature of a Kuwaiti nation and, indeed, whether such a nation exists, bearing in mind the tribal foundation of Kuwaiti society, an unstable foundation by reason of the fluidity of pre-oil society. Furthermore the Arabian peninsula in the pre-oil period was not divided by territorial boundaries as the Arabs, at least on a theoretical level, constituted one nation. At this time the question of a Kuwaiti nationalism was only a part of the wider question of Arab nationalism. After the development of an oil industry the state began to foster a nationalism among the indigenous population which was to have a parochial content and was embodied in restrictive nationality laws.

These nationality laws, despite their contradictory nature as outlined above, were intended to redirect allegiance away from the universal Arab nation to a Kuwaiti nation based on tradition, tribe and state. The part of Kuwaiti citizenship was applied within the indigenous population to split them from the rest of the

population which was predominantly composed of expatriate Arabs. A dual status based on nationality was created on the basis of citizenship.

The stringency in the naturalization law is very closely related to a system of power-relations. By manipulating the naturalization law, the ruling class not only protects and perpetuates its hegemony but also creates a privileged indigenous population. Being a citizen brings privileges which are denied to the immigrant population. Such privileges have helped to create a localist rather than a pan-Arab form of nationalism. While in the fifties and the sixties there appeared among the indigenous population a strong sympathy with wider pan-Arab aspirations, symbolised in the 1956 general strike in Kuwait as a response to the Suez Crisis, this was to give way increasingly from the late sixties onwards to a more localised nationalism and a weakening of wider Arab aspirations.

The fact that Arab nationalist fervour waned, particularly after the defeats in the 1967 war, was indicative of the triumphs of local nationalism as fostered by the state through its ability to use the oil revenues in a process of self aggrandizement and cooptation of the local population(105).

## **2.9 The Costs and Benefits of Migration.**

It is essential to discuss the costs and benefits of migration, because we will attempt to show that the benefits of migration to Kuwait greatly outweigh its costs. The long-term character of migration, notwithstanding the temporary migration that was experienced in the 1970's, has ensured that the bulk of earnings of migrants has not been sent abroad but has been spent to boost domestic consumption.

The cost of the reproduction of migrant labour in both Europe and Kuwait is borne by the migrant's country of origin and this represents a net loss to the country of origin. A study by UNCTAD estimated that the value of skilled migrants to the USA, Britain and Canada was \$46 billion between 1961 and 1972(106). In another study, it was estimated that the social reproduction of the migrants who entered West Germany between 1957 and 1968 would have cost the country \$33 billion(107).

In Kuwait, even in the case of settled immigrants, the social reproduction of the migrants' families is to a large degree borne by the migrants themselves. Hence social welfare benefits, health and education are very much restricted to Kuwaitis(108). Though education used to be free to immigrant children, it was progressively restricted so that only a limited number of children of migrant origin are now entitled to free education(109). Accompanying this progressive restriction there was the building of private schools to cater for the growing immigrant population. In this instance it can be shown how the state acts through legislation to minimise its expenditure on welfare provisions, and forces the migrants to bear a large part of their necessary

social cost by restricting the welfare facilities to the indigenous population. Hence it can be shown that the social cost of migrant labour is not externalized to the country of origin, as in the case of migrant labour in South Africa or of Mexican migrants to the United States, as Burawoy argues, but, in the case of Kuwait the processes of maintenance and renewal of migrant labour is borne both by local migrant labour as well as imported labour-power.

In the period of economic crisis in the eighties, the state took the step of further reducing the already limited social benefits to which the de facto permanent migrants might have been entitled. With the onset of the recession in the early eighties, the demand for labour from South-East Asia decreased. The existing Arab long-term labour force experienced cuts in their social-wage and their money-wage. Since the government is a large employer of labour-power, a cut in both could be argued to constitute a substantial reduction in costs.

The question of costs and benefits is a very important one for state and capital. While in post-war Europe the state favoured short-term migrants to reduce costs, the Kuwaiti state, because of its interventionist character in the economy, has had an interest in long-term as well as short-term migrants. Long-term migrants have been favoured, because of the nature of their occupations in the public sector. The state has favoured employing short-term migrants on infrastructural projects, because of their low cost. Capital, because of its division into fractions, requires both long and short-term labour. For both state and capital migrant labour whether long-term or short-term, is essential and therefore the social costs have had to be minimised.

Because of the nature of the state and its interventionist role of the economy, its wide public sector and the divided nature of capital, a heterogeneous migrant labour force has been essential. Its importance lies in its nature and adaptability to social conditions. Long-term and short-term migration have existed side by side despite our attempt to distinguish stages of entry; they are responses to the needs of particular kinds of capital at particular times. Again this diversity of the migrant labour force is necessary for the reproduction of the demands of capital, driven by the need to market its commodities and service its activities, as well as the need to employ cheap labour.

Because of the nature of the political disadvantages of migrant labour, the "maintenance" and "renewal" costs of the migrant population have had to be met in part by the migrants themselves. Because of the state's role in the economy, a very large proportion of its employees are Arab migrants and therefore it has been the state that has taken measures, such as the 1979 Civil Service law no. 15, (to be discussed in chapter 8) which have had the effect of reducing benefits to migrant workers and their families. While it can be argued

that the existence of migrant labour in Kuwait has involved certain costs for the state, in the areas of health and education these have been progressively restricted. This restriction has ensured that the “costs” have been progressively “externalized” on the migrants.

## 2.8 Conclusion.

In this chapter, migrant labour has been considered from a comparative perspective to bring out its unique character in Kuwait. This comparative perspective has led us to see that migrant labour is specifically related to the power of the state, and only through the state is it important for capital. Migrant labour is used by the state and capital to ensure the further accumulation of capital and the perpetuation of state power. The immigrants' importance lies in the fact that they are not only “cheap” but also disposable. Having identified the importance of migrant labour and the need for a multi-faceted analysis of it, we need now to consider the dynamics of migration for the economy, state and society of Kuwait.

## END NOTES CHAPTER TWO

- (1) W. Peterson, (1968), p.90; B. Thomas, (1968) p. 293; G. Beiger, (1969), pp. 16-23.
- (2) K. Newland (1979), p. 6.
- (3) Quoted in Peterson, (1968), p. 290.
- (4) Beiger, (1969), p.18.
- (5) Beiger, (1969), p.18.
- (6) Beiger, (1969), p.18.
- (7) Thomas, (1969), p. 293; in 1981 the world refugee population was estimated to be 14 million, see M. Kidron, and R. Segal, The New State of the World Atlas, London, Pan Books, 1984, p. 29.
- (8) E. Said and J. Abu Lughod M. Hallaj and E. Zureik, A. (1988), p. 242.
- (9) Said, Abu-Lughod, Hallaj and Zureik, in Said and Hitchens (1988), p. 252.
- (10) Thomas, (1968),p. 297; R. Miles, (1987), p. 144.
- (11) Birks S. and Sinclair C. 1980(a), p. 16; by 1985, non-nationals numbered 5.1 million in the workforces of the six GCC's states( Saudi Arabia, Kuwait, UAE, Qatar, Bahrain, Oman), Birks, Seccombe and Sinclair, (1987), p. 2.
- (12) R. Miles, (1987), pp. 24 - 27; R. Cohen (1987), pp. 38-42.
- (13) Barrington More, (1965), pp. 20 - 29.
- (14) Cohen, (1987), p.41.
- (15) Cohen, (1987), p.42.
- (16) I. Ferenczi, (1933), p.429,
- (17) A. Portes and J. Walton (1981), p. 23.
- (18) Portes and Walton, (1981), p. 23.
- (19) Portes and Walton, (1981), p. 23.
- (20) Portes and Walton, (1981), p. 23.

- (21) Portes and Walton, (1981), p. 23.
- (22) The Poor Law Reports of 1817, 1822 and 1824 as well as the Report of the Select Committee on Emigration of the 1820's said that emigration should be promoted to cure social ills such as pauperism, cited in A. Lemon and N. C. Pollock (1980), p. 6; Cecil Rhodes claimed that the conquest of Africa was needed for the settlement of Britain's unemployed and the expansion of her trade, cited in Michael Barrett Brown,(1972), p. 15.
- (23) Thomas, (1968), p. 296.
- (24) Thomas, (1968), p. 296.
- (25) Lenin characterized the period of monopoly capitalism in the late 19th century as imperialism, V. I. Lenin, (1914).
- (26) S. Adler, (1979), p. 15.
- (27) Adler, (1979), p. 21.
- (28) Adler, (1979), p. 21.
- (29) See above
- (30) Ravenstein, (1899), in Jackson (1969), p.283,
- (31) S. Everett Lee, Jackson (1968), pp. 282-297
- (32) Beiger, (1969), p. 14.
- (33) Jackson, (1969), p. 12.
- (34) Cohen, (1987), p. 37.
- (35) Birks, and Sinclair, (a) (1980); Birks and Sinclair, (b) (1980).
- (36) Birks and Sinclair, (a), 1980), pp. 17-18.
- (37) Birks and Sinclair, (a), (1980), pp. 18-19.
- (38) The Arab Planning Institute held a number of Conferences around this migration issue. These were in 1975( Bahrain), 1978, ( Kuwait), 1981 (Kuwait) and 1983 ( Kuwait). This last conference was entirely devoted to non-Arab migrants, mainly Asian.
- (39) A. Richards, and P. H. Martin, (1982/83).
- (40) A. Richards, and P. H. Martin, (1982/83), p. 456.
- (41) E. Al-Essa, (1981).
- (42) T. Farah, et al. (1980).

- (43) N. H. Aruri, and Samih Farsoun (1980); N. N. Badran,(1981); R. Sayigh, (1979); Pamela Ann Smith (1984); Shafeeq N. Ghabra, (1987).
- (44) Badran, (1981), p. 492.
- (45) F. Halliday, (1984) p. 8; F. Arnold and Nasra Shah, (1984), pp. 301-303; M. Richter, (1986), pp. 174 - 176; R. Ballard, (1987), pp. 17- 41.
- (46) E. Longuenesse, (1984); J. Abu-Lughod, (1981); Abu-Lughod, (1983); B. Al-Najjar, (1983), (1986); G. M. Al-Rumaihi, (1981); Nader Fergani, (1983).
- (47) Enid Hill, (1983).
- (48) G. Beauge and Makram Sader 1981); Ali Ahmed Al-Turrah, (1983).
- (49) Castles and Kosack ( 1980) ; Burawoy,(1980); Cohen, (1987); Miles, (1982) and (1986);
- (50) Beauge and Sader (1981), p. 93; Al-Turrah, (1983), p. 153.
- (51) Al-Turrah, p.158; J. Ismael, (1982), p. 125; M. Palmer,(1980), p.12; Myron Weiner, (1982), p. 2; T. Niblock (1985).
- (52) Beauge and Sader,(1981) p.93; Al-Turrah, p. 158.
- (53) F. Halliday, (1974), p. 443;
- (54) Beauge and Sader, (1981), p. 92.
- (55) Al-Turrah, (1983), p. 153.
- (56) S. Sassen-Koob, (1981).
- (57) Sassen-Koob, (1981) p. 68; A. R. Zolberg, (1981).
- (58) Sassen-Koob, (1981), p. 70.
- (59) Sassen-Koob, (1981), p. 73.
- (60) Cited in Cohen, (1987), p. 131.
- (61) Cohen, (1987), p. 131.
- (62) Cohen, (1987), p. 131.
- (63) Cohen, (1987), p. 131.
- (64) J. Berger and J. Mohr, (1975), p. 86.

- (65) Berger and Mohr, (1975), p. 86.
- (66) Berger and Mohr, (1975), p. 86.
- (67) Castles and Kosack, (1973), p. 98.
- (68) Castles and Kosack, (1973), p. 68.
- (69) J. Craig Jenkins, (1978).
- (70) Cohen, (1987), p. 131.
- (71) Miles, (1987)pp. 147 - 151.
- (72) Miles, (1987); Sassen-Koob, (1981); Carchedi, (1979); S. Castles, et. al., (1984).
- (73) Castles et. al., (1984), p. 78.
- (74) Miles, (1987), p. 154.
- (75) Miles, (1987), p. 154.
- (76) H. Wolpe, (1980); M. Burawoy, (1980); C. Van Onselen, (1976).
- (77) Wolpe, (1980), p. 300.
- (78) Wolpe, (1980), p. 300.
- (79) Burawoy, (1980), p. 141.
- (80) Burawoy, (1980), p. 141.
- (81) Burawoy, (1980), p. 141.
- (82) Burawoy, (1980), p. 145.
- (83) Cohen, (1987), p. 165.
- (84) Amin, (1974), p. 65; Fergani, (1983), p. 22.
- (85) It can be said that there is a difference of views in Kuwait about whether or not there exists an indigenous working class in the industrial sense of the term . These views are represented collectively by two groups. One is the Kuwait Trade Union Federation, which believes that there is a Kuwaiti working class. The other is represented by the Al-Talieha group, ( a nationalist organization which can be regarded as the unofficial opposition), which argues that a Kuwaiti working class does not really exist. The clearest statement of this view given by one of their representatives as early as 1968, can be found in J. B. Kelly, (1980), p. 175.



- (86) See chapter 4.
- (87) For example, wages for Kuwaitis in the private sector can be higher than in the public sector. The notion of duality in wages (differences between Kuwaitis and non-Kuwaitis) will be discussed fully in chapter 8.
- (88) C. Levy-Tracy, (1983), p. 127.
- (89) G. A. Moawd, (1987).
- (90) Moawd, (1987), p. 203.
- (91) Rumaihi, (1980).
- (92) Van Onselen, (1976), pp. 76-80.
- (93) Van Onselen, (1976), p. 76.
- (94) Van Onselen, (1976), p. 76.
- (95) Van Onselen, (1976), p. 76.
- (96) Van Onselen, (1976), pp. 77-80.
- (97) See Chapter 7 on policy.
- (98) Latest Five-Year Plan, See chapter 7 for more details.
- (99) Sassen-Koob, (1981), p. 78.
- (100) Birks, Seccombe and Sinclair, (1986); I. J. Seccombe(d), (1986), pp. 15-17; Al-Najar, (a)(1986), p. 37; in relation to Europe Carchedi, p. 42, says that in periods of crisis, short-term workers are the first to be dispensed with, while long-term workers are kept on. For the Gulf level, Carchedi's view was upheld by Seccombe, Birks and Sinclair and Al-Najjar.
- (101) Castles, (1984), p. 99
- (102) The 1959 Naturalization law has been devised so as to exclude a large proportion of the indigenous population from citizenship. The problem of "withouts" (that is those Kuwaitis who have lived in Kuwait since 1920 but who cannot prove their settlements) has existed since the independence of Kuwait in 1961. The debate on those kuwaiti without a citizenship took place in the National Assembly just before it was dissolved. See Al-Watan 3 July 1986.
- (103) Ismael, (1979), p. 169.
- (104) Ismael, (1979), p. 169.

- (105) K. Sen, (1988), for the development of a local 'exclusivist' nationalist ideology which is in many ways the exact opposite to the pan-Arab ideology that dominated the 1950's and early 1960's.
- (106) Newland, (1979), p. 11.
- (107) Newland, (1979), p. 17.
- (108) Moosa quoted in Sirhan, (1980), pp. 259-262 .
- (109) Sarah Graham Brown, (1984), p. 136.

### CHAPTER THREE KUWAIT IN THE WORLD ECONOMY

In this chapter we will consider the nature of the Kuwaiti economy, concentrating on the development of oil and its relation to the rest of the economy. We shall use a historical perspective, tracing the stages of economic development that Kuwait underwent, and locating the historical antecedents of the oil economy. It is important to do this for two reasons. Firstly, to show that the economy responded to pressures from the expansion of international capital which the oil sector had intensified. Secondly, to show that the social relations that had existed in the pre-oil era were reproduced, perpetuated by the advent of oil wealth.

This chapter will be important for the whole thesis because it places migrant labour in its socio-economic and political context. Oil meant economic expansion which demanded migrant labour on a large scale. Translated into social relations, this meant that the maintenance of the flow of migrant labour came to be a vital interest for the traditional ruling class. It was a vital interest for the ruling class because it produced the wealth that brought the state vast revenues and also because it provided the possibility for co-opting the indigenous population.

Kuwait's economic development can be said to show three historical phases. The first phase, from the early 18th century to the middle of the 19th century, was characterised by an autonomous socio-economic structure, where capitalist penetration was weak. The second phase of development, from the middle of the 19th century until the First World War, was characterised by the full incorporation of the area in the world economy. This period of capitalist penetration, predominantly of British political and economic interests, meant fundamental changes affecting the autonomous structure. The third phase of development was the discovery of oil in the inter-war period and the international economic relations which had resulted. To give precise dates to these phases of development would be misleading, especially in the first two phases, because they overlap considerably; thus encroachment of British capital occurred at the same time as the development of the internal forces of production. Only when there was full incorporation into the international economy from the middle of the 19th century onwards, was the development of these internal forces blocked and redirected.

### 3.1 Kuwait's Incorporation into the International Economy

In this section, the process of Kuwait's incorporation is described. The process involved a change from a pattern of development that was basically autocentric (involving internal productive forces oriented towards satisfying the demands of the local market) to one that essentially responded to an externally mediated and organized capitalism. Kuwait's incorporation into the world economy signified its progressive transformation from a mercantile economy, based on mainly internally - autonomous pre-capitalist relations of production, to one based on exchange relations and dominated by production relations external to the country. Prior to the advent of an oil economy, we can speak of an autocentric pattern of development and economy; after that we cannot. Yet it is important to understand the nature of this pre-oil economy and society because many of its mercantile forms of activity survived into the contemporary period, particularly the long distance trade on which mercantile relations rested.

Long before oil came to dominate Kuwait, the traditional economy was already being transformed and eroded by the encroachment of foreign capital, particularly in the form of British capital and the British state. It is only in the second half of the 19th century that Kuwait can be considered to be properly subordinated to these international forces and its internal forces of production to be subsumed into the global economy, many of them in the process of terminal decline. But that point was preceded by more than half a century of (largely British) encroachment and incorporation. This process involved a transformation from an autonomous mercantile economy to an internationally dominated mercantile economy. With the coming of oil, a more profound transformation was fully realized: one involving a transformation from one mode of production (basically pre-capitalist and merchant) to another (based on the extractive industry of oil capitalism). The rapid transformation of Kuwait through the oil economy was necessarily uneven, carrying many elements of the pre-oil tribal society and its exchange for commercial relations into the present. Traditional society was partly dissolved, partly conserved and converted to new uses in the contemporary conjuncture.

#### 3.1.1 The Traditional Economy of Kuwait

The pre-capitalist economy of Kuwait was based on a number of well-developed sectors. At the core were maritime-related industries involving pearling, fishing and long-distance trade. Around these sectors there developed other related economic activities: boat-building and the making of nets for the growing fishing industry(1). There also existed those economic sectors that satisfied the needs of the local population. According to al-Mughni these consisted of the manufacture of textiles, tents, rugs, jewelry and guns, welding house-building and soap-making(2). We have said above, Kuwait's most important economic sectors were those based on the sea. What follows will be a discussion of one particular activity, namely long-distance trade.

The importance of these economic sectors based on the sea made long-distance trade a logical feature of this traditional economy. Kuwait's natural geographical position, at the northern tip of the Gulf, was of great strategic importance for the carrying trade both by land and sea. Lockhart explains how Kuwait's access to the sea and the fact that it was well situated on the land trade-routes enabled it to become a major entrepot centre(3). Maritime activity proved of vital importance to the traditional economy of Kuwait. Carsten Niebuhr, a Danish traveller who visited Kuwait in the early 1760's, commented that it was a flourishing town that had a population of 10,000 people and possessed 800 boats(4).

In the nineteenth century the tradition of sea-faring seems to have continued. In 1820 Kuwait had a fleet of 15 Baglahs from 400 to 100 tons, 20 Batils and Baglahs from 120 to 50 tons and 150 other boats from 159 to 15 tons(5). These are types of boats which were used for pearling, fishing or the carrying of goods. The annual imports were \$5,00,000 while her exports \$100,000(6). From these figures it can be argued that the Kuwaiti economy relied strongly on imports from the external economy. It imported 5 times as much as it exported, and the exports consisted almost wholly of pearls or of re-exports from the entrepot trade for which Kuwait was well known.

Kuwait came to serve as an important centre for entrepot trade. Commodities were imported to Kuwait from India and East Africa, and re-exported via the caravan routes to places like Baghdad, Aleppo and the Mediterranean(7). Kuwaiti boats carried sheep, wool, hides, skins and, most important of all, the wet dates that were imported from Basra. Villiers, in his account of Kuwaiti dhows tells us that ship-building materials, coir for cordage and Malabar teak were imported from India, while mangrove poles were imported from East Africa(8). Kelly says on the subject of the entrepot trade that merchants wishing to freight goods to Baghdad or Aleppo would frequently dispatch them through Kuwait, so as to avoid paying heavy duties at Basra(9).

The above shows that there was a traditional industry based in Kuwait. Together with the maritime economic activities, these made up the pre-capitalist economy. However, Kuwait and the Gulf area were to be integrated into the expansion of capitalism (mainly represented by Britain) from the late eighteenth century onwards. While self-sufficient existence continued to diminish in the face of competition from encroaching capital from the late nineteenth century onwards, eventually to die out in the oil era, the long-distance trade which was a major sector of the traditional economy, was increasingly encroached upon by British capital with the rise of the steamship.

From the second half of the nineteenth century the steamship became to play an increasingly important role in the volume of trade that was carried in the Gulf and this development greatly assisted the

incursion of capital itself. It meant that the Gulf formations in general came to serve as markets for capitalist countries, initially Britain and then other European countries, rather than to be primarily focused on regional trade as before.

Lorimer's trade figures for 1905-06 shows that Kuwaiti imports were worth Rs.48,18,929, of which Rs.27,69,054 represented goods arriving by steamship, while the balance of imported goods was carried by local ships(10). The exports for 1905-06 represented Rs. 11,54,322. The crucial point here is that over half of the imported commodities were carried by British steamships, implying strong competition from international capital (this will be discussed in greater detail later on). Of the imported goods a large proportion was transit trade. Kuwait was a centre for the distribution of goods to the Peninsula, mainly Najed(11). Busch has noted that by 1906, 96 per cent of the sea traffic to Basra was handled by the British thus indicating that Kuwait was becoming less important(12).

It can be argued that the expansion of capitalism, had even wide-ranging implications for the Kuwaiti pre-capitalist economy. With the encroachment of capital into the area, production relations became very much oriented to external capital(13). The mid-19th century was a period of structural change for indigenous Kuwaiti merchant capital though this change did not occur because of the structural transformation of indigenous capital, but because autonomy of the Kuwaiti economy gave way to its subordination to new centres of economic power. Ismael argues that this articulation came about through the development of competition from rival capitalism as represented in the steamship(14), a much more developed form of transport, which competed with local ships for the carrying of goods. Essentially, the encroachment of capital not only competed with the merchant class for the transport of goods, but undermined their position in Kuwait by relegating them to the status of distributors of goods imported into Kuwait(15).

Despite this encroachment of external capital the traditional monopoly of the trade-routes, the local industry mentioned earlier continued to exist. In 1906 the ship-building industry was still strong, with an annual turnover of 20-25 vessels employing about 300 carpenters(16). While Lorimer says that there was no manufacturing industry besides ship-building, nevertheless the structure of subsistence seems to have been maintained.

According to Lorimer in 1904, there were in Kuwait

...1 goldsmith, 11 blacksmiths, 7 gunsmiths, 11 lamp-makers, 132 dealers in bedouin requisites (such as carpets, clocks, nails, horse shoes lead and shot), 13 leather workers, 17 quilt makers, 23 haberdashers, 21 tailors, 37 clock embroigers, 7 gold and silk braid workers, 12 makers of Aqals or Arab head fillets, 13 barbers, 11 confectioners, 3 professional cooks, 11 fishmongers 36 butchers, 14 tobacconists, 9 ghi sellers, 32 date merchants, 14 druggists, 28 fruiterers, 24 rice merchants

32 date merchants, 14 druggists, 28 fruiterers, 24 rice merchants, 15 wheat dealers, 2 oil pressers, 147 grocers and druggists....250 warehouses for the storage of grain(17).

This has been quoted to show that Kuwait in the pre-oil era was not only characterised by the exchange relations of its trade, but that society evolved around pre-capitalist production, as was shown above by the writings of al-Mughni and by Lorimer. The capitalist sector based on pearling and long-distance trade went hand in hand with the reproduction of other economic activities.

### **3.1.2 The Rise of British Power in the Gulf.**

In this section we will examine the development of British interests in the Gulf region. This requires us to say a little about British policy.

British involvement in the area was primarily a response to its strategic location on the trade-route to India(18). Britain's role in the area passed through different phases in the eighteenth century, depending on the changing nature of the international system, but the essential British interest was the stake in India. Yapp argues that

At the very end of the eighteenth century, the British situation in the Gulf was transformed by the question of strategy. This was the consequence of two events: the invasion of northern India by Zaman Shah of Afghanistan and the French expedition to Egypt in 1798. These events combined to create a new interest in the area bordering the Gulf(19).

This strategic interest was to remain of paramount importance for British foreign policy in the Gulf throughout the 19th century.

It also coincided with British commercial interests in the area; indeed Kelly argues that such interests were at the heart of British foreign policy in the nineteenth century(20). Because of the importance of the maritime trade-routes, the British sought to establish their political hegemony in the Gulf in the early 19th century by putting an end to piracy(21) which they saw as a disruption to their long distance trade, especially with India. Thus, Britain mounted two naval campaigns against piracy in the Gulf, one in 1809 and 1819. As a result of the second campaign Britain imposed a treaty outlawing piracy on each ruler along the Gulf coast in 1820. Phillip Ireland argues that these treaties marked the establishment of British hegemony in the area(22). The East India Company's Resident was charged with ensuring the observation of the treaties by the local sheikhs and a naval squadron was stationed along Gulf coast(23). Thus British economic and political supremacy was attained.

Having explained the strategic importance of the Gulf region for British foreign policy, we will now concentrate on the relationship that developed between Britain and Kuwait from the late eighteenth century onwards. In 1773 Kuwait first had direct contact with the British who in that year moved their desert mail staging post to Kuwait from Basra, which the Persians had invaded(24). ( The staging post was moved back

to Basra three years later). In 1793 the East India Company moved to Kuwait for a limited period as a result of conflict between the Turkish authorities in Basra and the representative there of the British government(25). These two episodes serve to illustrate the improved and intermittent beginnings of the British involvement in Kuwait, something which was to culminate in the 1899 Treaty of Protection.

As evidence of these intermittent relations with Britain during the first part of the 19th century Stocqueller, the British traveller who visited Kuwait in 1832, does say that Kuwait had not been visited by any European for a long time, that including British(26). Stocqueller says that Kuwait at that time was

...a mile long and a quarter of a mile broad. It consists of houses built of mud and stone....and may contain about 4000 inhabitants....Koete (Kuwait) without the walls is equally sterile, it literally yields nothing; and when to this is added the fact of the water being far from sweet, it is difficult to conjecture how such a site would have been chosen for the establishment of 400 families(27).

This seems to be in line with what Lorimer and others have said about Kuwait's lack of importance for British foreign policy during the first part of the 19th century(28). However what should be kept in mind is that its political unimportance does not mean its economic insignificance as Lorimer himself shows in the trade figures for the year 1820. This would suggest that the pre-capitalist production that we have described above, functioned well enough as an economy.

It has been argued that the Kuwaiti economy flourished with the external involvement, as in 1773, 1776 and 1793(29), the implication being that increased trade developed from this involvement. While this may have been the case with the migration of merchants from Basra as a result of the plague in 1773(30), or the movement of the British postal station in 1775(31), or the movement of the East India Company to Kuwait in 1793(32), it is not sufficient to argue that Kuwait's prosperity depended on these historical accidents. This argument rests on the fact that Kuwait's prosperity depended on external involvement and ignores the internal productive forces of the Kuwaiti economy at that time.

Direct British influence on Kuwait was not attained until 1899, by the secret Treaty of Protection with Britain and the then ruler of Kuwait sheikh Mubarak. Although the Treaty essentially meant that Britain came to control Kuwait's foreign policy, British influence in the Gulf was all too important, and its effect was perceived through Britain's maritime policy of keeping trade-routes free from threat of disruption. The British did this by attempting to put an end to piracy, as was shown above. Putting an end to piracy meant establishing British political and economic hegemony in the Gulf. This came about through the domination of the long-distance trade which was achieved by means of the steamship. The arrival of a technologically superior form of transport was a further encroachment of external capital into the local economy, still at a mercantile stage of development.



1866 was the year when the first British steamship docked at Kuwait, signalling the beginnings of its incorporation into the world economy, and foreign capital's subordination of local economic structures. This encroachment essentially meant that while the local economic activity that was described in the last section essentially remained intact, long-distance trade increasingly became part of the international market as the steamship took it over from local ships. Increased import trade at the beginning of the twentieth century inevitably affected and undermined local production, precisely because of the increased competition from capitalist countries for cheaper goods. By the turn of the 20th century British capital dominated the Gulf's long-distance trade, with major British shipping companies operating the shipping lanes from India to the Gulf(33), although British companies were themselves facing competition from other shipping interests especially from Germany(34).

The implications of the capture of long-distance trade by outsiders for the structure of the local economy were far reaching. Chiefly it relegated the indigenous merchant class to a subordinate position. Whereas previously local merchants had controlled the sea-trade in commodities as well as their internal distribution in the local market, in the second half of the 19th century they retained control only of the distribution end of long-distance trade(35). Together with this new role for the merchants, a role that has continued in the oil period, the Kuwaiti economy passed into a new stage of integration into the global capitalist economy, becoming an importer of goods from the western hemisphere(36), whereas prior to the imperialist stage of incorporation Kuwait's long-distance trade had been with East Africa and India. In this period, commodity imports came increasingly from the countries of western Europe and America(37). The international companies came to dominate the long-distance trade. In the second half of the nineteenth century competition from non-British companies for the carrying of trade, also increased. By 1905, the navigation companies active in the Gulf included four British companies( among which the most important was Mackenzie and Paul), plus French (38), American, Russian, Greek and Iranian firms(39). Despite this in 1904, 96.7 per cent of all steamers arriving in the Gulf ports were British(40). Al-Jassem shows that in 1912 17 ships with a total tonnage of 49,574, sailed to the Gulf(41). This figure had risen from the previous year of 33,000, tons that were shipped from the same destination. Thus, by the time of the outbreak of World War I in 1914, the region had been effectively incorporated into the world economy through commodity and transit trade and through foreign shipping interests.

As table 3.1 shows the degree of penetration of external capital was high and a relationship of external domination was beginning not in the form of capital export to third world countries,( as envisaged by Lenin(42)) but through a process in which the Gulf began to develop as a market for external commodity production. The flight of capital to third world countries, which Hobson, Lenin and others thought character

ised the era of imperialism as the developed countries competed for raw materials, certainly did not occur in the Gulf region until much later when concessions were granted for the prospecting for oil. The point to be made here is that the Gulf formations first developed as markets for western commodities. Capitalist appropriation of oil began in the first half of the twentieth century. The significance of this is that the development of Kuwait's reliance on the world economy did not start in the oil period, but long before that; oil merely increased this reliance and reinforced Kuwait's role in the world economy. But the prior process of incorporation under merchant capital ensured that much of Kuwait's traditional society survived into the age of capital - as we shall see later.

<b>Country</b>	<b>%</b>
India	30.75
America	2.65
France	3.22
UK.	14.56
Persia	9.21
Russia	0.75
Turkish Arabia	26.76
Arabian coast	7.76
Germany	3.91
Other countries.	4.00

Source: from Al-Razzak, 1984 p.63.

In the above we have tried to show the incorporation of Kuwait into the international economy. This was firstly through British incursion into the region. British interests which were initially strategic, as the Gulf was a staging post to her Indian possessions, developed into economic interests. With the initial prospecting for oil in the early 20th century, British interest in the area increased. Oil, which will form our next subject of discussion, signalled the next phase of capitalist incorporation.

### **3.2 Oil and Integration Into the World Economy.**

Having discussed the nature of the pre-capitalist economy and its incorporation into the global economy, we will now concentrate on the third stage of Kuwaiti development, namely the oil economy. Our discussion will stress two closely related but contradictory dimensions of the development of the oil industry:

its close integration with the world capitalist economy, of which it was an integral and crucial part; and its lack of close integration with the rest of the Kuwaiti economy.

### **3.2.1 The Oil Industry: A Historical Background.**

Oil was discovered in Kuwait in the late 1930's, but the first export shipment was not made till 1946. Its discovery provoked Great Power interest and rivalry in the region, expressed through the oil concessions that were sought and granted in the first part of the century. The oil concessions meant the granting of a right by a local ruler to a person or a company to drill for and subsequently export that oil for a fixed period. Concessions were granted for a sixty year period or longer.

The signing of the oil concessions in the 1920's and 1930's signalled the start of a period, lasting till 1973, in which the production and marketing stages of oil were controlled by the multinational oil companies. By the middle of the 1970's each country in the Gulf either partially or fully nationalized its oil industry(43). It is not our purpose here to discuss the history of the oil industry in the region; it is already well documented(44). Our interest here is in the Kuwaiti oil industry, in so far as it generates surplus revenues for the rest of the economy. The Gulf countries, having granted these concessions, assumed the role of rent collectors.

It is the revenue collected from the oil (the oil rent) that gave Kuwait's economy its "externalised" character, its heavy reliance on the world economy, articulated through the multinational oil companies. The development of oil increased this articulation by making Kuwait not only a crucial primary producer but also a better market for goods from western countries than it had been in the 19th century.

The development of a market for Western commodities was facilitated by the oil rent. This was the revenue paid by the oil companies to the local rulers in return for the concessions granted to them. The oil rent which the state received was employed for the development of the infrastructure of the economy. It was this rent and the subsequent effect it produced throughout the economy that influenced the structure of production. It will be shown later on how the oil rent and its control by the state came to consolidate local capital accumulation in the hands of the merchant class.

### **3.2.2 The Oil Sector and its Disarticulation from the Rest of the Economy.**

In this section we will discuss the nature of the oil sector and its relationship with the rest of the economy. In the early period of development that is during the 1940's and 1950's, the oil industry, was physically isolated from the rest of the economy. The nature of the concession agreements and the right they gave to the companies to extract and market the oil gave the industry a feature of isolation from the rest of the economy(45). The extent of this isolation can be seen when it is pointed out that at one time the oil company,

the KOC (jointly owned by BP and Gulf oil), even imported its own food(46). Chalabi says that

The concession system by its very nature supported the dualistic structure of the productive economy which meant that the oil sector in the host country was cut off from the development of the national economy and rather closely linked to the world capitalist economy(47).

From the above quotation it can be argued that the oil sector is at one level disarticulated from the other sectors of the economy. The oil sector is a capitalist sector, while the others are non-capitalist; the former is closely integrated into the international capitalist order which mediates its links with the rest of the Kuwaiti economy. As Samir Amin observed:

Modes of production/sectors of the periphery are: (a) articulated with capitalist social formations at the centre, but (b) disarticulated with respect to social formations at the periphery....This structure of articulation/disarticulation is the result of centuries old evolution of forms of international specialization, dictated by the internal dynamics of capitalist social formations and imposed on the periphery by the centre ...initially through political domination and subsequently through the mechanisms of unequal exchange(48).

Implicit within the quotation is both the concepts of articulation and disarticulation. The oil sector is not integrated with the rest of the economy, simply because it does not draw on it in terms of capital and or labour-power(49) neither does it contribute to the setting up of linkages with the national economy. However, oil does exhibit a form of articulation to the other sectors of the economy in terms of the oil surplus revenues it provides. It is the only source of income the state has and therefore the oil revenues are important because it enables the state to carry out infrastructural programmes which in turn demand migrant labour. Therefore, the contradiction should be noted; oil is articulated and disarticulated with the rest of the economy at the same time.

It can be argued that oil was superimposed on a traditional economy that was dominated by exchange rather than production. The advent of oil did not transform these, but rather intensified relations of exchange and further locked Kuwait into the international system of commodity circulation(50). Capitalist encroachment on these Gulf societies and the articulation of their mercantile economies into the world economy integrated these societies into the international division of labour(51), as the Industrial Bank of Kuwait in a recent study has pointed out(52). The oil sector is seen as the provider of revenues for the rest of the economy, not with the effect of widening its productive base and diversifying its dependence, but with the effect of increasing its purchasing power in the international economy(53); after the oil price rise of 1973 the Gulf region became much more important for international capital as can be seen from table 3.2.

**Table 3.2**  
**ARAB Gulf COUNTRIES IMPORTS 1970-1979.**

Arab Gulf Countries	Imports \$ million	As % of total Imports		Average annual increase 1970-1979
		Food	Machinery	
Bahrain 1970	247	10.4	20.0	
1979	2300	8.0	21.6	31.4
Iraq 1970	509	17.7	28.8	
1979	5000	15.0	48.4	33.2
Kuwait 1970	625	19.8	35.9	
1979	5359	12.0	45.5	32.1
Oman 1970	29	39.3	25.0	
1979	1387	17.4	38.5	50.5
Qatar 1970	64	24.1	30.8	
1979	1425	11.5	53.5	43.6
Saudi Arabia 1970	692	32.8	32.7	
1979	27736	12.7	41.4	56.1
UAE 1970	267	15.6	25.6	
1979	6960	10.9	40.2	48.5

**Source: Reproduced from Papayannakis, Western Economic Interests. paper presented to the Conference on Palestine and the Gulf. Institute of Palestine Studies, Beirut, 1982, p. 19.**

It is wrong to see the Kuwaiti economy in terms of a dual sector model of oil and non-oil sectors but must be seen in terms of oil and exchange sector. The role of the oil sector in terms of the revenues it provides becomes important in perpetuating these mercantile sectors that are built around pre-capitalist social relations and political structures of power; it does not undermine them or create new production relations as will be shown .

Table 3.3 shows that oil production experienced a decline from the early 1970's onwards. This was the result of two related factors: the oil price increase of 1973 and the oil states of the Arab Gulf began to pursue a policy of oil conservation(54), taking into account the long-term view of oil depletion.

Table 3.4 shows oil revenues are the crucial factor for both the state and the economy. Oil is the single most important element in the Kuwaiti economy and is its major export as shown by table 3.5. The whole economy depends on its revenues and all sectors for their growth on the oil sector. The 1985 Report by the Central Bank of Kuwait has highlighted this feature;

Table 3.3

**TOTAL CRUDE OIL PRODUCTION IN KUWAIT 1946-84**  
(Millions of Barrels Per Annum)

Year	Oil Production (m/b)	Year	Oil Production (m/b)
1946	5.9	1970	1,090.6
1947	16.2	1971	1,166.4
1948	46.5	1972	6,102.1
1949	89.9	1973	1,102.5
1950	125.7	1974	929.4
1951	204.9	1975	760.6
1952	273.4	1976	785.0
1953	314.6	1977	718.8
1954	349.8	1978	777.090
1955	402.8	1979	911.208
1956	405.5	1980	607.268
1957	424.8	1981	411.174
1958	522.4	1982	300.122
1959	525.9	1983	384.107
1960	619.2	1984	424.617
1961	633.3		
1962	714.6		
1963	765.2		
1964	842.2		
1965	861.5		
1966	906.7		
1967	912.2		
1968	956.2		
1969	1,00.7		

**Sources:**

- 1) Al-Sabah, The Oil Economy of Kuwait, p. 47.
- 2) figures for 1978-1980 from ASA (1980), p. 178.
- 3) figures for 1981-1984 from ASA (1985), p. 170.

...the oil sector has dominated the structure of economic activity in the country, and more than 90% of total revenues of the state budget. Furthermore, the exports of crude oil, refined products and liquefied gas constitute between about 85 per cent and 95 per cent of total export yields...the oil sector plays a leading role in financing the Kuwaiti economy...(55).

In contrast to the importance of oil as the single most important item in Kuwait's exports Table 3.6 shows the degree of Kuwait's reliance on the international economy for her imports.

Table 3.4

**GOVERNMENT REVENUES(a), 1980-1989  
( IN THOUSAND KD)**

Revenues,	Total Revenues	Oil Revenues
1980/81	4,675,604	4,251,604
1981/82	3,008,464	2,649,184
1982/83	2,602,051	2,230,212
1983/84	3,175,445	2,923,486
1984/85	2,744,710	2,493,757
1985/86	2,345,093	2,094,675
1986/87	1,730,861	1,483,861
1987/88(b)	1,979,390	1,726,380
1988/89(b)	2,054,000	1,788,549

Notes: (a) external investments not included  
(b) estimates

Sources: Reproduced from Annual Statistical Abstracts 1985 p.244 and 1988, p. 282.

Table 3.5

**VALUE OF EXPORTS 1978-1982,(IN THOUSAND KD)**

Commodities,	1978	1979	1980	1981	1982
Food and live animals	14,993	16,598	22,548	43,321	38,752
Beverages and Tobacco	2,101	4,676	3,535	2,676	1,587
Crude material (a)	5,013	14,145	12,019	13,683	12,811
Oil and Gas	2,628,688	4,780,999	5,119,185	3,969,225	2,611,456
Vegetable fats(b)	530	574	1,288	1,083	2,370
Chemicals	41,819	40,240	45,918	37,485	18,007
Manufacture	56,534	80,876	117,774	179,907	179,108
Machinery goods(c)	79,826	105,420	148,192	223,317	202,444
Miscellaneous	34,166	43,568	56,378	59,271	59,135
Unclassified	390	1,408	442	806	2,718
Grand total	2,864,060	5,088,504	4,527,279	4,530,774	3128,384

Notes: (a) not fuels  
(b) also animal fats  
(c) also transport goods

Source: Reproduced from the Annual Statistical Abstracts of (1985) pp. 202-205.

Table 3.6

VALUE OF IMPORTS 1978-1982 (IN THOUSAND KD).

Commodities	1978	1979	1980	1981	1982
Food and Live animals	162,959	194,157	229,939	255,203	293,106
Beverages and tobacco	18,036	25,061	22,121	18,637	22,768
Crude materials (a)	23,700	29,743	29,479	29,393	39,084
Oil and Gas (b)	7,480	9,972	13,435	11,072	14,238
Animal and fats(c)	3,320	3,297	6,562	7,719	6,543
Chemicals	44,436	54,800	74,375	75,185	85,912
Manufacture	290,333	357,896	433,230	435,586	527,210
Machinery goods(d)	500,245	510,427	638,085	798,189	1040,239
Miscellaneous.	203,889	235,700	307,301	289,605	346,380
Unclassified	9,850	15,597	10,375	6,797	9,164
Grand Total	1,236,948	1,437,023	1,764,908,	1,945,386,	2,384,604

Notes: (a) not fuel  
(b) these are mostly petroleum products  
(c) include vegetable fats

Source: Reproduced from *The Annual Statistical Abstract: (1985) pp.202.*

Table 3.7

SECTORAL CONTRIBUTIONS TO GROSS NATIONAL PRODUCT 1973-1982,  
( VALUE IN MILLION KD),

Economic Activity	1973	1974	1975	1976	1978	1979	1980	1981	1982
Oil Sector	996.6	3022.6	2456.6	2519.7	2524.9	4414.4	5062.3	4125.1	2785.0
Non-Oil Sector	607.6	79.3	1030.4	1320.0	1739.8	2329.0	2388.9	2638.8	2951.9
Agric. & Fishing	4.7	5.9	8.8	10.3	13.5	16.7	17.4	19.0	21.5
Manufacture	77.8	168.6	195.1	229.8	280.3	574.3	439.9	372.8	424.2
Elec. Gas & Water	11.8	12.6	13.1	18.8	24.2	26.6	25.0	27.5	30.1
Construction	44.4	62.8	73.7	122.6	176.1	210.0	220.0	263.0	285.0
Wholesale(a)	112.7	140.4	221.0	303.4	390.5	426.0	468.0	505.4	544.0
Transport	41.8	50.4	60.1	72.4	90.6	106.4	124.3	145.5	181.4
Finance	24.2	25.5	39.3	56.9	104.1	135.3	169.0	216.3	270.0
Insurance	3.5	4.0	6.0	8.3	12.7	13.3	14.5	16.0	18.0
Other	286.7	319.7	413.3	497.5	648.4	820.4	910.8	1073.3	1177.7

Note: (a) includes Hotels

Source: reproduced from the Industrial Bank of Kuwait  
*The Kuwaiti Economy in Ten Years 1974-1984 p.68, (Arabic).*



**Table 3.8**  
**SECTORAL CONTRIBUTION TO GROSS NATIONAL PRODUCT**  
**1973-1982 (percentages).**

Economic Activity,	1973,	1974,	1975,	1976,	1977,	1978,	1979,	1980	1981,	1982
Oil sector,	62.1,	79.3,	70.5,	65.6,	61.1,	59.2,	65.5,	67.9,	61.0,	48.5
Non-Oil sector	37.9,	20.7,	29.5,	34.4,	38.9,	40.8,	34.5,	32.1,	39.0,	51.5
Agricult. & Fishing,	0.3,	0.2,	0.3,	0.3,	0.4,	0.3,	0.2,	0.2,	0.3,	0.4
Manufacture,	4.8,	4.4,	5.6,	6.0,	5.9,	6.6,	8.5,	5.9,	5.5,	7.4
Elec.Gas & water,	0.7,	0.3,	0.4,	0.5,	0.5,	0.6,	0.4,	0.3,	0.4,	0.5
Construction,	2.8,	1.6,	2.1,	3.2,	3.9,	4.1,	3.1,	3.0,	3.9,	5.0
Wholesale (a),	7.0,	3.7,	6.3,	7.9,	9.1,	9.2,	6.3,	6.3,	7.5,	9.5
Transport Storage & Communication,	2.6,	1.3,	1.7,	1.9,	1.9,	2.1,	1.6,	1.7,	2.1,	3.2
Finance,	1.5,	0.7,	1.1,	1.5,	1.8,	2.4,	2.0,	2.3,	3.2,	4.7
Insurance,	0.2,	0.1,	0.2,	0.2,	0.3,	0.3,	0.2,	0.2,	0.2,	0.3
Others,	17.9,	8.4,	11.8,	12.9,	15.1,	15.2,	12.2,	12.2,	15.9,	20.5

(a) includes Hotels

Source: The Industrial Bank of Kuwait, 1985, *The Kuwaiti Economy in Ten Years 1974-1984* p.68, (In Arabic).

As tables 3.5, 3.7 and 3.8, emphasise, the oil sector has been the largest single contributor to the economy. Its percentage share of the Gross National Product, declined from 79 per cent in 1974 to 48 per cent in 1982. By contrast the other non-oil sectors have shown an increase, with a combined contribution to GDP from 37.9 per cent to 51.5 per cent. However, if one looks at each individual sector it can be seen that their individual growth has been small and that oil remains dominant. While these non-oil sectors had increased their share of the GDP, the 1985 Report of the Central Bank says that this should not be taken to mean an increase in real terms, but reflects a relative decline in production and price of oil. The 1985 Report thus says that

The most acceptable explanation for the increase in the relative weight of these sectors within GDP during the previous years, is that it mainly resulted from a deceleration in Kuwait's oil production combined with a drop in its official prices in these years which subsequently led to a decline in the growth rates of the oil sector..(56).

The Report goes on to say;

More important is that the growth rate of the non-oil sectors during the last decade and the increase in the relative weight of these sectors in GDP, particularly in the last few years would not constitute convincing evidence to prove that the role of these sectors in the domestic productive base is increasing, as financing of these activities depends mostly on oil revenues through public expenditure. Therefore the oil sector is still dominating the structure of economic activity as before(57).

What should thus be stressed is that it is the state expenditure of oil revenues that has produced this growth of the other economic sectors. After the oil sector the highest growth was experienced by the wholesale sector. This increase implied a greater reliance on the international economy by way of increased imports. The agricultural sector's contribution to the economy was very low. Again, this shows that Kuwait was also reliant on the international economy for its food imports. The industrial sector showed the third fastest growth after the wholesale sector, but this must be qualified as much of this sector either involves oil-related production, such as the chemical industry, or consists of small-scale workshops for such work as car maintenance; as shown by table 3.7 the increase in the import of manufactured goods has increased an almost three fold increase from 1978 till 1982.

Although we will consider the matter more fully in the next chapter, it is here necessary to say that the development of the oil economy has strengthened two classes, the ruling class and the merchant class. The capital-surplus status of Kuwait has increased its ability to modernise the infrastructure of the state without markedly affecting the material forces of production. Infrastructural modernisation has come to mean that forces which would challenge the hegemony of the ruling elite and the merchant class (the subject of chapter 4) have been contained through the fact that the merchant class traditionally controlled the channels for the distribution of goods that were brought through long-distance trade. Kuwait, because of the oil revenues, came to serve as a market for the products of international capital, and imports have included both capital goods, that is for infrastructure, and consumer goods for the growing population, of which more than half is composed of migrants.

In the oil era, the position of the merchant class underwent a process of change, in that they became agents for imported commodity production, and their base of accumulation widened, and come to revolve around economic structures that were created by the state, including trade in landed property, the provision of financial services, and the provision of community services. Table 3.6 and 3.7 indicates this in the growth of construction, finance and other services. The role of the state with regard to the merchant class will be discussed in the next chapter.

### **3.3 The Economic Crisis of the 1980's.**

The economic crisis that Kuwait experienced in the 1980's illustrated vividly the vulnerability of an economy dominated by international oil production. In dealing with this issue we examine the views of the Central Bank of Kuwait and the Chamber of Commerce. However, before we examine these views, we will say a little about the role of expenditure, and the non-oil sectors.

After 1982 Kuwait experienced a crisis in accumulation that was manifested in a sharp decrease in demand for commodities. The various sectors of the economy registered negative growth rates after 1982. This crisis in demand resulted from the structural nature of the economy, which relied on exchange rather than production. The crisis can be argued to have stemmed mainly from the oil-based economy. The Central Bank of Kuwait has argued that the growth of the non-oil sectors was the result of decreases in the prices and production of oil. The decline of oil prices after 1982 as shown in table 3.4. had a direct bearing on the oil revenues which in turn affected the non-oil sectors.

Just as the oil sector plays a dominating role in the economy, it is public expenditure derived from the oil revenues that serves as the main generator of economic activities elsewhere. In the 1980's public expenditure was cut consistently and, for the first time in Kuwaiti history, deficit budgets were experienced, as the state had to rely on its investments rather than its oil revenues to finance current expenditure.

The crisis in accumulation resulted from a lack of demand in the various sectors of the economy, namely trade, construction, real estate and finance. The construction sector, which was the main sector to thrive in the 1970's, experienced a decline in the 1980's, because of the completion of infrastructural projects and the lack of revenues for new ones. In the trade sector there was a decrease in the demand for imported commodities, and here, again this lack of demand necessarily reduced capital accumulation in Kuwait.

The non-industrial nature of the non-oil sectors of the Kuwaiti economy and its reliance on imported commodities was increased not only by the infrastructural developments undertaken by the state in the 1950's, 1960's and 1970's but also by the huge increase in the migrant population. Therefore it can be argued that accumulation in the hands of the merchant class was helped by the state in its role as a developmental agent. The state instituted these infrastructural projects which were implemented by the merchant class. The growth of trading activity was thus a response to the increase in government expenditure in the economy as a result of the modernization programmes that were undertaken(58).

Two contrasting explanations of the crisis were put forward by the Central Bank of Kuwait, and the Chamber of Commerce. Both identified four key factors: 1) The decline in the oil revenues brought about by external factors, beyond Kuwait's control, relating to the oil industry and the rise of non-Opec members who had taken a slice of the oil market; 2) The unstable regional situation, namely the Iran-Iraq war and its negative consequences for Kuwait transit trade, where re-exports were hit badly from 1982; 3) the Stock Market crash of 1982, which left numerous traders bankrupt; and 4) the possibility that the sectoral growth which occurred after the 1973 oil price rise was the result of 'freak' conditions and that the slowing down in the growth rate

after 1982 a return to normal growth rates(59). Nevertheless, the two organizations interpreted and responded to these variables very differently.

The Central Bank of Kuwait (CBK), the economic voice of the state, recognised the need for a diversified economy in order to move away from dependence on oil and thus saw the decline in oil revenues in the 1980's as a return to stable growth, by encouraging the growth of the non-oil sectors. The 1970's were seen by the Bank as a temporary economic boom brought about by the oil price rise of 1973. The Bank talked of the "acclimatization"( re-adjustment) of the economy to lower levels of growth. It argued for

Acceptance of the inevitability and irreversibility of acclimatization as a necessary means toward stabilizing the Kuwaiti economy around what can be called a natural level, while at the same time adopting the recommendations of the Committee for Activating Economic Momentum in Kuwait. This process of adaptation which started spontaneously needs strong leadership to see it through its course. At the same time a positive effort has to be done - including the acceptance of negative growth rates in major economic sectors if necessary - to bring nominal growth to natural levels(60).

The Bank went on to say that

...realistic planning for Kuwait must take into consideration the special characteristics of the Kuwaiti economy, such as the narrow productive base and local market, and concentrate on both qualitative and quantitative aspects of growth. Present structural imbalances must be rectified, while keeping in mind the future aspirations of the economy(61).

The 1986 Economic Report of the CBK expresses the opinion that the process of re-adjustment has essentially been completed. Despite the fact that there was the oil price crash in mid-year the Report argues that the economy of Kuwait was beginning to see slow but stable growth rates(62).

In contrast the local merchant class, through the chamber of commerce, viewed the decrease in economic activity after 1982 with alarm and called for greater government expenditure, incentives and protection of local industry. The chamber essentially saw the crisis as emanating from the cuts in public expenditure experienced in the 1980's. It saw public expenditure as the principal mechanism for promoting economic growth, and so a reduction in government spending was seen to hit the economy directly(63). However, greater realisation could be perceived in the chamber of commerce that an increase in public expenditure needed to be directed towards the growth of the productive sectors, namely the construction and the manufacturing sectors. As a result of the crisis, capital appeared to call not only for greater integration in the economy but also a re-orientation of the economy towards the development of productive forces. It is the development of the construction sector in which the chamber was especially interested, in particular this sector's ability to stimulate other sectors of the economy(64).

This realization was brought about by the fact that the crisis had focused attention on the nature of the Kuwaiti economy and its disarticulated character, which made it vulnerable to external forces. In the crisis a number of sectors suffered a decline purely through external factors. The oil sector was a prime example, as prices were not controlled by the Kuwaiti state, but by international supply and demand and by the oil companies' ability to influence prices through their control of the distribution of oil. In the transit trade (goods entering Kuwait for re-export to other countries), regional instability was of prime importance, again reinforcing the perceived need for greater internal articulation and independence and a reduction of vulnerability to external forces. This vulnerability applied not only to long-distance trade but also to most imported products on which Kuwait is heavily dependent. Because of this dependence Kuwait's economic vulnerability was a central concern of the 1985 Economic Report by the Central Bank of Kuwait:

The Kuwaiti economy's dependence upon imports from the outside world has tied the actual movement of domestic prices, in the absence of government subsidy, to the fluctuation of the world price indicators, given the level of exchange rates and domestic market structure(65).

As well as the international factor, which must inevitably be of importance because of Kuwait's dependence on its imports, it should be stressed that the crisis was not the result of the decline in oil revenues alone, but also of a decrease in the demand for goods and services that had risen in the period of rapid infrastructural development. This era was nearing its end in the 1980's. A Central Bank Report said that by the late 1970's Kuwait had already been saturated with consumer durables(66), the implication of which was a lack of demand for commodities and thus a reduction of profit both for local and international capital.

It can thus be argued that the economic recession which Kuwait experienced after 1982 was essentially a crisis in oil prices, a crisis in demand and a crisis of those economic activities that had reflected Kuwait's integration into and dependence on the international economy. It is in this context that the Central Bank of Kuwait and the Chamber of Commerce, the representative of the merchant class, have called for an increase in the non-oil productive base, the most important parts of which are the manufacturing and the construction sectors(67). Although the construction sector has experienced a decline in the 1980's, due to the lack of demand, the Chamber of Commerce believes that this sector, if revitalized, could have a stimulating effect and increase the demand for other productive sectors(68).

As an argument against this it can be pointed out that by the early 1980's Kuwait largely reached the limits of construction infrastructure and that there was a "natural" limit to the growth of this sector of the economy. The slump of the 1980's brought a keener realisation that the present situation of dependence on oil and the perpetuation of economic sectors that rely on exchange relations needed to give way to the fostering

of more productive sectors, and thus more attention was given to manufacturing. The demand by the Chamber of Commerce for the protection of local industry by making construction firms draw more on the local economy, was officially adopted in a Ministerial Resolution, no.6 for 1986(69). This Resolution held that contracts given to outside firms would in future depend on their drawing on the local economy. While this Resolution went some way towards satisfying the local merchants, it came when the construction sector was already facing a crisis of accumulation.

Despite this realization by local capital that a new sectoral emphasis is needed to offset crises, the structure of the relations of production, combined with the accumulation of certain fractions of capital, is still at such a level that manufacturing growth is unlikely to be rapid or substantial. Despite the crisis in accumulation, the risk of switching to a new sector seems greater than struggling on. The structure of production, together with external dominance, tends to reproduce social relations based on an economy which is extroverted, nonproductive, and mercantile. This also permits the continuation of an economic and political structure of power that is dependent on these non-integrated structures for their own accumulation something realized by various official and semi-official agencies like the Central Bank of Kuwait and the Industrial Bank of Kuwait. However, the structural relations of the economy and the parasitic sectors that have been built out of oil revenues such as trade, real estate and finance, have made such a diversification hard to achieve.

It is in this context that the process of “acclimatization” of which the Central Bank talked is to be understood. It would seem that it hoped the crisis would induce a sense of urgency on the part of indigenous capital to invest in more productive sectors of the economy. However despite the process of “acclimatization” and the return to the “stable growth rates” which the Bank talked about, possible solutions relating to the greater structural integration of the national economy have yet to be realized. With the further decrease in the price of oil in 1986 (at one time to a mere \$ 5 a barrel) the pressure for sectoral diversification was given a further momentum. While the Central Bank of Kuwait, the Chamber of Commerce and the Industrial Bank of Kuwait all point to the structural and sectoral deficiencies of the economy, resulting from its weak internal linkages and low level of development of productive forces, the solutions remain elusive, given the interests of state and capital.

### **3.4 The Debate on Industrialisation.**

The crises focused attention on what we could call a debate about industrialization. This debate is about ways to achieve the necessary diversification of the economy from its oil-dominated nature, while still preserving existing social and political relations. The type of development that is pursued could give rise to new social

forces that might undermine the position of the class that is in power. As we will explore in chapter 6, in Kuwait there is no indigenous working class which is likely to challenge this power since Kuwaitis are concentrated in government employment. The state has been able to block the creation of an indigenous working class so as to defuse potential political demands by its indigenous population.

In the following section the elements of the "debate" will be identified together with possible solutions which have been put forward in the search for ways to diversify the economy. We shall also look at the dilemmas which the policy-makers face in their attempt to approach the subject, given a number of key problems, such as the size of the market, the lack of human and natural resources, the interests of particular fractions of capital and the structural position of the Kuwaiti polity in the international economy.

Dependence on oil was seen as potentially negative to the economy and thus increasingly there were calls to reduce it by diversifying both economic activities and sources of government revenue which are almost wholly derived from. Because of the perceived obstacles, the search for ways to achieve diversification of resources has been unenthusiastic to say the least. In periods of sectoral prosperity, fuelled by the oil revenues of the 1950's and 1970's attempts at diversification met with little success; despite it being a long-term goal(70). Instead there was greater reliance on the international economy for imported products, largely as a result of increased government expenditure and the growth of the population. In the 1980's the issue of diversification became much more urgent. The Central Bank of Kuwait and the chamber of commerce believed that increased diversification into other sectors of the economy is necessary in order to break-away from the disarticulated pattern of development. Development has of course occurred in oil-related capital intensive industry, such as oil refineries, but these continue to emphasise the dual-sector nature of the economy rather than a plan towards national development. While the official debate continues to be vague on the subject of diversification, nevertheless, Kuwaiti Ministers and officials have in the past brought light to the problems involved in diversification and the consequent type of industrialisation.

In 1976 Ali Al-Khalifa Al-Sabah, then Under-Secretary at the Ministry of Finance, now Finance Minister said:

....Politicians put a very high premium on industrialization per se. But the under-developed countries such as Egypt, India, etc., have gone through a very bad experience in this field because the projects in question were not studied sufficiently carefully and there was an overriding drive towards industrialization as such...oil-exporting countries have been under the same pressure ever since the oil price increase of 1973-74 ...I cannot imagine that Saudi Arabia, Kuwait or any other oil-producing country in a similar situation would undertake industrial projects merely for the sake of providing employment. The truth is that every additional job provided by a project will have to go to a non-national and this will in turn entail considerable

added investment in services and infrastructure...I'd hate to see a series of white elephants draining the economies of oil exporting countries under the guise of industrialization(71).

From the above, it would appear that the type of industrialization is much related to the small size of the indigenous population and to the increasing reliance on the further import of migrant labour that such development would entail. Hence in 1975 a steel smelter and rolling mill was cancelled, the reason given by a government spokesman being the increase of imported labour that such a project would have required(72). It has been argued that the small size of the Kuwaiti market and the small size of the population were major factors in influencing the direction of industrialization towards a capital-intensive path, mainly in the chemical industry(73). Manufacturing industry has continued to represent only a small percentage of the Gross National Product.

From the above it can be seen that the need to diversify the economy is acknowledged but that there is less agreement on how this should take place. Should diversification involve the development of manufacturing industry, or should it continue to develop along a capital-intensive path related to the oil sector. Clearly from the above quotation by the Minister it can be argued that the state has favoured capital-intensive forms of development. In 1981 Ali al-Moosa, then Under-Secretary at the Ministry of Planning, argued that whilst it was imperative to diversify the economy, the type of diversification should be studied very carefully and should not necessarily mean industrialisation. It should not be undertaken at any cost(74), and further industrialisation should not necessarily mean manufacturing industry but might even be related to the present capital-intensive path(75). On the need to diversify, al-Moosa said in an interview:

...there is no economy which can survive politically, economically or otherwise if it is dependent on one source of income...We are making good money from investment ...our return from investment comes second to oil ....but again, you are putting everything in one basket - actually, a lot of baskets, but all of them are outside our control(76).

Others like al-Kazi have argued that the best way to diversify the national accounts and to lessen the dependence on oil is to continue on the path on which Kuwait is already engaged, namely investment in overseas economic activity(77).

One important difference between the views of al-Kazi and al-Moosa is that whereas the former appears to endorse the policy of investing overseas as a way to diversify resources and thus reduce dependence, the latter argues exactly the opposite, seeing investment in overseas markets as no more than changing dependence from one source to another external source which is likewise beyond the control of Kuwait.



There are, as we have seen, a plurality of views concerning this topic, but the fact remains that very little has been done to lessen dependence on oil and to increase the growth of manufacturing, or even to carry through any sizable import-substitution programmes. Johnson has helped to focus the issue when he argued that the debate on industrialization was related to the social structure of power(78) and that the type of industrial development that was followed would inevitably affect the political structure. The type of development that has mostly been pursued, according to al-Kazi has been investment in foreign markets(79), hence the creation of the so-called rentier economy, in which revenues derive from external sources(80). This concept is one that characterises the Kuwaiti economy: oil is a dominant sector and revenue from this source is invested overseas, in return for interest.

The difference between Johnson's argument and that of the other two writers is that Johnson is trying to locate development in a socio-political perspective where it soon becomes clear that the debate on diversification is inextricably bound up with another issue, the problem of state power and the question of how to preserve traditional rule. Al-Kazi and al-Moosa on the other hand argue that foreign markets offers a sound way out for the limited absorptive capacity of the local economy(81). In other words they do not directly confront this tension between economic development, on the one hand, and class and state power, on the other. The issue of class and state, which we will discuss fully in the next chapter, should be seen as strongly related to the type of development that Kuwait is pursuing, since the merchants and rulers have a strong vested interest in an economy that is based on mercantile relations. Industrialisation in the form of manufacturing industry must be seen as potentially undermining the dominant relations of class and power by giving rise to new social forces which could challenge them. This becomes clear when we consider the nature of the Kuwaiti state.

END NOTES  
CHAPTER THREE

- (1) A. Al-Mughni, (1977); Reid, (1983).
- (2) Al-Mughni, (1977), pp. 96-116.
- (3) L. Lockhurt, (1947), p. 263
- (4) Carsten Niebuhr cited in Lockhurt, (1947), p. 264.
- (5) J. G. Lorimer, (1908), p. 1006.
- (6) Lorimer, (1908), p.1006
- (7) H. Al-Ebraheem, (1971), p. 27.
- (8) A. Villiars, (1948), p.399.
- (9) J. B. Kelly, (1968), p. 33.
- (10) Lorimer, ( 1908), p.1056.
- (11) Lorimer, (1908), p.1057.
- (12) Busch, p. 307, cited in Ismael, (1982), p. 57.
- (13) Ismael, (1982); K. Naqueeb, (1987); Al-Rumaihi, (1982).
- (14) Ismael (1982) p. 55; Al-Naqueeb (1987) pp. 87-88;
- (15) M. A. Abu Hakima, p. 34, in Hopewood, (1972).
- (16) Lorimer, (1908), p. 1054.
- (17) Lorimer, (1908), p. 1054.
- (18) Halliday, (1974); J. B. Kelly, (1958); M. Yapp, (1980).
- (19) Yapp, (1980), p. 72.
- (20) Kelly, (1958), pp.119-121.
- (21) According to al-Qasimi piracy as an attack on shipping was exaggerated and "fabricated" by the British as a pretext to suppress opposition to their rule and establish their hegemony in the Gulf, and thus guarding the trade-routes to India, in Sultan Muhammad al-Qasimi, (1986), pp. xiv-xv.
- (22) In al-Ebraheem, (1971), p. 37.
- (23) al-Ebraheem, (1971), p. 37.
- (24) Lorimer, (1908), p. 1002.

- (25) Lorimer, (1908), p. 1004.
- (26) M. Stocqueller, (1832), p. 20.
- (27) Stocqueller, (1832), pp. 18-20.
- (28) Lorimer, (1908), p. 1008.
- (29) Abu Hakima, (1965), pp. 96 and 101; Abu Hakima 1972, p. 34 in Hopewood and ; Lorimer, (1908), p. 1004; Ebraheem, (1971), pp. 28-32.
- (30) Abu Hakima, (1965), pp. 86-89.
- (31) Abu Hakima, (1965), p. 97.
- (32) Abu Hakima, (1965) p. 101.
- (33) Jones, (1986).
- (34) N. A. Al-Jassim, (1973), p.31.
- (35) Al-Naqeeb, (1987), p. 88.
- (36) Al-Jassim, (1973), p.31.
- (37) Al-Jassim, (1973), p.31.
- (38) Jones, (1986) p. 31; the Board of the Iranian Company was British.
- (39) Al-Naqeeb, (1987), p. 89.
- (40) Jones, (1986), p.33.
- (41) Al-Jassim, (1973), p.31.
- (42) Lenin, (1914).
- (43) By 1976 the Kuwait Oil Company was fully nationalised.
- (44) P. Odell, (1980); J. Stork, (1975); M. Tanzer, (1969); L. Turner, (1983).
- (45) Finne points to the curious relationship that existed between the Kuwait Oil Company ( Jointly owned by BP and Gulf Oil) and the Kuwaiti government. In the 1950's KOC would not deal directly with the Kuwaiti government but would do so only through the British Political Agent( a representative of the British government) till Kuwait became in dependent in 1961, D. Finne, Desert Enterprise, The Middle East and its Local Environment, Mass., Harvard University Press, 1958, p. 81.
- (46) F. Halliday, (1974), p. 420.
- (47) Chalabi, (1980), p. 8.

- (48) Amin, (1982) pp. 20-21.
- (49) The Oil industry is capital-intensive which means that it relies on heavy machinery rather than a large workforce. According to the 1985 Census, out of a total labour force of 662,558, only 7,033 worked in the oil sector; See table 9 of chapter 6.
- (50) Central Bank Of Kuwait (CBK), (1985), p. 33.
- (51) Enid, Hill, (1983).
- (52) The Industrial Bank of Kuwait in Ten Years 1974-1984 (in Arabic) p. 33.
- (53) IBK, p. 33.
- (54) Ali Attigua the Secretary-General of the Organization of Arab Petroleum Exporting Countries said in 1979: It is in the best interest of OPEC countries to follow prudent oil production policies, which should not be determined by the sheer needs of the world energy markets...they should not be residual energy suppliers during a transitional period in which they may lose their entire oil resources before they are able to develop their national and regional economies, quoted in L.Turner, (1983), p. 201.
- (55) CBK, (1985), p. 23.
- (56) CBK, (1985), p. 24.
- (57) CBK, (1985), p. 25.
- (58) Abdul-Razzak, (1984), p. 69.
- (59) Chamber of Commerce, (1984), p. 7; CBK Committee on Reactivation of Kuwaiti Economy Feb. 1985.
- (60) CBK, (1985), p. 7.
- (61) CBK, (1985), p. 8.
- (62) CBK, (1986), p. 18 (Arabic).
- (63) Chamber of Commerce, (1984), p.11.
- (64) Chamber of Commerce, (1984), p. 11.
- (65) CBK, (1985), p. 22.
- (66) CBK, Kuwait Economy in Ten years 1969 - 1979; Rajai M. Abu-Khadra, Review of the Kuwaiti Economy, OPEC Review, Vol.2 no.3 1979, p. 61.
- (67) Chamber of Commerce, (1984), p. 12.
- (68) Chamber of Commerce, (1984), p. 12.
- (69) CBK, (1986), p. 18.
- (70) Specified in the 4 Five-year Plans from 1967 to 1990.
- (71) Birks and Sinclair (1977), pp. 14-15.

- (72) Birks and Sinclair, (1977), pp. 14-15.
- (73) Enid Hill, (1983), p. 198.
- (74) Al-Moosa, Interview with Arab Report and Memo, (1980), p. 8.
- (75) Al-Moosa, Interview with Arab Report and Memo (1980), p. 9.
- (76) Al-Moosa, Interview with Arab Report and Memo (1980), p. 8.
- (77) Al-Kazi, (1983),
- (78) M.Johnson, (1981), p. 382,
- (79) Johnson, (1980), p.382.
- (80) Beblawi and Luciani, (1988).
- (81) For the concept of the Absorptive capacity See (1968).

## CHAPTER FOUR THE NATURE OF THE STATE IN KUWAIT

The state in Kuwait is of central importance because of its ability to utilise vast oil revenues and because of its regulation and management of the large army of migrant labour which these resources require it to admit and employ. An analysis of this state reveals a structure that is markedly different not only from the state in industrial capitalist countries but also from the post-colonial states of the third world, even though it shares certain structural characteristics with both. The object of this chapter is to highlight these characteristics and at the same time endeavour to provide a concrete historical account of the development of the Kuwaiti political system; this will permit us to understand how the oil economy has shaped politics and the state and, in turn, how they affect migrant labour, the focus of the second part of this thesis.

In the previous chapter we noted how the oil revenues transformed the state economically, in the process strengthening the merchant class and the ruling family, and giving rise to new classes in society. These new classes, the result of the oil revenue-based wealth of the state are the subject of the second part of this chapter. First we consider the two dominant forces in society, the ruling family and the so-called Asil families who form the old merchant class. Asil is an Arabic word used to describe the origins of a people. When we talk about Asil families we mean the original families of Kuwait, who are also the traditional commercial class. Their role in society will be discussed historically. It is important to point out that we will talk in terms of Asil and the "new" merchants to denote that there are differences between them and to take into account the political and economic changes in society that have occurred as a result of the discovery of oil,

The ruling al-Sabah family has been concerned with the perpetuation of its power in the oil period, a power consolidated in the Mubarak years between 1896-1915. The control of oil revenues enabled it to perpetuate its rule. The merchant class which ruled jointly in the period to 1896, now became only their strategic ally, nevertheless holding high positions in the state, (whether as leaders of public corporations or top civil servants) or as owners of private companies. The relationship between the ruling family and merchant class, who are predominantly Asil families, is of central importance in underpinning the state apparatus. The al-Sabah family has used the oil revenues to perpetuate not only its rule but also the dominance of this merchant class.

The state is to be understood in terms of two principal features. Firstly it is a capital-surplus state, enjoying vast revenues from oil production. Secondly, the state has come to have a dominant position in the economy and society. Its dominant role arises from the infrastructural activities it has carried out through its public expenditure programmes. These activities are determined by the state's position as controller of the oil revenues. Its infrastructural activities primarily benefited indigenous capital because the state would only award public contracts to local business. In the wider society, the state instituted mass public welfare programmes that included guaranteed employment, public health, free education, supplementary benefits and free housing for Kuwaiti citizens.

These public expenditure programmes have had the effect of legitimising the state in its present monarchical form. At the same time the merchant class has been retained as a powerful ally, not least because it benefits from the infrastructural activities of the state and also from state policy and legislation that has safeguarded its economic interests.

What was said about the state having a dominant position in Kuwait must not be taken to mean that the state is "for itself". The monarchical rule that was mentioned must be contextualised within the dominant social classes in society; in reality the Kuwaiti state is a class-based one. The merchant class, as well as the ruling family, has come to have more political and economic power because of oil revenues. Nevertheless, because of oil revenues, the state has come to exhibit a marked degree of autonomy. It will be argued later that the control of the oil surplus has helped the state to represent the ruling class more efficiently by helping to redistribute a small part of the oil surplus among the indigenous population. This was instituted to gain legitimacy for the perpetuation of a traditional system of power, a feature which indicates that the notion of state autonomy is very much defined by the control over the oil revenues exercised by the ruling family.

#### **4.1 The Development of Autocracy**

In this section we will seek to explain the class nature of the state before the development of oil. Our main concern will be to establish an understanding of the nature of political power in the period before the advent of Mubarak to power in 1896. 1896 is an important year because it was during the reign of Mubarak that fundamental changes began to occur in the social and political relations of Kuwait. These will be described by contrasting the political system prior to 1896 with the one which emerged thereafter. In order to understand the nature of political power in the earlier period we must go back to the original settlers of Kuwait who are its present rulers.

#### 4.2.1 The Period of Consultation

Tribal society was stratified into two main groups, the sharrif and non-sharrif tribes. These in each case depended on the type of ownership of the means of production. The harsh nature of the nomadic environment made the ownership and possession of camels(1) a source of great economic and political status among tribal families. These were the sharrif tribes. The non-sharrif tribes were the ones of a lesser economic and political status, owning goats and sheep and travelling alongside the sharrif tribes(2). Thus the families that first arrived in Kuwait were of the sharrif status who, along the way, were joined by other families of the lesser tribes(3). Tribal society thus contained a clear stratification.

Kuwait's origins go back to the early 18th century when a group of nomadic tribes, the Bani-Utub settled(4). The Bani-Utub included a number of families who today form either its rulers or members of its merchant class. The exact date of their arrival in what was to become Kuwait is not known(5), but it is clear that by the first half of the 18th century Kuwait was inhabited on a permanent basis by the Bani-Utub.

In Kuwait the sharrif families, led by the al-Sabah, the al-Khalifa and the al-Jalahima families, agreed to rule collectively or in joint consultation(6). This joint rule was the privilege of certain prominent merchant families, who were to be responsible for certain defined economic activities. The al-Sabah family was elected by the other families to be the rulers of Kuwait, a long-line of leaders which had endured to the present, although before Mubarak they ruled with the participation of other families. It would appear that the decision to choose Sabah I (the first ruler) in the 1750's was made by other prominent families on practical grounds. The al-Sabah family, unlike other families, were involved in the caravan trade and therefore remained on land whereas the other families were involved in maritime trading(7).

In this era of consultation it would appear that the head of the tribe was largely a symbolic title, since decision-making was carried out jointly with the consent of all the other heads of the sharrif families. Indeed it was the various heads of each family that chose the ruler(8).

The idea of tribal consultation was a central feature of this period, although it was restricted to more important merchant families. Al-Sabah and the subsequent rulers from this family continued to be at the head of the state so long as they continued to enjoy the support of the other merchant families. From 1896, however, this period of consultative rule gave way to a new autocracy.



#### 4.1.3 Moubarak and the Establishment of Autocracy

Autocracy developed during the reign of Moubarak from 1896. It was to mean the establishment of absolute power in the hands of the al-Sabah family. Under Moubarak, the merchant class was progressively excluded from political decision-making and reduced to acting in the economic sphere alone. Moubarak moved to establish an autocratic system of government based on one family rule.

The move to establish one-family rule was facilitated by a number of interrelated factors. The most important was the signing of the Anglo-Kuwaiti Agreement in 1899, which effectively placed Kuwait under the protection of Britain. By this Agreement Moubarak surrendered control of foreign policy to the British, who in turn supported his rule. The 1899 Anglo-Kuwaiti Agreement consolidated the power base of Moubarak in a number of ways. Firstly, it meant that his rule was recognised by Britain. This is important because Kuwait was under the nominal rule of the Ottoman Empire(9). Secondly, it has been argued that because Moubarak allegedly came to the throne after murdering his brothers(10), recognition by the British conferred legitimacy. The Agreement came to mean that the hold of the merchant class on the ruler, which had existed precisely because they were the economically dominant class, was no longer there not least because the 1899 Agreement conferred upon the ruler an annual sum of £15,000 to be paid by the British government. Thus the consolidation of "traditional" autocratic power in the state was itself in part a consequence of the encroachment of imperialist interest.

Furthermore, the position of the merchant class was to undergo structural changes from the middle of the 19th century onwards. As shown in the last chapter, the position of the merchant class as long-distance traders and pearl merchants was undermined. The arrival of the steamship meant that there were more efficient ways of carrying goods, thus undercutting local ships. Thus British protection, coupled with the weakening role of local capital, enabled Moubarak to establish his autocratic regime which was to continue in the oil period.

It must be said that Moubarak's establishment of autocracy did not mean a complete separation of state from society. Even autocracy must be structurally located within society; it must rest on a base of support. Moubarak's position can be argued to have been still dependant on the merchant class for the tax revenue it provided. Taxation as a source of revenue was very important. Khazel points out that in 1899 Moubarak established a customs office and imposed a 5 to 10 per cent tax on goods entering Kuwait(11). Further, he later introduced a real estate tax which appropriated a third of the proceeds of every house sold in the country(12). Al-Mughni says that 60 per cent of the revenues of the ruler came from taxes(13). One merchant estimated that the revenues from tax on goods entering the country amounted to \$399,000 in any one year(14). Russell states that

not all of Moubarak's initiatives were well received. In 1899 he introduced an import tax; in 1907 he imposed a haji tax and a new house tax; he instituted price controls. Finally, in 1909, he announced a tax on pearl boat shares(15).

It was as a direct result of the increase in taxes that a number of pearl merchants decided to leave Kuwait in 1910(16). Moubarak personally intervened and asked them to come back. This episode reflected his dependency on the merchant class, his absolutist rule notwithstanding. The merchant families, while formally excluded from sharing power, were still an important force which the monarch could not ignore.

The development of autocratic rule created the potential for conflict between the ruler and merchant classes. After the death of Moubarak in 1915 three further attempts were made by the merchants to regain their pre-1896 position. There were calls for political participation in the decision-making process which came to a head in the setting of the 1921, 1938 and later 1963 Assemblies. The intended purpose of these Assemblies was merely to have an advisory role to the ruling family, though some had more powers and lasted longer than others as will be explained.

The 1921 Council was formed as a result of the demands of a number of merchant families to serve as a consultative body for the ruler. It was a short-lived experiment. Two reasons are given for its failure: that there was conflict between the members themselves; and that this conflict was manipulated by the ruler who did not take the Council seriously. The history of the Council is not well documented, but it is argued by some that after a short period, members of the Council stopped meeting(17).

The 1938 experience, when there was the establishment of a Legislative Assembly, was again, a response to a demand from the merchant classes to widen the political power base monopolised by the al-Sabah family. Unlike the 1921 Council, the Legislative Assembly, as the name implies, had the power to make legislation. However, it was also short-lived and was dissolved by the ruler after only 6 months. The Assembly was opposed by two parties: the ruler opposed it on the grounds that it reduced his powers substantially; and, although in favour of it initially, the British opposed it on the grounds that the Assembly wanted to ratify foreign treaties, an area of policy that had been given up to the British in the Anglo-Kuwaiti Agreement 1899(18).

Despite these failures, calls continued for a share in the decision-making process in the 1950's. This time these calls were not only coming from the merchant class but also from wider elements in society such as the emergent middle class who developed as a result of the new modernisation programmes which the state instituted as a result of the oil revenues. The ruling family responded to such pressure by

establishing a National Assembly which first met in 1963(19). This Assembly was preceded by a constitution which laid down the nature of the system of government. Political power was to be vested in the hands of the ruler who, as specified by the constitution, shall be from the al-Sabah family. He is the source of legislative authority, though this function is carried out through a Prime Minister(he is also from the al-Sabah family) and a cabinet whom he appoints from outside the Assembly; although some members are appointed from the Assembly(20).

Despite the obvious constraints on the Assembly, it has two principal powers; it may refuse to cooperate with the cabinet, through its vote of "no confidence"(must be an absolute majority), in which case the ruler does ask the Prime Minister to submit his resignation, as was the case in 1964, or the ruler may dissolve the Assembly. The Assembly is also seen as an overseer of policy and discusses and deliberates major policy issues which are brought before it by the executive(21).

The Assembly's deliberative role meant that government policy was under constant scrutiny from the Assembly's Deputies. It questioned major policy decisions, and it could be argued this was one of the major reasons for its closure on two occasions in 1976 and 1986(22).

The establishment of the National Assembly restored for the merchant class some of the political influence which had been lost to Mubarak and the British. This limited political gain was coupled with major economic benefits for the merchant class in the oil era. This, in turn, made stronger the alliance between merchant class and the ruling family.

#### **4.2 The Development of the Two Dominant Classes in the Oil Era**

Although the ruling family has gained increasing financial power as a result of oil revenues, it has continued to nurture the merchant class. This has been done through state policies as well as state patronage. It should be recognised that the oil surplus revenues not only helped to entrench the power of the ruling family, but also allowed the merchant class to intensify its accumulation of capital through increased government expenditure.

Any discussion of the dominant class must start from the position of the Kuwaiti state as a capital-surplus state together with its relative autonomy vis-a-vis civil society. Here, an understanding of the ruling class can be adequately concretised in that one element of the traditional ruling class, namely the ruling family, is entrenched in the state. What makes it unique is that this element, through the use of oil revenues, attempts (in effect successfully) to promote policies that further the interest of their traditional merchant allies, while at the same time being able to distribute vast resources to the rest of society

so as to create legitimacy for its own rule. The ruling family has used the oil revenues to create a “buffer” against potential opposition to its rule. This “buffer” has not only taken the form of welfare policies, but has also involved the use of migrant labour on a large scale. The presence of migrants has not only worked to stifle potential opposition to the ruling family among Kuwaitis but has also been a source of accumulation for local capital.

The relationship between the ruling family and the merchant class underwent far-reaching change in the oil era. Indigenous capital was promoted by the state, through cheap governmental loans, the Credit and Savings Bank and direct government participation, the so-called joint sector(23). The joint sector proved very beneficial to merchant capital since half of the risk in any joint venture was carried by government.

Nevertheless, in the 1950's tension between the ruling family and the merchant class became apparent because the ruling family's control of the oil revenues put it in a strong position to undertake its own economic activities. This involvement, according to Russell, angered the merchant class(24) which saw the ruling family as encroaching on its traditional sphere of economic activity. This breaking down of monopoly over economic activity grew progressively as the ruling family continued to infiltrate the sphere of economic activity(25). Russell says in 1954 there was a crisis between these two classes which Abdulla Al-Salem, the then ruler of Kuwait attempted to solve(26).

[He] agreed to distribute significant revenues ...and to legitimate the merchants' position through a free enterprise ideology ....Where merchants were happy to invest - trade, construction, services - the government not only offered encouragement, it stayed out. The Amir made a quiet promise to keep al-Sabahs out of Kuwaiti business(27)

While it is correct to note that the state did agree to articulate a free-market ideology, this claim is problematic in at least two other respects. Firstly, the oil revenues made the Kuwaiti state highly interventionist in economic matters. Secondly, the ruling family which controls the state has also come to have a strong role in the economy, whether as owners of landed property, investors or owners or joint owners of commercial companies. Thus, when we consider the state's autonomy, we have to relate it to the ruling family. This suggests that the state's autonomy is constrained vis-a-vis the ruling family but is autonomous vis-a-vis society. Despite this high degree of autonomy, nevertheless the state does act also in the interests of other classes in society; we have already noted its promotion of the merchant classes, those of the Asil and of the “new merchant class.

This situation is clearly different from that of the capitalist state where relations between capital and state are said to “coincide”, implying that there is a strategic relationship between the interests of capital and the state; or where there is the notion of a variety of dominant classes, as Alavi suggests for Pakistan(28). In Kuwait, the ruling family is the dominant class which controls the state. The merchant class, who are outside the political sphere, form a strategic ally.

As Miliband suggests in his characterisation of the capitalist state, there seems to be a “partnership” between the class and state where state autonomy exists, on the one hand, but where this autonomy is constrained by external forces. However while Miliband regards this “partnership” between state and capital to be unequal, necessarily favouring capital,(29) in the Kuwaiti case the situation is more complex. It is the ruling family that holds state power, but which nevertheless necessarily has strategic allies, the merchant class. The interests of the ruling family coincide with those of the merchant class to maintain a system of power based on their mutual interest. But this coincidence is not an identity. The ruling family is concerned with maintaining and perpetuating its rule while the merchant class is concerned with accumulation. And it is clear that, without oil revenues, the merchants would have cause to see the ruling family in more conflictual terms.

It was mentioned above that the state nurtured the development of the merchant class in the oil period. This appears very much the case despite any conflict or struggles that may have been shown previously to have taken place. Various writers have pointed out that the merchant community was divided into two segments; the old merchant class and the newly created merchants who came into existence in the oil period(30). Baz argues that “new” merchants are a direct product of state laws and regulations(31). State business and labour laws have enabled the indigenous population to profit from the existence of migrant labour. In the area of business, an expatriate may not practice without a Kuwaiti partner in whose name the enterprise must be registered. In the area of employment a Kuwaiti can bring workers into the country, and every time they extend their residence permit the Kuwaiti takes a proportion of their salary. This is the case because in Kuwait any foreigner must have a sponsor while he or she resides there. These laws will be discussed in more detail in chapter 7, but they are highlighted here in order to indicate that very strong business interests have evolved around migration and the legal and administrative structure created by the state to regulate it. These interests are necessarily of the “new” merchant class.

The interesting point about these classes is that the state (and hence the ruling family) needed to decrease the potential political power of the merchant class. This was achieved not only by giving it a stake in the oil wealth making it more heterogenous and fragmented but also by creating “new” merchants

with allegiance to the state. These "new" merchants have come as a result of the economic development that began to take place from the 1950's onwards. Again, state policy has at one and the same time attempted to court and diffuse the merchant class both by diffusing some of the oil revenues and by internalizing the dependence on migrant labour.

#### 4.3 The State Apparatus and the Merchants

What has been said necessarily suggests the existence of a relationship between the dominant political power and capital, despite the elevation of one dominant family to state power with a strong interest in the economy. In addition the state acts to promote the process of capital accumulation. The degree of cooperation between the al-Sabah family and the merchant class can be detected from the degree of interaction between the political and economic spheres, and in particular the degree of correspondence of the merchant class to executive positions in the state.

Ismael shows, for example, that there was a strong relationship between cabinet posts and membership of share-holding companies(32) as shown in table 4.1. This is also shown by Assiri and Monoufi who argue that all thirteen cabinets that were formed between 1963 and 1986 were dominated by members of the al-Sabah family and the merchant class(33), especially of the old Asil merchant class.

Table 4.1

FAMILIES THAT HOLD MEMBERSHIP ON THREE OR MORE BOARDS  
OF MAJOR SHARE-HOLDING CORPORATIONS 1982.

Family Names	Number of Cabinet Posts Held	Members of Boards	
		Capital	Industrial
al-Khalid	4	1	3
al-Zayid	6	4	4
al-Saleh	7	5	7
al-Saqar	4	5	3
al-Marzouq	4	5	3
Ghunaym	1	3	2
al-Shai	2	2	1
al-Falaij	2	5	2
al-Kazimi	2	5	1
al-Nafisi	2	3	1
al-Hamad	1	4	2
al-Bahar	-	7	3
al-Khorafi(a)	-	3	4
al-Rashed	-	1	2
al-Mishari	-	1	2
Behbehani	-	3	2

*Note: (a) A member of al-Khorafi family subsequently held a cabinet post as Minister of Finance and Economy after Ismael's writing.*

Source: Ismael, J., **Kuwait: Social Change in Historical Perspective** N.Y. Syracuse 1982 p.86.

Table 4.2 indicates that, between 1962 and 1986, a total of 75 ministers were appointed. Throughout the period 18 ministers came from the ruling family. However, if we look at each successive cabinet we will notice that, the total number of ministers was always high, initially comprising 11 and 10 ministers in the first and second cabinets and decreasing thereafter. However, their total number never decreased below a quarter of the cabinets with the exception of 1971 when their number fell to only 2 ministers. However, its support was ensured by appointing the rest of the cabinet. In general then, the ruling family has always maintained a close watch on cabinet and government business.

Assiri and Monoufi are far from clear about the compilation of the rest of table 4.2. While the total number of Ministers in the Asil column is 34 ministers over the whole period, only 18 of them belong to 8 families collectively known as the Asil. The other 12 ministers in the same column come from other families which are associated with the group we have just mentioned. What is known for certain is that these other families come from the traditional merchant class according to Assiri and Monoufi(34). It can be seen from

can be seen from the above table that the number of ministerial posts granted to the Asil families increased. In the thirteenth cabinet formed in 1986, they increased up to 9 ministers. This could be interpreted to mean a consolidation of power between the ruling family and these Asil families.

Table 4.2  
CABINET COMPOSITION BY FAMILY BACKGROUND 1962-1986

	Al-Sabah family		Asil families		Others		Total	
	No.	%	No.	%	No.	%	No.	%
All-Ministers-75	18	24.0	34	45.3	23	30.7	75	100
Cabinets								
1 January 1962	11	78.5	3	21.5	-	-	14	100
2 January 1963	10	66.7	4	26.7	1	6.6	15	100
3 December 1964	4	28.6	7	50.0	3	21.4	14	100
4 January 1965	4	30.8	5	38.4	4	30.8	13	100
5 December 1965	4	33.3	4	33.3	4	33.3	12	100
6 February 1967	4	28.6	6	42.8	4	28.6	14	100
7 February 1971	2	15.4	5	38.5	6	46.1	13	100
8 February 1975	4	26.7	5	33.3	6	40.0	15	100
9 September 1976	5	27.8	6	33.3	7	38.9	18	100
10 February 1978	5	27.7	6	33.3	7	38.9	18	100
11 March 1981	6	37.5	3	18.8	7	43.7	16	100
12 March 1985	6	37.5	5	33.3	4	6.7	15	100
13 July 1986	6	28.6	9	42.8	6	28.6	21	100

Source: A. Assiri and K. Monoufi, *Kuwait's Political Elite: The Cabinet*, in the *Middle East Journal* vol. 42, no. 1, Winter 1988, p. 59.

In the "other families" column, Assiri and Monoufi point out, ministers belong either to the "new" merchant families or to the emerging professional middle class of teachers, doctors and journalists. It is significant that the "new" merchant class are in this column and it clearly shows the divided nature of the merchant class, which the oil revenues have helped to bring about(35).

As said in section 4.1, the formation of the cabinet is a matter for the ruling family, which can ensure the perpetuation of its hegemony; some of the cabinets members can be drawn from the Assembly. The effect of this to add a semblance of participation to the decision making process. Although the ruling family and the merchant classes, those of the Asil, are dominant, they have to "operate within society", and in the Assembly. The Assembly serves as a constraint on their power. Thus, in table 4.2. while we have shown the dominance of the ruling family and the Asil families in successive cabinets, the Assembly sometimes uses its power to obstruct the appointments of ministers. The example below illustrates this.



In December 1964, a constitutional crisis occurred when a large number of Deputies walked out of the Assembly making it inquorate for the policy statement of the government to be read out(36). This effectively meant that the Assembly and cabinet could not work together, precipitating the resignation of the latter(37). The central issue of the crisis was the appointment to government of six individuals from the merchant class. A large number of Assembly Deputies argued that their appointments violated Article 131 of the Constitution(38). Article 131 prohibits a minister from engaging in business or other activities while he is in the cabinet.

What can be inferred from this crisis is that at one level it showed the coincidence of interest between the traditional merchant class and the ruling family, while on another level, the opposition of certain Deputies from the emerging middle class to the perpetuation of this hegemonic coalition. The ruling family, together with their allies the Asil families, were forced to overcome this challenge by appealing to other forces in society, namely the tribal and religious elements. These forces were Assembly Deputies, some of whom were appointed to the cabinet(39).

The 1964 crisis established a precedent whereby ministers appointed to the cabinet were to cease other private activities during their tenure of office. In subsequent years, ministerial appointments were made less from people with direct business backgrounds and more from public civil servants. While the merchant class background was still very much there, Baz notes that its appearance was more disguised in the form of appointments of civil servants who had come from the traditional merchant class(40).

Thus, the two dominant classes have to operate within the constraints of civil society and the National Assembly. This implies not only constraint but also accountability. The ruling family and its merchant class allies have to rely, for their continued domination on wider economic and social forces. These include reliance on religious and tribal sections. These groups are important, particularly for the ruling family which has traditionally enjoyed their support.

#### 4.3.1 The Relationship between Private Interest and Public Duty

While there are tribal and religious elements it is the importance of the traditional merchant class that is crucial for the kind of society and state established in Kuwait. It involves a crucial relationship between two concepts: private interest and public duty. The state has encouraged members of the merchant class to enter the bureaucracy.

Because of the position of the traditional merchant class in the social and economic life of the state they dominated state positions in the bureaucracy. There is a degree of interaction between private capital and public life, as we shall show. The old merchant class was not only economically strong, but also

the most educated section in society. The structure of the state and its demand for educated personnel have meant that the merchant class of the Asil families came to occupy the strategic positions in the bureaucracy. Thus the World Bank states:

....no clear cut separation has yet been made between the public duty and the private interest of the civil servant. Many officials in the higher ranks not only are related to merchants families, which is but natural and unavoidable in a country where that class has been almost the only educated one, but they are also still actively participating in commercial and other private activities. This has its counterpart lower down the scale in the employment of civil servants out of office hours in private jobs such as taxi driving, small trades and the like. This is openly recognized and is considered not at all incompatible with the position of a civil servant. It is an open question whether, notwithstanding the liberal salary scales, sufficient Kuwaitis of standing and ability could have been attracted to the service of the state if that would have meant divesting themselves of all interest in private business(41).

The implication of this for the role of capital in the state is immense because it shows a coincidence between the two, despite the features of autonomy discussed earlier. Indeed, it must be said that it is because of the autonomy of the state that the dominant class is able to institutionalise this relationship between private interest and public duty. The state has been able to do this through the creation of an increasing overlap between public duty and private interest. This the state has permitted not only through a network of protecting local capital against foreign competition, but also by making the area of public duty one that can be exploited for private gain.

Every Kuwaiti citizen(of both sexes) has been constitutionally guaranteed employment in the public bureaucracy. This has meant that Kuwaitis are guaranteed a wage by the government and can also work privately, thus supplementing their public wages. This lack of separation meant that posts in the public bureaucracy have come to serve as sinecures for the merchant class while they pursue their private interests outside the civil service(42), often delegating their work to the expatriates(43).

While the pursuit of private interest does influence all Kuwaitis, it is the Kuwaitis in the higher echelons of the bureaucracy who benefit particularly from their positions. Quite frequently, they are the owners of commercial companies, often involved in satisfying the economic demands of the state. This is done, either through the provision of imports, which the government needs for its employees, or in undertaking construction programmes for the government. Furthermore the lack of separation between public duty and private gain means that the state is sanctioning accumulation by permitting the merchant civil servant access to normally confidential government information. The interchangeability of personnel between public office and the private sector must mean that accumulation does not operate in an environment of the free-market as the government claims, but within a system of privilege and irregularity.

#### 4.4 State Expenditure and the Concentration of Capital

In this section, we will talk about two courses the state has taken in order to strengthen the base of legitimacy for its rule: the land purchase scheme; and the growth of public expenditure and economic intervention. While these were claimed by the state to be a means of spreading the oil wealth throughout society, both in fact served to enhance the accumulation of the merchant class.

##### 4.4.1 The Land Purchase Scheme

In the 1950's the state inaugurated a land purchase scheme, using some of its oil revenues to buy and sell land in such a way as to benefit private investors financially. The policy brought windfall profits for the merchant class who sold property to the state at artificially high prices and bought it at extremely low prices. As Beblawi argues:

In his quest to create vested interests among notable Kuwaiti families...in the early 1950s, Shaikh Abdula introduced the system of government land purchase at prices hardly related to government land-values(44).

It is argued that the land distribution programme was the result of the nature of the peripheral economy of Kuwait with its reliance on exchange rather than production relations. The World Bank noted that

The government buys land at highly inflated prices for development projects and for resale to private buyers. Land purchases amounted to between KD 40 million and KD 60 million in most recent years. Whatever the political or developmental justifications for this practice, the prices fixed by the government for these transactions and the small amount thus far collected on the resale of the land make the public land transactions a rather indiscriminate and unequitable way of redistributing the oil revenues. In addition probably the largest share of these funds are invested abroad, so that the land purchase programme fails to accomplish its main objective of invigorating the economy(45).

The World Bank clearly recognised two key features of the programme: firstly, contrary to government pronouncements the land purchase scheme was a mechanism for the distribution of the oil surplus to relatively few hands; and, secondly, the subsequent accumulation of capital which the programme ensured did not improve the productive capacity of the economy but was invested abroad. As Fakhery Shehab observed:

Enormous private fortunes were amassed by both selling to, and buying from, the state. It has been estimated that between 1957 and 1962 close to \$40,000,000 of public money was spent on land...This huge expenditure would have been justified on the grounds that it engendered economic activity and diffused a large portion of the new wealth, were it not that in fact only a limited amount was piped into the local economy. By far the larger part was remitted abroad either directly or indirectly through the banking system(46).

Clearly, the land transfer programme contributed very little to the development of the economy of Kuwait. Rather, it needs to be understood as an exercise in state patronage which feathered the nests (and lined the overseas bank accounts) of the merchant class. The policy would seem to have been con-

centrated among a small class of beneficiaries and to have helped consolidate a relatively small propertied stratum. Landen argues that while, by the early 1970's 20,000 families had benefited from the scheme (which had reached \$2.5 billion), those who benefited most came from the old merchant class(47). Moreover, Landen points out just 18 rich Kuwaiti families control 90 per cent of Kuwait's foreign investment(48). Al-Nafisi, writing in 1977, argues that only 15 Kuwaiti families effectively control direct foreign investment(49).

This degree of concentration is likely to have become even more pronounced as a result of the crisis of 1982( which, we saw, itself owed much to changes in state-sponsored demand) which induced a number of bankruptcies. The Stock Exchange( called al-Manakh) crisis of 1982 affected many members of the "new" merchant class who had invested heavily in shares in the expectation of quick profits and who, in many cases, went under. Some have argued that this outcome was welcomed by many Asil families who considered the "new" merchants as a threat to their economic privilege and resented state sponsorship of these "upstarts"(50).

#### 4.4.2 Public Expenditure and Economic Intervention

The institution of the land purchase scheme was designed to create a base of legitimacy for the perpetuation of the power of the ruling family and to reduce the pressure from the merchant class. To this end, state support for this class extended well beyond the land purchase scheme. It also nurtured the ruling class by forcing foreign capital to operate only with the direct participation of indigenous capital(51). Here again indigenous capital could take advantage of the state's highly interventionist role in the economy. Yet land purchase and protecting indigenous enterprise did not exhaust the role of state intervention in Kuwait. A whole range of other activities were equally important - including public investment in infrastructure, state investment in cooperative activities and joint enterprises undertaken with private capital.

The capital surplus status of Kuwait induced a commitment on the part of the state to modernise its own infrastructure and that parts of the economy. Such a modernisation involved the merchant classes who became directly responsible for this economic activity. Such an injection of capital, as Abdul-Razak has shown, was the basis of the boom which the economy experienced in the 1950's and 1960's(52). Abdul-Razak argues that in the 1950's economic growth was at its highest because of the increase in government expenditure, whereas in the 1960's economic growth fluctuated directly as government spending fluctuated. She points out that in the years 1961, 1965 and 1969/70 Kuwait was to experience economic recessions as a result of the decrease in demand produced, for the most part by cuts in government spending(53).

State economic intervention extended beyond public spending, however, with the state actively undertaking an entrepreneurial role - both through its ownership of oil and through numerous joint-ownership projects undertaken in partnership with private capital (the so-called "mixed sector". As the World Bank observed:

In the main it is through participation in, rather than control of, economic activity that the Government's influence is brought to bear on the private sector..the Government has been a partner with the private sector in the country's most important industrial and commercial enterprises...private investors and industrialists have sought government participation, both because of the financial resources which the Government could make available and for the preferred position which they assumed such enterprises would have in selling their products to the Government, by far the largest customer in the country...private entrepreneurs have not hesitated to accord to the Government controlling interest in enterprises in which they were involved(54).

As table 4.3 shows, the state's role in the economy is as central as is argued by the World Bank. This leads us to suggest that the Kuwaiti state not only acts to sponsor capital accumulation by its public expenditure on infrastructure, but also participates directly in private capital accumulation through its stake in joint ventures. The clear implication of this is that the conditions for the accumulation of private capital are guaranteed by the state. The "mixed sector" facilitates capital accumulation both for the merchant class and the government, in effect reproducing the wealth, power and hegemony of the two most powerful groups in society. It should be mentioned that in the pre-nationalization period of the oil industry, the relationship between the state and the multi-national oil companies was one in which the state charged rent for leasing its oil fields to the oil companies and they in turn kept out of the affairs of state.

**Table 4.3**  
**GOVERNMENT PARTICIPATION IN CORPORATE OWNERSHIP, 1985**

Sectors	Number of companies in each sector(a)	Percentage of governments share
Banks	8	24.56
Investment companies	3	71.05
Insurance companies	4	35.63
Industrial companies	10	55.37
Real Estate companies	3	33.84
Services companies	6	34.88
Foodstuffs companies	5	50.61
Total		42.70

Note: (a) Number of companies confined to those listed on the Stock Exchange.

Source: CBK, *The Economic Report 1985* (pp. 170-171).

Table 4.3 also indicates something of the role of private capital in the key sectors of the economy. The table indicates that private capital tends to be concentrated mostly in banking, real estate, services and insurance and least in food industry and investment.

Together with increased public expenditure and the creation of the "mixed sector", the state introduced, in the beginning of the sixties, a commercial law which prohibited foreign businessmen resident in Kuwait from establishing import agencies which thus became the sole reserve of the merchant class. Kuwait's role as a single resource producer, and its "internationalised" economy, implied that the merchant community was already incorporated in the international economy, serving as a link between the internal and the external economy. With the advent of oil, the intermediary role of merchant capital in relations of exchange was strengthened.

**Table 4.4**

**NUMBER OF AGENCIES CONTROLLED BY 14 MERCHANTS 1972.**

No.	No. of agencies they control	Percentage of all Companies
1	147	6.62
2	112	5.04
3	80	3.60
4	78	3.51
5	55	2.28
6	53	2.39
7	50	2.25
8	45	2.03
9	40	1.85
10	41	1.80
11	39	1.76
12	36	1.62
13	35	1.58
14	35	1.58
<i>Total</i>	846	37.91

**Source: Al-Sadoon (Translated from Arabic). based from calculation from the Ministry of Commerce 1972.**

The nature of the role of private capital in these joint ventures, its role in relation to the state, and its links with foreign capital have been well illustrated in a study of the import sector. It indicates the extent to which capital is concentrated in a small group and the extent to which it exists in thrall to the state and to foreign multinationals. Al-Sadoon indicates that 37.9 per cent of all import agencies are controlled by only 4.8 per cent of merchants(55). Within this 4.8 per cent, it can be seen that there is still further concentration of ownership of import agencies, with the two main import agents controlling 259 agencies between them out of a total of 846. What must be remembered is that control of one agency establishes a link with foreign capital which in turn gives local capital access to the control of different commodities from the same multinational company. Commenting on the degree of centralization of commodities, al-Sadoon states that international companies, when seeking agents, inevitably go to well-established names and these invariably are from the old merchant communities(56).

Having shown the concentration of capital in relatively few hands, Al-Sadoon moves to situate these within the context of the political. Thus, he argues that the owners of these commercial agencies are well represented in the top echelons of the government, particularly in the higher grades of the civil service(57): the implication of this is that there is not only a strong correspondence between the government and the civil service but that the merchants actually use their position to influence the directions of particular government directives, in particular the granting of government contracts.

This can be seen through the interchangeability of personnel between top government jobs, and the lack of distinction between public duty and private capital. The merchant class, because of its structural position in terms of providing personnel to top government jobs has facilitated the growth of its own capital accumulation. Top government personnel often have outside business interests. The ownership of companies, together with the high growth of government spending, meant that there was a coincidence of interests between the two. This coincidence of interests was highlighted in National Assembly debates. One Assembly Deputy spoke in 1984 of allegations of corruption in the bureaucracy(58); while another spoke of allegations of bribery and the misuse of public funds in 1985(59). While the government put out its projects for public tender, in reality, because of the position of the merchant class in top government posts, they were most likely to obtain the contracts for their outside business interests. This is not only because, in a society such as Kuwait, the tribal and kinship network is strong but also because government personnel had strong connections with the merchant class(60).

#### 4.5 The Ruling Family, the Merchant Class and the Autonomy of the State.

We have seen the central role of the state in leading the development of capitalism in Kuwait. We have noted its fundamental importance in sponsoring, directing and defending private capital accumulation, particularly by the indigenous merchant class. At the same time, it has also been clear that the ruling family has had a difficult and sometime tense relationship with the Asil merchants who have sought to exert political pressure to restore their traditional political influence. The state has thus also sought to avert a political challenge and to reduce the potential power of the class from which the ruling family originated, at precisely the same time that it has sought to promote the economic interests of the merchant class. At one and the same time, the ruling family has sought to ensure that it is not again reduced to the old primus inter pares political relationship that it once had with the leading merchant families while yet leaning heavily on these families to provide the basic bureaucratic and economic underpinnings of the state. The state thus simultaneously appears to exhibit a high degree of autonomy from civil society and yet very clearly to be the state that represents the interests of capital in general and of the merchant class in particular.

All this raises important and difficult questions about the autonomy of the state and the role of propertied classes in relation to it. It is a common feature of pre-capitalist autocracies that they locate power in the hands of a tiny group, even a ruling family. Thus Alavi, for instance, characterises even Mughal India in the mid 17th century as having a "ruling class" consisting of "the Emperor himself and about 8,000 mansabdars" (or jagirdars)(61). Beneath them was an array of local "lords called zamindars. Yet even this small ruling group is difficult to call a ruling class since jagirdars and zamindars held title



by virtue of office granted them by the Emperor; they were an "agrarian bureaucracy" rather than a ruling class(62). In such situations, the state can exhibit a high degree of autonomy from all other classes in civil society since "the ruling class" comes close to being "a ruling family". In the Indian case, Alavi notes that, by the 18th century, the jagirdars had tended to become permanent, hereditary and independent rulers, a function of the decline of the power and cohesion of the empire(63). In Kuwait, history would seem to have travelled in the opposite direction: the ruling family has emerged from the Asil merchant ranks to constitute itself as an independent and superior authority. It has carved out a degree of autonomy from its class of recruitment and acts to ensure that its position is unchallenged.

Nevertheless, this autonomy is not absolute or unchallenged, for several reasons. In the first place, there is evidence, as we saw, to indicate that the Asil merchant class has never fully accepted the elevation of one family and its own political subordination and exclusion. It has periodically sought to restore the traditional relationship and has put pressure on the ruling family. Secondly, while the merchants were politically "demoted" they have continued to be crucial to the operation of the state, both as a higher bureaucracy intimately concerned with policy implementation and as an economic class which provides the leadership for modernisation programmes. Thirdly, closely related to this, is the fact that the state is itself the state of a society based on an internationally organised oil industry. It must treat with international capital and seek to appropriate and utilise the revenues which derive from oil. Articulated within an international capitalist economy, the state has few options but to seek to ensure the prosperity and development of a capitalist economy and society in Kuwait. For this purpose, the merchant class is indispensable if modernisation is to have any indigenous, Kuwaiti content. There are, in short, structural imperatives, which ensure that the ruling family cannot be totally independent of the merchant class. Instead, they constitute together a ruling or dominant alliance, one that is at times uneasy, one in which the ruling family has consistently sought to prevent the merchants from asserting themselves politically, one in which the state has sought to broaden the nature of the merchant class and create "new" merchants beholden to it and indifferent to Asil ambitions, but nevertheless an alliance.

For all that, while it is important to recognise the objective coincidence of interests between ruling family and merchant class, it is equally important to understand that since 1945 the ruling family has been concerned about the growing economic strength of the merchant class, especially since the 1970's. The institutional structures which the state has created to facilitate private accumulation has ironically encouraged the merchant class to challenge or question the authority of the ruling family. Thus, in order to limit this challenge, the state has used its patronage to sponsor the creation of competing "new" fractions of the merchant class and also to court various tribal and religious interests (such as Jamaat al-Sal-

fyeen)(64). In this way, the state has sought to broaden its base of support to include a number of mutually competing interests among whom it can hope to mediate, thus increasing its legitimacy and autonomy.

Up to the early sixties, the ruling family was able to assert an absolute rule - helped no little by the support of Britain. In the early fifties, Sheikh Abdulla Al-Salem set up the Higher Executive Committee, composed almost entirely of members of the ruling family, to control decision-making(65). From then until 1961 (when Kuwait became formally independent of Britain) there was no effective distinction between the privy purse (the ruler's income) and the treasury; both were controlled by Sheikh Abdulla(66). This control over revenue highlighted the basis of the autonomy of the state and illuminates the reason that Kuwait could undergo so rapid a programme of modernization once the state could take control of oil revenues.

The concentration of power in the hands of the ruling family was also made easier by the lack of institutional development and bureaucratic organization in Kuwait. Thus, when Abdulla Al-Salem abolished the four administrative councils which had previously existed (for municipal, health, educational and religious affairs) and replaced them with the Higher Executive Committee in 1954, this represented a major blow against merchant demands for a greater voice in decision-making(67). The four councils had been set up in the inter-war years precisely to serve as a forum for Asil opinion and in order to accommodate grievances against the ruling family(68). Their closure increased friction between the two sides(69) and resulted in other experiments in limited participation in 1956, 1957 and 1959, none of which enjoyed any real success(70).

Yet, despite the trappings of absolutism, the ruling family has not felt able to ignore the grievances of the merchant class or the sentiments of other elements in Kuwaiti society. Thus, in 1963 a National Assembly was created with limited advisory powers in an attempt to legitimise family rule and to institutionalise a growing political consciousness. This politicisation of society was reflected not only in the creation of the Assembly but also in the rise of various clubs and societies and a Trade Union Federation, a clear indicator of the process of modernization inaugurated by the oil economy and state distribution of oil revenues(71). In addition, the increasingly interventionist role of the state ensured the rapid development of a bureaucracy. As a result, the merchant class was able to enter the political and administrative arenas, in effect as "partners" to the ruling family. It thus benefitted from both economic and political change promoted by the state.

Thus, from the sixties, the autonomy of the ruling family began to change towards a greater degree of equality with the merchant interest and towards something more closely resembling the traditional coalition. The authority of the ruling family did not so much diminish as become constrained by the need to consult newly conscious social forces. These, in turn, were afforded a forum by the National Assembly and so became more articulate and organizationally coherent. One force which gained new prominence (not least because the state saw in it a counterweight to various class interests) was a range of tribal and religious interests which generally favoured traditional values against the demands of forces located in the capitalist economy. Nevertheless, it was the merchant class which was the most important single force, not least because of its close ties to the ruling elite and its leading role in all sectors of the state.

Thus, even when we consider an event which seemed to undermine the influence of the merchant, such as the dissolution of the National Assembly in 1976, it can be argued that this occurred with the approval of the merchant class rather than as a means of undermining them. A number of commentators have certainly interpreted the dissolution of the Assembly as being favoured by element of the capitalist class(72) arguing that the Assembly had begun to encroach on the economic preserve of the merchant class and to question certain economic activities and interests(73). The merchant classes, enthusiastic about their won political expression in the state, proved less enthusiastic about criticism from other elements of society. When the Assembly was reconvened in 1981, it was reported that the ruling family had first consulted, and obtained the approval, of leading merchant families(74). The Assembly, once restored, proved an embarrassment to the ruling coalition, becoming a forum for criticisms of the alleged mismanagement of the 1982 crisis which were levelled against ministers from the ruling family and the merchant class alike. Not surprisingly, the National Assembly was finally closed in 1986, its demise being as welcome to some merchant families as to the ruling family.

Again we must be careful not to see this coalition of interest as being unproblematic or as surviving all circumstances and conditions. Thus, some commentators(75) have suggested that the 1982 Stock Exchange crisis was deliberately used to attack the economic power of leading elements of the merchant class(76) even though some members of the ruling family also lost heavily in the process. Thus the state was accused of acting only after enormous losses had produced numerous private bankruptcies(77). And when the state finally set up a fund to alleviate the plight of some mass investors, the Finance Minister, Abdul-lattif al-Hamad resigned in protest in 1982, arguing that investors should have been made to bear the consequences of their actions(78). If this interpretation is correct, it indicates much of the ambivalence and tension of this relationship; the state is happy to clip the wings of the merchant class, particularly its Asil fraction, but also, in the final analysis, committed to underwrite its existence(79).

#### 4.6 Conclusion

In Part I of this thesis we have argued that migrant labour systems must be understood in terms of a holistic approach, situated in the historical development of the societies in which they are located rather than attributed to crude monocausal variables. In an effort to locate this context for Kuwait, we have considered the nature of the society which grew out of the oil economy that international capital produced in the territory and sought to explain the way in which this development placed a state derived from pre-capitalist merchant interests in charge of the process of modernisation which oil set in train. The ruling family has been interested to use and benefit from the windfall oil revenues produced by Kuwait's integration into the world economy. But it has also been determined to do so in a way which would least threaten and destabilise its power and the social relations on which power rested. Migrant labour has been the mechanism which has permitted both the development of capitalism and avoided the development of new class interests constituted in antagonism to state power. Oil revenues have been used to co-opt Kuwaiti citizens by giving them government employment and patronage; and they have been used to recruit a foreign labour force excluded from all citizenship rights. It is this migrant labour system which we will be concerned to examine in Part II.

END NOTES  
CHAPTER FOUR

- (1) Ismael (1982), p. 17-22; R. Magnus, (1980); M. Rodinson, (1961), pp. 14-15; John Bajot Glubb, (1978), pp. 13-21; P.K. Hiti, (1970), pp. 23-27.
- (2) Ismael, (1982), p. 18-19.
- (3) Ismael, (1982), p. 18-19.
- (4) Ismael, (1982), p. 18-19.
- (5) Ismael gives a number of dates that have been put forward by local Historians, pp. 22-23.
- (6) Al-Sabah family ruled collectively with Al-Khalifah and al-Jalahmah families. The al-Sabah family took over the administration of the city while al-Khalifah family were in charge of trade and al-Jalahmah family were in charge of military affairs, See Jassim M. Khalaf, (1984), p. 86.
- (7) Saif Marzouq al-Shamlan, (1986), p. 116.
- (8) Saif Marzouq al-shamlan, (1986), p. 116.
- (9) Lorimer; H.G. Whigam, 1903; Busch, Briton Cooper, (1967); Pillai and Kumar, (1962).
- (10) Al-Rasheed, p. 149.
- (11) Khazel cited in Ismael, (1982), p. 35.
- (12) Khazel cited in Ismael, (1982), p. 35.
- (13) Al-Mughni, (1977), p. 122.
- (14) Al-Mughni, (1977), p. 121.
- (15) Russell, (1987), p. 35.
- (16) Al-Rasheed, p. 190.
- (17) M.G. al-Rumaihi, (1987).
- (18) AL-Adasni, Khalid Suliman, (1947); M. G. Rumaihi, (1975).
- (19) A. J. Baaklini, (1982), p. 359-374; Saba, Habachy, (1965), pp. 116-126.
- (20) Baaklini, (1982), p. 366.
- (21) A. H. Aruri, (1980), p. 40.
- (22) While the merchant class supported the setting up of the National Assembly in 1963, some of its elements were in favour of its closure in 1976 and 1986, See the final section of this chapter for more detail.
- (23) See section 4.4. on the Land Purchase Scheme and the role of public expenditure.

- (24) Russell, (1987), p. 47.
- (25) Russell, (1987), p. 47.
- (26) Russell, (1987), p. 47.
- (27) Crystal, (1986), p. 165.
- (28) Alavi, H. Class and State, in Gardazi, (1983), pp. 42-44.
- (29) Miliband, New Left Review no.138 1983, p. 65.
- (30) Baz, (1981), p. 95.
- (31) Baz, (1981), p.96.
- (32) Ismael, (1982), p. 88.
- (33) Assiri, Abdul-Redda and Al-Manoufi, Kamal, (1988).
- (34) Assiri and Manoufi, (1988), p. 44.
- (35) What should be pointed out is that there are wider sectors which are represented in the cabinet as well as the above groups. These include the appointment of ministers on the basis either of religious and tribal backgrounds.
- (36) Baz, (1981), p. 177.
- (37) Baz, (1981), p. 177.
- (38) Baz, (1981), p. 177.
- (39) In 1963, the tribal elements held 19, out of 50 in the Assembly; in 1981, their number increased to 27 seats, See Khalaf, (1984), p. 109.
- (40) Baz, (1981), p. 177.
- (41) IBRD, (1965), p. 39.
- (42) Moawd, (1987), p. 205.
- (43) Moawd, (1987), p. 205.
- (44) Beblawi and Luciani, (1987), p. 54.
- (45) IBRD, (1965), p. 4.
- (46) F. Shehab, (1964), p. 469.
- (47) Landen, (1972), pp. 283.
- (48) Landen, (1972), p. 283.
- (49) Al-Naffisi, (1978), p. 11.
- (50) F. Lawson, (1985), p. 18.

- (51) Baz, (1981), p. 111.
- (52) Abdul-Razzak, ( 1984), p. 69.
- (53) Abdul-Razzak, (1984), p. 69
- (54) IBRD (1965), p. 57.
- (55) Al-Sadoon, (1977), p. 87.
- (56) Al-Sadoon, (1977), p. 87.
- (57) Al-Sadoon, (1977), p. 87.
- (58) Assembly Proceedings no. A.485, 28th May 1984, p. 93.
- (59) Assembly Proceedings no. 495, 9 March 1985, p. 226.
- (60) This process has been illustrated by Szeftel in his article on Zambia, see Szeftel, M. Political Graft and the Spoils System in Zambia - The State as a Resource in Itself, Review of African Political Economy, 24, May-August, 1982, pp. 4-21.
- (61) Alavi, H. India: Transition to Colonial Production, in H. Alavi, et. al. Capitalism and Colonial Production, London, Croom Helm, 1982, p. 32.
- (62) See Barrington Moore Jr.(1965) ch. 6; Anupam Sen,The State, Industrialization and Class Formations in India, London, RKP. 1982, ch. 2.
- (63) Alavi (1982), p. 33.
- (64) Jammāt al-Salfiyyeen is an Islamic fundamentalist organization which had come into existence in the 1970's. It had a number of Deputies in the 1981 National Assembly and is pro-government.
- (65) R. Hay, (1959), pp. 101-102.
- (66) Hay, (1959), p. 102
- (67) Al-Talieha Fi Marakat al-Democratiya( Al-Talieha in the Struggle for Democracy), pp. 34-45.
- (68) Al-Talieha, p. 36.
- (69) Al-Talieha, p. 36.
- (70) Al-Talieha pp. 38-39; also for developments in the 1950s, see Al-Rumaihi - Experiment in Political Participation in Kuwait 1962-1981 Al-Mustaqbal Al-Arabi, June No.74, 1984, p.96; also crystal, (1986) pp. 180-191.
- (71) In Kuwait there exists over 60 Societies and public welfare organizations. These were created by the state and are controlled by the state.
- (72) Al-Sabah, The Oil Economy of Kuwait, London, Routledge and Kegan Paul, 1980, pp. 6-7; Hiro, Dilip, Inside The Middle East, London, Routledge Kegan Paul, 1982, p. 98; for another view of the dissolution of the 1976 Assembly, see Arnold Hottinger, Political Institutions in Saudi Arabia, Kuwait and Bahrain, in Security in the Gulf, vol I published for the International Institute for Strategic Studies, London, Gower, 1981, p. 9 .

- (73) Al-Sabah, (1981), pp. 6-7.
- (74) M. Field, (1984), p. 194.
- (75) K. Cline, (1985), p. 12.
- (76) Cline, (1985), p. 12.
- (77) Cline, (1985), p. 12.
- (78) Zahlan says that in 1986, that is 4 years after the 1982 Stock Exchange crash, the Governor of the Central Bank of Kuwait, Abdul Wahab Tammer resigned over government policy of bailing out investors that had lost in the crash, R. S. Zahlan, (1989), p. 76.
- (79) This commitment was last proved in 1978 when the government stepped in the Stock Exchange to save plummeting shares to the tune of KD 125 million, cited in Ismael, (1982), p. 104.



**PART TWO**  
**THE POLITICS OF MIGRATION IN KUWAIT**

## CHAPTER FIVE

### THE DEVELOPMENT OF MIGRATION IN KUWAIT

In Part I we explored the nature of the economic and political system that operates in Kuwait. We showed how this system is still dominated by a traditional ruling class, whose power has been reproduced and transformed in the oil era. It is in this context that part II of this thesis must be understood and situated. There is a concrete link between Parts I and II. This link is to be found in the central position in society of the system of migrant labour which perpetuates the traditional power relationships that are based on the interaction between political and economic power. The ruling class maintains its rule through dependence on migrant labour, while at the same time excluding the migrant workers from civil society.

Each chapter in Part II is thus designed to describe step by step, how migrant labour serves to perpetuate this system of economic and social power. Hence we consider the development of migrant labour, its centrality in the economy, the policy implications of this central role and the necessary consequent exclusion of the migrant workers from civil society through the operation of legal institutions. We begin this analysis, by first considering the development of migrant labour from the inter-war period onwards. In the first part of the chapter we show that there is a tradition of labour migration stretching from at least the beginning of the 20th century. The section will thus outline the development of migration in general in the first half of the 20th century and in particular the development of migration as it occurred in the 1930's and 1940's.

In the second part of the chapter, we trace three stages in the development of migration after 1945. These stages have been outlined in chapter 1. Throughout chapter 5 two points should be borne in mind. Firstly the stages of migrations represented the changing nature of capital accumulation. Different types of migration served particular capitalist interests( this will be illustrated in chapter 7). Secondly, these stages, whether of single workers or of family migrants, overlapped. In each stage there was a dominant form of migrant labour, however their existed other features from different stages in a subordinated form.

## 5.1 Migration in the Pre-oil Period

Migration to Kuwait predated the creation of the Kuwaiti state and the development of the oil industry but it was significantly increased by both these factors subsequently. In the period up to the Second World War it was also significantly influenced by British foreign policy and perceptions of British regional interests. The interplay of these variables will be described here after a brief consideration of the character of the early migrant population.

Before the formation of the Kuwaiti state, and prior to the development of an oil industry, Kuwait was dominated, like all of the Arabian Peninsula, by a nomadic tribal society. There were three reasons for this: firstly, there were no territorial boundaries before those fixed in 1922, at the Uqair Conference(1); and secondly, the harsh terrain made it necessary for bedouins to travel from one area to the next, in search of pasture and water and thirdly in order that they could sell their products in urban centres(2).

With reference to the "demographic fluidity" that is the movement of people from one area to another of the region Reiad argues that before the 1930's Kuwait had two types of migrants. The first type were the seasonal migrants who would come to the Gulf Shore during the pearling season. They were mainly bedouins. The second types of migrants were long-term non-Arabs who were mainly Persians and Indians (3).

The growth of population in Kuwait was associated with the growth of migration, which was heralded by the finding of oil in the 1930's and later by its extraction from 1946, when there was the first shipment of oil. The earliest recorded date to be found in commentaries about the presence of migrants in Kuwait is 1909 when Lorimer identified a thousand Persians, who were permanently settled in Kuwait but who frequently went back to Iran. Some of these were either merchants, Shopkeepers and Labourers(4). At that time there were no Indians in Kuwait(5), most of them started to come from the inter-war period; it is important to mention the development of Indians for they came to serve as an important tool for British foreign policy in the area as we shall show.

We need briefly to note the increase of the population statistically. It should be borne in mind that the figures given are estimates but they show a clear upward trend. In 1918 the total population of Kuwait, as given by the India Office was 65,000. Of these, 25,000 were Kuwaitis, 15,000 Persians, and 10,000 from Najed ( presently a part of Saudi Arabia)(6). In the same year, Colonel J.C. More (the then Political Resident) put the population of Kuwait at 50,000, of which 40,000 were "natives" and 10,000 were Persians(7). The figures provided by the India Office and by Colonel J.C. More, although divergent, both

point to the increase in population and in particular of the Persian element since 1909( The India Office figures would indicate that even at this early stage migrants outnumbered native Kuwaitis.

The population of Kuwait increased further, to 75,000.(8) by 1934 and remained at the same level until 1937/38. Abdul-Razzak argues that the increase in population was due in part to improved political relations with the Saudis, who had imposed an economic blockade on Kuwait for most of the twenties(9).

This population increase demonstrated some clear characteristics. In the 1920's and 1930's there was a distinct move towards sedentarisation of the bedouins. Al-Jassim notes that, of the population of 65,000 in Kuwait city, 17,000 came from the shi'ite sect of Islam: These were divided into 10,000 Persians, 3000 from al-Hassa (South-East of Kuwait), 3000 Bahrana (Bahrain) and 700 Iraqi shi'ites(10). More significantly as al-Jassim makes clear, they were a "settled" community(11), drawn from the immediately surrounding areas( as table 5.1 shows). Thus, even before the start of large-scale immigration to Kuwait, a large proportion of the population was comprised of migrants, a significant part of whom, furthermore was settled in the territory.

**Table 5.1**  
**THE COMPOSITION OF MIGRANTS IN KUWAIT UP TO**  
**1947**  
in percentages

Nationality of immigrants	Before 1917	1917-1927	1927-1937	1937-1942	1942-1947
Iraqi	17	10	17	22	29
Irani	48	48	42	37	22
Omani	2	10	13	16	17
Saudi	21	20	18	12	17
Indian	1	1	1	3	5
Pakistani	1	1	2	3	5
Others	10	10	9	8	14

Source: Hill 1968 p. 88.

With the development of oil the nature of migration began to change, primarily as a result of the oil company's demand for skilled labour. This demand for labour went beyond what could be imported from surrounding areas and was recruited from two principle sources: from those countries of the Arab world with more skilled labour than could be provided by the existing indigenous labour force of Kuwait, and

from India and Pakistan. This South Asian labour differed from the already settled Indian population in the Gulf being especially imported as skilled workers for the oil industry(12).

**Table 5.2**

**FOREIGNERS IN KUWAIT  
BEFORE 1947**

Iran	1611
Iraq	2476
Jordan	665
Lebanon	299
Oman	917
India	744
Pakistan	354
Syria	239
U.K.	99
Egypt	333
Others	1038
<b>Total</b>	<b>8775</b>

Source: Hill 1968 p. 83

Large-scale immigration to the oilfields increased from the 1940's onwards. French and Hill suggest that between 1937 and 1947 the number of immigrants to Kuwait increased sharply, particularly between 1942 and 1947. Seccombe points out that such imported labour, having completed the construction projects in the oil fields, began to filter into other areas in the economy(13).

Table 5.3

**TOTAL FOREIGN WORKERS BROUGHT IN BY KUWAIT OIL COMPANY (KOC)  
1936 - 1950.**

1936	70
1937	55
1938	56
1939	72
1940	65
1941	63
1942	67
1943	16
1944	8
1945	13
1946	142
1947	417
1948	2782
1949	8734
1950	5528

**Source: Seccombe and Lawless(c)1986.**

In the above we have shown the population increase in the 20th century. This migration that Kuwait experienced was to increase and become much more heterogeneous as labour came increasingly from other Arab countries rather than from the immediately surrounding areas. It was this increased migration from Arab countries such as Palestine and Egypt that Britain sought to stop something we will consider in more detail in the next section.

#### 5.1.2 Indians and British foreign policy objectives in the inter-war years.

In this section we will consider the impact of British foreign policy in the region, from the time that Britain signed treaties with the Gulf rulers. We will show how the development of migration in the inter-war period was perceived by the British to be against their interests.

One of the reasons for this dislike of migration into the Gulf was that Britain feared this would serve to undermine its supremacy(14). Britain, through the signing of the so-called exclusive treaties in the latter half of the 19th century, had taken over the foreign policy role of the Gulf states(15), controlling their diplomatic access to the outside world. The Gulf rulers, as noted in Chapter 4, were not allowed diplomatic representatives on their soil apart from the British.

During the 1920's, and still more in the 1930's, there occurred a number of changes, both political and economic, which affected the regional and international situation. These changes in turn influenced

British foreign policy in the area. The most fundamental of these changes was the discovery of oil which attracted the eager interest of international capital. This period was one of imperialist rivalry, between essentially American and British companies, over the granting of oil concessions, ( as described in Chapter 3).

This major economic change influenced British policy in two related ways. Firstly, Britain viewed the granting of concessions by Gulf rulers to non-British companies as an invitation to foreign interests to move into the area, something the British government saw as a violation of the exclusivist treaties signed with the Gulf rulers. Secondly, British officials were concerned that the concessions meant that companies needed labour for oil prospecting and extraction. This labour needed to come from outside, because the existing local labour force was small, unskilled and mostly composed of mariners. The British objected to this import of labour, because they saw the governments of the countries from which the migrants come would eventually demand diplomatic representation in the Gulf states. Britain thus sought to restrict the entry of labour. With regard to the oil concessions,

...British officials argued that the employment of foreign labour might, in the event of disturbances or unfortunate incidents, be used as a lever to gain political representation for foreign interests in the Gulf(16).

It was not the entry of foreigners into Kuwait per se that the British saw as a potential threat, but rather the consequences of their entry. The British government regarded the Gulf region as an important strategic area(17). Its attempts to exclude other powers from the area began well before the oil concessions which tended to undermine their grip on the region. One particular incident perhaps best illustrates the desire of Britain to exclude any of the other Great Powers from the region. This involved the Iranian community in Kuwait in the 1920's(18). The Iranian government had, throughout the early 1920's, tried to send a representative to Kuwait to issue passports to the Iranian Community(19). In late 1925 the Iranian government asked the British to permit the location of an Iranian Honorary Consul in Kuwait, who would look after the interests of the Persian community(20). This proposal was rejected by the British authorities as contravening the 1899 Agreement. The British felt that if they agreed to the setting up of an Honorary Consulate in Kuwait, this would mean giving up their exclusivity in the Persian Gulf, because other powers would start to demand similar representation(21).

The Kuwaiti Oil Concession of 1934 further demonstrated British determination to protect their rights and interests in the area and the way this shaped the development of migrant labour supplies. The long and detailed negotiations over the concession and the stringent conditions imposed by Britain have been chronicled in detail elsewhere(22) and so need not concern us here beyond serving to illustrate the argument being advanced here. The 1934 Concession was granted to two companies, one British( the

present British Petroleum BP, formerly Anglo-Iranian), the other American, Gulf. These came to operate jointly as the Kuwait Oil Company (the KOC). It was the fact that one of the concessionaries was foreign that concerned British officials for reasons already stated. Because of their desire to keep foreigners out, the British authorities required the companies to sign political agreements before the granting of oil concessions(23). This included the 1934 Kuwaiti oil concession.

More significantly for our purpose, the conditions imposed on the concessionaries significantly shaped the nature of an imported labour force. The political agreement restricted the nationality of labour that could be brought in by the KOC. A restrictive clause was inserted into the 1934 Concession which

...gave the British political authorities ultimate control over the companies composition of the workforce...(24).

Secombe holds that this clause, together with similar clauses inserted into agreements with other concessionaries, was designed to minimise the penetration of American personnel in the area(25). The restrictions on American personnel continued in the 1930's and 1940's despite the fact that American companies operated in the Gulf. Thus, although Britain agreed to the presence of American oil companies in the Gulf, British officials nevertheless continued to obstruct their operations. Equally the clauses that were inserted in the oil concessions also obstructed the entry of other foreign nationals, mostly Arabs from the countries of the Fertile Crescent. The political agreements and their provision of subsequent control by British authorities ensured that the oil companies' labour imports were mostly from India(26). Labourers from India were not perceived by Britain as contravening the 1899 Anglo-Kuwaiti Agreement, because India was under British control. As a result the number of Asians increased in the 1940's, when the KOC set up two recruiting offices in Bombay and Karachi to contract labour for its oil fields.

Britain's preference for Indian labour stemmed from the need to pursue a number of foreign policy objectives centring on the desire to maintain British hegemony in the Gulf, but also involving the changing political climate of the 1920's and particularly 1930's. A number of regional factors thus also influenced the British attitude to the entry of foreign labour. There were a number of uprisings in the Arab world, especially that in Palestine in the 1930's, which culminated in the 1936 General Strike(27). The general strike was part of a wider campaign mounted by the Palestinian people between 1936 and 1939, to achieve political independence from the Mandatory Government, Britain and also to try and stop Jewish immigration to Palestine which increased in the 1930's(28). The situation in Palestine had an impact on the Gulf politics. A great show of solidarity with the Palestinians was registered in Kuwait during



the 1936 General Strike, a committee of leading merchants being formed in Kuwait to collect funds for the strike(29).

These events were part of a broader, regional ferment involving many social strata and interests and expressing a number of demands for political and social reform. These caused consternation among the British authorities. Allowing mass migration from the Arab countries, in particular from the states of the Fertile Crescent, (one of the demands made would have encouraged the further development of the anti-British feeling already existing among the indigenous population).

The Palestinian protests it can be argued indicate that, while Britain, would seek to isolate the Gulf by controlling their external relations, it could not isolate the Gulf politically from its surrounding environment. There were a number of reasons for this.

Firstly, the geo-political location of these Gulf societies was important. Because of their nature as trading formations, they served as a link between the east and the west(30). It is in this light that we must see British policy in the Gulf: the attempt to isolate the Gulf was in direct contradiction to the natural and strategic location of these Gulf societies. Secondly, on the level of the regional economy, Halliday argues that the Arabian peninsula traditionally had a well- developed system of inland transport. These were the caravan routes which linked one formation to another(31). Consequently and this led to the third point and that is this well-organised system of trade routes increased the interaction between the various formations(32). It established the common bond of "Arabism" as a regional development, expressed in a common language and a common culture. These factors gave a certain degree of "homogeneity" to the Arab world, despite the absence of developed capitalist relations. It was the domination of merchant capital, expressed in the forms of pearling and long distance trade, that linked the Arab world.

Because of these factors, the British sought to restrict the entry of labour from Arab countries into the Gulf states, and to encourage Indian labour, whom because of their different language and background would have less in common with the indigenous population, than people with the same culture and language. This importing of labour from different linguistic and ethnic background hoped would minimise opposition towards the British, by heterogenising the existing population. It should be made clear that only the British authorities favoured the employment of Indian labour, while the oil companies actually wanted Arab labour(33). In Kuwait, the British policy was rejected by various sections of society, who wanted to see Arab labour used in preference to non-Arab labour(34).

Table 5.4

## FOREIGNERS IN KUWAIT FROM 1947 - 1956

Nationals	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	Total (a)	% (Males)
<b>From:</b>												
Iran	185	300	461	625	1345	1590	2024	3348	3795	1470	16754	96
Iraq	190	371	450	513	1426	1304	1583	1999	2415	2361	15088	77
Jordan	59	113	139	268	813	1827	2457	2125	3201	1476	13143	82
Lebanon	6	22	45	100	319	632	912	1011	1565	1294	6205	81
Oman	96	187	196	249	352	434	552	656	1141	849	5629	93
India	257	215	197	77	211	462	382	397	427	380	3749	73
Pakistan	106	135	87	81	149	213	247	268	363	282	2285	75
Syria	6	16	27	34	98	211	227	320	491	451	2120	86
U.K.	92	141	138	118	183	250	227	204	301	200	1953	55
Egypt	2	5	6	12	76	111	197	365	484	284	1875	50
Others	17	169	144	127	255	386	545	550	762	622	4716	-
<b>Total</b>	<b>1016</b>	<b>1674</b>	<b>1890</b>	<b>2204</b>	<b>5227</b>	<b>7420</b>	<b>9353</b>	<b>11243</b>	<b>14945</b>	<b>9669</b>	<b>73517</b>	<b>81</b>

Notes: (a) Includes those arrived before 1947.

Source: Hill 1968 p. 83.

The foregoing discussion yields two inescapable conclusions. Firstly, it establishes the fact that Kuwait had a long tradition of migration. Secondly, it indicates that, from the earliest part of this century, the nature of this migration was neither "natural" nor accidental but was shaped and transformed by conscious decisions and active agencies - here by British foreign policy and by oil companies needing a workforce. This intervention both continued a process that had long existed but fundamentally altered it for all time. Such an understanding allows us to proceed to examine the new structure of migrant labour which the Kuwaiti state forged from the late forties onward. Here too there was continuity and change. Oil provided the state in Kuwait with new wealth and power but also with the need for a new workforce at every level of the economy. The potential problems constituted by such a new social force ensured that the state would act to govern and regulate the migrant population - just as different interests had previously given the British an interest in regulating entry into the area. Part II will look at the postwar system of regulation of migrants; but we must first consider the stages which characterised such immigration.

## 5.2 The Development of Migration in the Post-War Years

Migration to Kuwait occurred in three logical and interrelated stages, each stage giving rise to the next. We need to remember that each stage was superimposed on the preceding stage, so that migrants who typified each stage might be found in Kuwait, working side by side. Each stage brought different criteria of recruitment of foreign labour, but the migrants of previous stage did not disappear. Thus in the first stage there was the development of single-worker migration. This was followed by the second stage in the 1960's by the development of family migration. In the third stage there was again a reversion to the import of single-worker migration. However, one major difference between this stage and the first one is that the migrant workers were imported for single contracts and left the country once their contract was completed.

The stages should be seen in terms of the changes in the nature of capital, which demands a variety of types of migrants. A structure of accumulation came to be built around the second stage. Import merchants and landlord rentiers came to cater for the demands of incoming migrants. While in the third stage capital in the form of construction companies searched for the cheapest source of labour, in order to boost their accumulation.

### 5.2.1 Stage I 1945-1961

As a result of oil production and the consequent oil revenues, migrant workers came to Kuwait in large numbers. The 1950's saw a fundamental change in the national composition of the migrant popula-

tion. The three distinguishing features of the migrant labour in the years 1945-1961 were: an unprecedented growth in single worker migration; migration to Kuwait was predominantly from Arab countries (though this is not to say that non-Arab labour stopped); migrant labour was characterised by its heterogeneity in terms of class and skills, a feature, which will be described in the next two chapters, when we consider how fragmentation of the migrant population facilitates its control by the state.

The growth of migrant labour in the 1950's and the changing national composition of the migrant work-force has been documented statistically. The first population census was in 1957 and it calculated retrospectively the size of the migrant population from each year from 1947 to 1956(35). While French and Hill question the merit of this approach, they do agree that the statistics based on this retrospective calculation do show the trend of increasing migration to Kuwait, which is in line with the evidence provided by other authorities(36).

While this period was in general characterised by the preponderance of single male migrants, there were some national variations. Most of the migrants from Iran, Iraq, Oman, India and Pakistan were males. In the case of Egyptians, a more balanced sex ratio developed, since Egypt supplied Kuwait with most of its female teachers; these were single sex females. The Palestinian migration also showed special characteristics. Palestinian migration, according to research by Badran referred to in chapter 2, was one of migration of "households". According to the 1957 census, there were 15,173 Palestinians then in Kuwait, of whom 3,557 were women. The number of Palestinian pupils in school in the country in 1958/59 was 2,692(37). By 1961 the total population of Kuwait increased to 321,621 as table 5.5 will show.

Table 5.5.  
POPULATION OF KUWAIT  
ACCORDING TO NATIONALITY.  
1961

Nationality	%.	Total
Kuwaiti	50.4	161,909
Jordanian(a)	9.5	30,990
Iraqi	8.4	27,148
Irani	5.7	18,248
Arabian	5.2	16,716
Lebanese	5.0	16,241
Omanis	4.3	13,857
Indian	2.4	7,569
Pakistani	2.2	7,205
Palestinians	2.0	6,337
Saudi	1.4	4,544
British	0.8	2,522
Mahri(b)	0.8	2,397
Yemeni	0.4	1,413
Others	1.4	4,525
Total	100.00	321,621

*Note: (a) these are mostly Palestinians who carry Jordanian Passports.(b) these are Yemenis*

Source: Al-Khasusi, 1983, p. 137.

Having shown the different nationalities according to size, we will now discuss the role of the state.

#### 5.2.1.2 The role of the state in stage I of the migration process

The Kuwaiti state encouraged labour migration in contrast to earlier British attempts at obstruction(see 5.1). In this sense it was more in tune with the oil companies objectives, but its motives were seen in Part I of the thesis to be political. Labour migration was needed to satisfy a structure of power that found itself in control of enormous oil revenues. In the early 1950's the state, in an effort to induce labour migration to Kuwait, granted naturalization to some migrants(38). We will use Palestinian migrants to illustrate this policy.

In the 1950's the Kuwaiti state sought to encourage Palestinian immigration by selective grants of citizenship. The granting of citizenship to some limited Palestinians (those in top government jobs) enabled them to participate effectively in Kuwaiti society. This policy of encouragement was in direct contrast to the Kuwaiti government's policy in the late 1940's, when it essentially rejected the employment of refugees in the oil fields(39). The change came when Sheikh Abdulla al-Salem came to power in 1950.

Sheikh Abdulla began to encourage migration to Kuwait particularly from Arab countries(40). He wanted to "Arabise" the labour market and to reduce the state's dependence on non-Arab Labour, especially that from Iran.

Coupled with this policy of grants of citizenship to a limited number of people, the state encouraged migration through material incentives. The immigrants were paid more than Kuwaitis. This preference was not, to last and, from the early 1960's, as will be shown in Chapters 6 and 8, wages paid to Kuwaitis became much higher than those paid to immigrants.

As a result of the increase in immigration, and in particular as a result of the material incentives offered to immigrants, the indigenous population began to put pressure, through haphazard strikes and commentaries through books and magazines(this opposition will be discussed in more detail in the next chapter)(41), for the state to control immigration; this period the early 1950's was before the institution of the constitutional guarantee of employment and the provision of welfare programmes for the Kuwaiti population. The state, bowing to this pressure, introduced measures in 1954 to regulate the flow of immigration(42). However, despite these measures, labour migration continued to grow.

### 5.2.2 Stage II 1961-1975

The second stage was characterised by a trend towards permanent settlement among certain sectors of the migrant population. Where the previous period was, by and large, dominated by single male migrants, the pattern of migration in this period changed considerably. Two features were prominent in this period: the trend towards a more equal balance between the sexes in the immigrant population, a trend first noticeable on a limited scale in the 1950's within some national groups only; and associated with the greater presence of women, an increase in the number of children. These two factors suggest a trend towards permanent settlement among the migrant population which we will explore.

This stage is important because, as we will show in chapter 7, various capitalist interests came to be built around the growth in family migration. This happened in two ways: the migrants and their families came to serve as consumers of imported goods and consumer durables, which helped the import merchants; and a vast market in rented property came into being for the migrants and their families who were legally unable to buy property(this will be discussed in more detail in Chapter 7).

Before we discuss this period in terms of its indicators of the stability of the migrant population, we need to make some general points about the growth of the overall population in the period from 1957 to 1985. As table 5.6. shows, the population of Kuwait increased from 206,473 in 1957 to 1,697,301 at the time of the 1985 census, That is eight fold in less than thirty years. This remarkable growth was most

marked among the migrants who have increased in number from 92,851 in 1957 to 1,016,013 in 1985 (an eleven-fold increase); in contrast the Kuwaiti population grew from 133,622 in 1957 to 681,288 in 1985 (a five-fold increase). In relative terms, indigenous Kuwaitis have declined from 55 per cent of the overall population in 1957 to only 40 per cent in 1985.

In addition, we find that the migrant community acquired a more even balance between the sexes. This was particularly true of Arab migrants who brought their families with them. As table 5.6 shows, in 1957 expatriate females formed only 9.7 per cent of the population, whilst expatriate males constituted 35.3 per cent; but in 1985, female expatriates formed 22.9 per cent while male expatriates formed 37 per cent. In the period from 1961-1975, Kuwaitis decreased from 50.3 per cent to 47.5 per cent of the overall population. In contrast the immigrant population increased from 49.7 per cent in 1961 to 52.5 per cent by 1975.

The annual average rate of growth in this period for the Kuwaiti population was 10 per cent. It decreased from 10.5 per cent between 1957 and 1961 to 9.5 per cent between 1961 and 1965 and decreased again slightly to 9.2 per cent between 1965 and 1970. This nevertheless represents a large annual increase. The migrant population on the other hand, showed a decrease in the rate of its growth from 12.7 per cent per annum between 1957 and 1961 to 9.2 per cent between 1965 to 1970(43). For all the slowing of its growth rate, the immigrant population continued to increase substantially and rapidly throughout the sixties. Hill argues that the period from 1957 till 1965 was characterised by a general increase in the overall expatriate population, and by an increased proportion of women among them. In 1957 there were only 274 non-Kuwaiti women to 1000 non-Kuwaiti males; in 1961 this had risen to 374 expatriate women to a 1000(44); and in 1965, to 423(45). Put another way, in 1975 there were 177 male migrants per 100 females, whereas by 1980 it was 134 males per 100 females. Similarly there was an increase in the number of children. By 1965 14.6 per cent of the non-Kuwaiti population was under the age of 5 compared with less than 7 per cent in 1957(46).

#### 5.2.2.1 The Composition of the Migrant Population

Table 5.7 shows the change over time of the countries of recruitment from which migrants came and the changing gender profile. Whereas in the inter-war period and in Stage I of the migration process the immigrants to Kuwait came from the immediately surrounding areas and from Iran and India, in Stage II this began to change. A number of Arab nationalities, namely the Palestinians, Egyptians, Lebanese and

Table 5.6.

## POPULATION OF KUWAIT BY SEX, 1957 - 1985 IN ABSOLUTE AND PERCENTAGE TERMS

Census Years	PERCENTAGE			POPULATION		
	Total	Female	Male	Total	Female	Male
1957						
Kuwaiti	55.0	26.3	28.7	113,622	54,468	59,154
Non-Kuwaiti	45.0	9.7	35.3	92,851	19,947	72,904
Total	100.0	36.0	64.0	206,473	74,415	133,058
1961						
Kuwaiti	50.3	24.1	26.3	161,909	77,448	84,461
Non-Kuwaiti	49.7	13.5	36.1	159,712	43,466	116,246
Total	100.0	37.6	62.4	321,621	120,914	200,707
1965						
Kuwaiti	47.1	23.0	24.1	220,059	107,490	112,569
Non-Kuwaiti	52.9	15.7	37.2	247,280	73,537	173,743
Total	100.0	38.7	61.3	467,339	181,027	286,312
1970						
Kuwaiti	47.0	23.3	23.7	347,396	171,883	175,513
Non-Kuwaiti	53.0	19.9	33.1	391,266	146,898	244,368
Total	100.0	43.2	56.8	738,662	318,781	419,881
1975						
Kuwaiti	47.5	23.7	23.8	472,088	235,488	236,600
Non-Kuwaiti	52.5	21.6	30.9	522,749	215,581	307,168
Total	100.0	45.3	54.7	994,837	451,069	543,768
1980						
Kuwaiti	41.7	21.0	20.7	565,613	284,964	280,649
Non-Kuwaiti	58.3	21.8	36.5	792,339	296,349	495,990

Continued overleaf



Table 5.6.

## POPULATION OF KUWAIT BY SEX, 1957 - 1985 IN ABSOLUTE AND PERCENTAGE TERMS

Census Years	PERCENTAGE		POPULATION			
	Total	Female	Male	Total	Female	Male
Total	100.0	42.8	57.2	1,357,952	581,313	776,639
1985 Kuwaiti	40.1	20.2	20.0	681,288	342,492	338,796
Non-Kuwaiti	59.9	22.9	36.9	1,016,013	389,512	626,501
Total	100.0	43.1	56.9	1,697,301	732,004	965,297

Source: Annual Statistical Abstract(ASA) 1985 p. 25.; ASA 1988 p. 27.

Table 5.7.

## POPULATION BY SEX AND NATIONALITY 1965-1975

Nationality	1965 Census			1970 Census			1975 Census		
	Total	F.	M.	Total	F.	M.	Total	F.	M.
Jordan	77,712	27,968	49,744	147,696	67,762	79,934	204,178	96,408	107,770
Palestine	25,897	10,135	15,762	39,066	15,483	23,583	45,070	18,571	26,499
Iraq	4,632	1,751	2,881	10,897	4,872	6,025	12,527	5,907	6,620
Saudi Arabia	20,877	8,057	12,820	25,387	11,242	14,145	24,776	11,568	13,208
Lebanon	16,849	4,774	12,075	27,217	10,037	17,180	40,962	16,321	24,641
Syria	11,021	5,227	5,794	30,421	13,029	17,392	60,534	24,739	35,795
Egypt	2,779	86	2,693	10,967	1,102	9,865	17,163	3,097	14,066
Yemen(a)	19,584	2,736	16,848	14,670	2,238	12,432	7,313	2,196	5,117
Oman	30,790	1,765	29,025	39,129	3,631	35,498	40,842	7,483	33,359
Iran	11,699	3,964	7,735	17,336	6,826	10,510	32,105	15,326	16,779
India	11,735	4,102	7,633	14,712	5,274	9,438	23,016	8,020	14,996
Pakistan	467,339	181,027	286,312	738,662	318,781	419,881	994,837	451,069	543,768
Total(b)									

(a) (North Yemen)

(b) The table needs qualifications

(i) The table does not include all the migrant groups in Kuwait but only those above a certain size

(ii) the total includes the figure for the immigrant groups that have been left out and the Kuwaitis.

Source: From ASA 1977 pp. 29-30.

Syrians began to dominate the composition of the expatriate population. Although immigration from Arab countries began in the late 1940's, it became much more predominant in the 1960's, with traditional migrants like Iranians, Indians and Pakistanis becoming relatively less important.

Furthermore, Arab migrants exhibited two new characteristics. Firstly, migration became more long-term, in that migrant workers were staying in Kuwait for longer periods; that is they tended to become more settled. As table 5.9 shows from 1957 onwards migrants staying in Kuwait for longer periods, that is 4 years or more tended to increase. This was a change from the circumstances of the 1950's, when migration was essentially short-term, that is workers who came for a number of years and then left the country. Secondly, there was the development of family migration. Workers of certain nationalities began to bring in their families. This was the case not only with the Palestinian community, but also with nationalities, such as Lebanese, Syrians and Egyptians; females came to be a greater proportion within each of these expatriate groups.

It should be pointed out, however, that a more even balance of the sexes within some expatriate groups did not necessarily represent the development of families there. While the growth of families is the case within the Palestinian community, it was not necessarily so with other groups such as the Egyptians. They had a long tradition of female migration, as we mentioned above in the example of female teachers going to Kuwait. Similarly, among the Indian group, the large female presence could be attributed to the fact that many Indian women went to Kuwait as nurses and doctors. Having pointed this out, we can still say that the long-term stay of migrants does characterise this period. This can be seen from the 1960's by the development of immigrants residential districts, away from the local population. This development proved long-lasting( as we shall show in chapter 9) and the population( that is immigrant and local) came to be characterised by its dual and segregated nature.

Before we go on to examine the duration of residence, the number of households and the increase in the numbers of expatriate children, we should look at the types of occupation that the immigrants have had. This can be taken as an indicator of stability, in that the more stable an occupation ( that is either skilled, professional or in the government sector)(47) is and the higher the pay, the more likely it is that the immigrant will stay for a longer period and bring in his family. The development of family migration to Kuwait was due to both market forces, that is Kuwait represented a "pull" to workers from other surrounding countries and workers from other countries had very little choice to migrate to other Gulf states except possibly Saudi Arabia(48).

Table 5.8

LABOUR FORCE BY OCCUPATION GROUPS ( PUBLIC AND PRIVATE SECTORS) AND COUNTRY OF NATIONALITY, FROM THE 1975 CENSUS.

Nationality	Profess. Techn. & related	Managers (public private)	Clerical & related workers	Sales workers	Service workers	Agric. workers	Production workers
Indians	2,602	177	2,672	1,729	10,546	9	3,740
Pakistan	730	68	762	380	1,781	61	7,256
Iran	246	23	384	3,394	4,308	464	20,114
Egypt	11,061	241	2,359	740	8,338	436	14,383
Lebanon	1,055	169	757	1,053	813	12	3,373
Syria	1,376	102	744	2,637	2,496	309	8,884
Jordan(a)	12,052	562	8,327	3,795	4,086	893	17,938
Yemen	141	22	1,365	2,634	4,486	167	2,600
Saudia Arabia	130	33	598	296	496	66	1,025
Iraq	1,007	100	1,404	912	4,919	1,246	8,411
Kuwait	9,739	1,045	17,853	6,185	32,900	3,897	15,348
Total(b)	41,836	2,854	38,018	24,093	78,300	7,702	105,608

Note: (a) these are mostly Palestinians.

(b) totals include other migrants who are numerically too small.

Reproduced from The ASA 1977, pp. 90-93

The immigrant labour force, taken as a whole, dominates occupational groups in the economy. What can further be seen from table 5.8 is that certain expatriate groups have come to dominate most important sectors, to the relative exclusion of other expatriate groups. The Palestinian(49) and the Egyptian communities tend to be found in special strength in the professional and clerical occupations, though they also work in other areas. The Iranians and Iraqis tend to predominate in lower skilled occupations; in the 1970's the fresh wave of Egyptian migrants tended to be in this last category mostly as short-term construction workers, that is not to say that the Egyptians ceased to be in the professional and government sectors.

It is argued that the lower the skill level of the occupation an expatriate has, the less likely it is that he will bring his family, or indeed be capable of doing so or be allowed to do so. Again, the Iraqis and Iranis tend to dominate this category of single male workers.

We need now to examine other indicators of stability, taking first the duration of residence of migrants.

Table 5.9  
NON-KUWAITI POPULATION BY SEX AND DURATION OF  
RESIDENCE 1957-1975

Census	Years of Residence					Total
	0-4	5-9	10-14	15+	Not Stated	
1957 M	43,310	9,625	9,174	1,216	3,099	59,494
F	9,421	2,316	601	466	1,219	14,023
Total	52,731	12,011	2,775	1,682	4,318	73,517
1965 M	100,742	48,611	17,311	5,833	1,246	173,743
F	46,878	19,241	4,810	1,673	935	73,537
Total	147,620	67,852	22,121	7,506	2,181	247,280
1970 M	121,563	62,373	40,068	19,855	509	244,368
F	80,935	41,881	17,847	5,747	488	146,898
Total	202,498	104,254	57,915	25,602	997	391,266
1975 M	128,122	81,471	50,123	47,412	40	307,168
F	92,323	68,722	35,465	19,046	25	215,581
Total	220,445	150,193	85,588	66,458	60	522,749

Source: ASA 1977, p. 63.

In table 5.9 the census data from 1957 reveals two developments. The first is that there was an increase in the expatriate population, in particular the number of women. This applies to all year cohorts. The second is that the 1960's and early 1970's the migrant population increases its number in all other year cohorts, in addition to the 0-4 years cohort. What can be argued from such an increase is that the migrant population in stage II came to have more stable characteristics, that is they tended to have stayed longer.

The impression of an increasingly stabilised immigrant labour population is reinforced by other evidence. Table 5.10 shows the number of immigrant households and the number of persons within each household. It reveals a significant increase in the number of migrant households in general, but especially of those of more than one person from 1965 to 1985. A number of points can be made about such an increase. Firstly, it reinforces what was said above about certain migrant groups exhibiting stable characteristics. Secondly, this increase reflects the economic importance of the immigrants themselves; that is to say, immigrants in employment have tended to settle in Kuwait. It can be said that the more skilled and or professional the occupation the migrants have enjoyed, the more likely that they would bring their families to Kuwait with a view to long-term settlement.

Table 5.10

MIGRANTS HOUSEHOLDS BY NUMBER OF PERSONS 1965 - 85

Census					
	1985	1980	1975	1970	1965
Number of Persons	Number of households				
1	11,490	4,911	6,318	6,553	4,225
2	16,138	13,189	8,833	8,762	6,081
3	17,196	14,067	8,964	8,811	5,985
4	22,652	11,117	11,173	9,663	6,056
5	21,241	16,576	11,480	8,893	5,528
6	17,497	13,660	10,225	7,674	4,342
7	12,271	10,255	8,245	5,967	3,104
8	8,688	7,892	6,367	4,304	2,196
9	6,073	5,599	4,406	2,758	1,368
10	4,055	3,522	2,617	1,766	914
11	2,170	1,943	1,496	946	527
12	1,212	1,001	764	554	339
13	590	556	407	300	235
14	334	315	257	188	166
15	568	452	308	348	788
Total	142,175	115,555	81,860	67,487	41,854

Sources: (1) ASA 1977, p. 5. (2) ASA 1986, p. 37.

Table 5.11 shows the growth in the numbers of pupils in private education and tends also to reinforce the impression of stabilisation. Although the table does not specify whether these children are expatriate or nationals, it can be argued that the majority of children in private education are from immigrant families. This is because, from the 1970's, greater restrictions were imposed on their entry into free state education by the government. Nevertheless, even in state schools, immigrant numbers increased - another indication of increasing stability.

**Table 5.11**  
**PUPILS IN PRIVATE EDUCATION IN KUWAIT**  
**1962/63 – 1976/77**

Year	Total	Male	Female
1962/63	5,018	3,588	1,430
1963/64	6,803	4,939	1,864
1964/65	7,188	4,789	2,399
1965/66	9,917	6,587	3,330
1966/67	9,856	5,785	4,071
1967/68	13,533	7,546	5,987
1968/69	18,266	9,850	8,416
1969/70	25,234	13,512	11,722
1970/71	28,216	15,078	13,138
1971/72	30,236	16,225	14,038
1972/73	34,111	18,415	15,696
1973/74	37,670	20,267	17,403
1974/75	41,159	22,432	18,727
1975/76	46,382	25,301	21,081
1976/77	51,917	28,405	23,512

**Source: ASA 1977, p. 355.**

Table 5.11 shows that the years which we have termed stage II of the migration process saw a growth in private education, as indicated by the increase in the number of pupils. This increase does suggest that there was a very strong trend towards settlement among the migrant population. This indicator of stability in the migrant population is further reinforced when we see that the number of immigrant children in government schools was also increasing during this period. This increasing of the migrant population has been important for the development of certain kinds of capitalist enterprise, as is discussed in Chapter 7.

We have already mentioned the landed rentiers, but there are also the import merchants. Migrants have come to serve as a large market of consumers, and other economic activities have come to flourish as a result of family migration. This was so in the construction of private schools. As the state made it more difficult for immigrants to obtain a free education, the building and staffing of private schools increased. Whereas in the 1960's any child of migrant parents could gain free education, this ceased to be the case in the 1970's. Consequently there was a growth in private sector education, with the opening of many private schools, which became another important source for accumulation for local capital. This, was all the more significant in the light of the argument in Chapter 3, where we showed that very little productive activity existed in the economy outside of the oil sector. We will discuss this in more detail in Chapter 7.

### 5.2.2.2 The Role of the State in Stage II of the Migration Process.

In this section, we will examine the response of the state to the development of a settled migrant population. We have shown how, in stage I of the migration process the state not only encouraged migration but also attempted to influence the pattern of labour imports, shifting from predominantly non-Arab sources in the direction of greater reliance on Arab migrants. In stage II of the migration process, and particularly from the 1960's onwards, the state began to restrict the entry of migrants into Kuwait as they became more settled and permanent (a topic which will be discussed more fully in chapter 7).

The impositions of restrictions on entry did not mean that there was a reduction in the migrant population, for it has continued to increase. What it meant was that the state became increasingly concerned about the development of a settled migrant population among certain national groups. This was particularly so after the 1967 Arab-Israeli war, where there was a mass influx of Palestinians, Syrians, Lebanese and Egyptians into Kuwait. In the case of the Palestinians, the immigrants were dispossessed and came to Kuwait in search of employment. In the case of the other groups their arrival in Kuwait was a matter of economic necessity.

The development of a settled migration coupled with the worsening political and economic situation in the neighbouring Arab countries led the Kuwaiti state to view the migrant population in terms of the very security of the state itself. Some of these migrants especially from members of the Palestinians were seen as potentially "subversive" elements( see Chapter 7). This influenced the official policy on "entry" which became more stringent, and the growth in the numbers of migrants in consequence showed a noticeable slowing down from 1967 till 1970. After 1970, however, the migrant population began again to increase as a result of the increase in price in oil( culminating in the huge rise in 1973) and the consequent increase in infrastructural projects that such oil price increases led to. Hence in the 1970's we consider stage III of the migration process.

### 5.2.3 Stage III 1975-

In this section we will discuss the characteristics of stage III of the migration process. We can regard this stage as a temporary one because most of the newly imported labour was in Kuwait in order to complete certain specific infrastructural projects and then to leave the country. This form of migration did not affect the status of long-term migrants who were involved in the strategic sectors of the economy.

The temporary character of much of this contract labour is seen in that Asian labour has increased particularly since 1975. There was a movement away from importing labour from Arab states towards that of importing it from South and South-East Asia. In this section our discussion will concentrate on



the issue of enclave development, simply because most of the workers that were brought into the country were recruited by foreign companies for a single contract project; it should be borne in mind that there were other workers from South and South East Asia who were brought into the country by private individuals whether as labourers or domestic servants. It should be remembered that the hallmark of this labour whether organized through companies or through private individuals, was its cheap, abundant and captive character.

Table 5.12

The non-Kuwaiti labour force according to the Arab and Asian countries  
1965-1985.

Groups of Countries	1965	1970	1975	1980	1985
Arabian %	96,372 (68.21)	120,787 (68.31)	146,718 (68.97)	228,525 (59.55)	252,888 (46.49)
Asian %	40,392 (28.59)	50,873 (28.77)	62,586 (29.42)	145,716 (37.97)	282,843 (51.99)

Source: ASA 1985, p. 110.; ASA 1987, p. 124.

As we examine the reasons behind this development, two related points should be borne in mind. Firstly, the Arab portion of the labour force remained constant from 1965 to 1975 and then it fell continuously until 1985. By contrast the Asian portion increased continuously after 1975, having remained constant from 1965 to 1975.

Secondly, Arab labour (as we will show in the next chapter) worked in all sectors of the economy; because of the lack of skilled indigenous labour the Arab migrants tend to be in constant demand. The increase in Asian labour, on the other hand, was partly a response to the momentary expansion of certain sectors of the economy, such as construction, and was therefore for a limited duration.

The import of mainly Asian labour arose in the wake of the 1973 oil price rise when the Gulf states experienced a huge rise in oil revenues. Because of this they embarked on mass infrastructural projects. Various local companies began to benefit from these by winning numerous public contracts. But because

of the level of expertise required for these projects other companies had to be found which could carry them out; these were international construction companies.

The development of infrastructure in the period went along with the appearance of greater changes in the nature of international capital; thus in the 1970's academics began to talk increasingly about a new international division of labour(50). This term described the practice of multinational companies in organizing their production on a global basis. Factories were set up in Third World countries where labour was abundant and cheap; this meant that the cost of production was very low, and in consequence profits were high.

One example of this internationalization of capital was the appearance of international construction companies, mainly from Asian countries such as India and South Korea which began to operate in the Middle East. What was distinctive about these companies was that they were prepared to provide the expertise, raw materials and necessary labour for the implementation of the project they had undertaken. Once the project was completed both the company and its workforce returned to the home country.

One major feature of such companies working in the Gulf was their "enclave" character(51); that is, their work was situated in areas which were for the most part far away from metropolitan conurbations(52). In Kuwait, for example, these construction companies were far away from towns and cities in industrial areas. Their workforce, housed in barrack-like buildings, was separated from the indigenous population(53).

This isolation of the migrant workers came to be the major characteristic of stage III of the migration process. The majority of the migration from Asia countries came on what were called "turnkey projects" undertaken by such international construction companies. What was so attractive about these "one-project contracts" was their cheapness, which meant greater profits for the local companies which had sub-contracted to the international firms. Asian workers in general are much cheaper to employ than Arab workers and it is this factor that mostly explained the major shift in the 1970's to non-Arab labour.

Because the majority of this labour came with these construction companies, they were necessarily short-term workers the one-project contracts. In the first half of the 1980's the great proportion of workers left the country once the projects were completed. This was borne out by official statistics. In the case of Kuwait the near-completion of the projects came at the same time as the country began to ex-

perience an economic recession as a result both of the continued decrease in the price of oil and of the negative regional economic effects of the Iran/Iraq war.

It was this conjunction of the (near) completion of projects and the onset of economic recession that weakened the position of migrant labour from South-East Asia. The recession forced the state to look for even cheaper labour. In the early 1980's China appeared on the international labour market, offering its labour at a price lower even than that asked by countries such as South Korea(41).

We can provide statistical evidence of the decline in the import of workers from South-East Asian states by looking at work-permits granted, cancelled, renewed, transferred. These will be explained in turn. Work-permits were issued by the Ministry of Social Affairs and Labour and their number was declining from 1984. A work permit was cancelled when the work-permit was terminated and the worker had to leave the country. The renewal of a work-permit meant that the permit was extended after it had expired. Lastly there were work-permit or labour transfers, which mean that workers could move from one occupation to another, thereby changing sponsors.

While this will be examined in more detail in chapter 8, we must here briefly outline the sponsorship system. The sponsors, who are always Kuwaiti citizens, mostly employers, are those who bring in labour from abroad. It is they who are responsible for the employment of individual migrants once they are in the country. Work-permits were issued by the Ministry of Social Affairs and labour.

Seccombe argues that the entry of Asians into the Kuwaiti labour market fell dramatically in 1984 and early 1985(55). The number of work permit cancellations increased from 3,348 in 1977 to 24,000 in 1984 and was 12,000 in the first half of 1985(56). Seccombe says that the reason for work-permit cancellations was due to the fact that most of this labour was from South-East Asian countries. They had come to Kuwait for a fixed period of time with their companies and had to leave once the project was completed(57).

While the demand for entry from non-Arab sources may have decreased, however, the renewal of the permits of those (mostly Arab) migrants who were already in Kuwait also increased sharply. Work-permit renewals increased from 54,900 in 1980 to 139,600 in 1984, an increase of 154 per cent(58). Seccombe argues that there have also been more employee transfers, that is the transfers of employment from one sponsor to another. According to Seccombe, the number of such transfers has increased dramatically from 1980(59). During the first nine months of 1984 there were more than 21,500 transfers, an increase of 170 per cent on the figure for 1980(60). It should be stressed that most of those who had work permits renewed and labour transfers were Arab migrants.

The conclusion we can draw from the research done by Seccombe is that, by the middle of the 1980's, Kuwait had begun to import less and less labour from outside, in particular from Asia, and had come to rely more and more on the existing more settled stock of migrant labour already in Kuwait. It can therefore be argued that the import of labour from South-East Asia into Kuwait was a temporary phenomenon, designed to satisfy one sector of capital ( as will be discussed in chapter 7).

The 1985 Report of the Ministry of Social Affairs and Labour which was not published at the time of Seccombe's writing confirms the above argument showing that by 1985 the number of work-permit cancellations (that is the number of people who terminated their employment and left the country) had increased to 31,379(61). The work-permit renewals had increased to 163,474, an increase of 14 per cent on the 1984 figure. The Report says that 75,618 Arabs renewed their work permits in 1985(62). Table 6.13 which provide labour permit statistics till 1987 confirm the above views.

The Report of the Ministry confirms Seccombe's view that the outflow of migrants from the Gulf has not been as great as many had predicted(63). What they both argue is that there have been more cancellations of work-permits ( mostly short-term workers from South-East Asia), while at the same time there was in 1985 an increase in the number of renewals of work permits and of transfer of employment. Seccombe accordingly argues that labour is showing signs of stability, that is to say, migrant labour is becoming a permanent feature of the Labour force(64). When interpreting the figures in table 5.12., which show that Asian labour has overtaken Arab labour in numbers, we should remember that Asian labour tends to be short-term and involved mostly in unskilled menial activities. Discounting immigration from India (which includes doctors and nurses) most labour from Asian sources is employed in unskilled jobs.

Table 5.13

LABOUR PERMITS 1980 – 87								
	1980	1981	1982	1983	1984	1985	1986	1987
Cancellation(a)	16,890	19,928	20,952	21,773	24,567	31,383	13,724	34,474
Cancellation transference	11,725	11,432	14,772	10,923	33,585	42,420	35,942	51,901
Renewal	54,905	62,332	85,914	105,267	139,625	161,660	147,279	157,999
Working for first time	56,178	50,454	68,709	86,075	39,422	41,623	42,232	52,123
Entrance for work	66,795	70,178	93,277	81,657	51,347	52,312	54,562	66,370
<i>(a) departure</i>								
Source: ASA 1988, p. 144.								

Despite the more stable situation that has come to characterise the labour market there were signs that by 1986 the situation of the migrants in Kuwait had become more precarious. The continuing decline in the oil revenues, which culminated in the collapse of the price of oil in 1986, had a twofold effect. Firstly, a number of existing migrant workers were laid off by various government departments in the summer of 1986(65); and secondly new contracts were imposed by the government on the migrant workers in government employment involving lower wages and salaries(66). Thus stability did not necessarily mean security.

The economic recession of the 1980's points to the contradictions of the economic developments of these Gulf societies. While they can dispense with some elements of the labour force, i.e. those on short-term contracts, the majority of the immigrants are needed to continue to run their economies. As was shown above that in times of recession the response has been to pursue policies, restricting the import of labour, making some migrants redundant and intensifying exploitation through the imposition of new contracts on less favourable terms.

#### 6.2.3.1 The Role of the State in Stage III of the Migration Process.

While the role of the state will be discussed more fully in Chapter 7, we must examine briefly the state's attitude to short-term migrant workers as they have been manifested during stage III. We mentioned at the end of section 6.2.2 that, by the late 1960's, the state had begun to view its migrant popu-

lation as posing a potential security threat. Numerous legislative safeguards such as security clearance, employment and means of support before “entry” were therefore instituted against the migrant population.

The whole of stage III can be viewed as an attempt to reduce this perceived threat by importing more temporary organized (in a legal sense)labour from different sources, primarily from Asian countries. The reasoning behind this was that the import of labour from non-Arab sources would produce three positive effects for the state: it would reduce dependence on the Arab immigrants; it would make the migrant population more heterogeneous, thus weakening and fragmenting it along economic, cultural and linguistic grounds; and it would reduce the costs of migration to the state, and transferring them to foreign sub-contractors.

The “turnkey” projects and the “enclave” development had the advantage for the state that no new expenditure was needed to meet the workers’ “social costs”, because this was provided for in the contracts. It is, however, important to remember that Stage III of the migration process was a temporary one, and therefore it can be argued that the state’s reduction of social cost was short lived, followed by a return to reliance on a pattern of “stability” among the existing Arab migrants in Kuwait.

Arab migrants cannot be dispensed with as they operate the strategic sectors of the economy. Any long-term plan for the state to reduce its dependence on this migrant Arab labour would entail a change in the state’s policy of giving a guarantee of public sector employment to its indigenous labour force. Ending this guarantee would mean that, in the long-run, Kuwaitis would be forced to look for work elsewhere in the economy, rather than in the government sector, where they are presently concentrated (this will be discussed fully in the next chapter).

However, this is not likely to happen for political reasons, not least because of the influence of the traditional elite. The employment of expatriates, coupled with the concentration of indigenous workers in the government sector, serves to reduce potential opposition to the rule of the traditionally dominant classes, as argued in chapter 4. Chapter 6 will be concerned with examining the relationship between the state (in its traditional form) and the labour market, and the way in which the state manipulates the market to its own advantage.

### 5.3 Conclusion

This chapter has been designed to provide the basic framework for part II of the thesis, because it is only when we have understood the development of migrant labour that we can go on to examine its relationship to state and capital.

In this chapter we have discussed migrant labour in terms of its stages of development, seeking to show how migrant labour became important to Kuwait, and how the economic development that was discussed in chapter 3 depended, for the most part on an increase in its presence and strategic importance.

## ENDNOTES CHAPTER FIVE

- (1) H. Al-Ebraheem, (1975), p. 61.
- (2) Rihani, (1930), p. 243.
- (3) M. Reid, (1983), p. 244.
- (4) Lorimer, (1909), p. 1051.
- (5) Lorimer, (1909), p. 1051.
- (6) Abdul-Razzak, (1984), p. 27.
- (7) Abdul-Razzak, (1984), p. 27.
- (8) Abdul-Razzak, (1984), p. 27.
- (9) Abdul-Razzak, (1984), p. 27; The Kuwait Finance Department put the total population in 1938, at 80,000, cited in Al-Khususi, (1983), p. 132.
- (10) Al-Jassim, (1973), p. 225.
- (11) Al-Jassim, (1973), p. 26.
- (12) The British Political Agent in Kuwait in 1931 in a letter says they were a handful of Indians living in Kuwait who were involved in trade. R 15/5/189, quoted in Ashtiany, (1982), p. ff 11-12.
- (13) French and Hill (1971) document this increase , p. 22; I. Secombe, and R. Lawless (a)(1986); Seccombe, (b)(1986); Seccombe (c)(1986).
- (14) This aspect is examined in detail in the writings of Seccombe and Lawless cited above.
- (15) H. Al-Baharna, The legal Status of the Arabian Gulf States, Manchester, Manchester University Press, 1968, pp. 73-81.



- (16) (a) Seccombe and Lawless (1986), p. 95.
- (17) B. Shwadran, (1973), pp. 407-410.
- (18) Al-Jassim, (1973), pp. 189-196.
- (19) Al-Jassim, (1973), p. 191.
- (20) Al-Jassim, (1973), p. 191.
- (21) Al-Jassim, (1973), p. 191.
- (22) Chisholm, A.H.T. The First Kuwaiti Oil Concession Agreement: A Record of the Negotiations, 1911-1914, London: Cass, 1975.
- (23) Seccombe and Lawless, (a) (1986), p. 95.
- (24) Seccombe and Lawless, (b) (1986), p. 553.
- (25) Seccombe and Lawless, (b) (1986), p. 554.
- (26) Seccombe and Lawless, (a) (1986), p. 96.
- (27) A. Al-Tamemi, A. Some Issues in the National Movement in the Arab Gulf, (Arabic), Al Mustaqbal al-Arabi, No. 60, February, 1984, p.20; Al-Rhumaihi, M.G., The 1938 Reform Movements in Kuwait, Bahrain and Dubai, Journal of the Gulf and Arabian Peninsula, no. 4., 1975; Zahlan, R.S. The Gulf States and the Palestine Problem, 1936-1948, Arab Studies Quarterly, 1981.
- (28) Kanafani G. Palestine, The 1936-1939 Revolt, London, The Tricontinental Society, pp. 13-28.
- (29) Zahlan, (1981), p. 7.
- (30) S. Amin, The Arab Nation: Nationalism and Class Struggles, London, Zed Pres, 1983; Lobel and Al-Kodsy, Israel and the Arab World, Monthly Review Press, 1972.
- (31) Halliday, (1974), p. 45.
- (32) A. Rihani, (1951), p. 184; S. Al-Aqad, (1965), p. 250; M.Y. Al-Yasin, (1985), pp. 200-201; Abdulla Gholum Hussain, (1977), p. 35; Al-Rumaihi, (1983), pp. 47-48; A. A. Al Saqaf, A.A. (1984), pp. 9-32; Hattom Noor al-Din, (1976), pp. 189-199.

- (33) Seccombe, (1983), p. 14.
- (34) Al-Adasani, (1947), p. 32.
- (35) Ffrench, and Hill, (1972), p. 22.
- (36) Al-Khusisi, p. 132.
- (37) See chapter 2.
- (38) Pamela Ann Smith, (1984).
- (39) IOR R/15/5/318/319 Employment of Foreigners in Kuwait, 9 October 1945- 11 October 1949.
- (40) Al-Najjar, The Employment Policies of the Oil Companies in the States of the Arab Gulf(Arabic), Studies of the Gulf and Arabian Peninsula, no. 48 p. 97.
- (41) See al-Betha magazine in chapter 6 for more detail and the section on Trade Unions in chapter 8.
- (42) Albert, Y. Badro and Simon G. Siksek, (1959), p. 33.
- (43) The annual increase of the population between 1957-1970, was 10 per cent; between 1970-1975 it decreased to 6 per cent, in Naji, M. H. and Nigim, E. International Migration, Minority Status and Fertility with Special Reference to Kuwait and Israel, Population Review, vol 27, 1983, p. 37.
- (44) A. Hill, (1972), pp. 248-249.
- (45) Hill, (1972), p. 249.
- (46) Hill, (1972), p. 249.
- (47) Employment in the civil service is relatively stable, that is despite the fact that the government may in certain cases terminate the employment of some expatriates, in which case they would have to leave the country.
- (48) We examine this point further in chapter 7.
- (49) Palestinians most of the time are shown in government statistics as Jordanians due to the fact that the former hold Jordanian passports.

- (50) Frobel, F. et. al. The New International Division of Labour, Cambridge, Cambridge University Press, 1981.
- (51) Birks and Sinclair, The Oriental Connection, in Niblock T. (1980) ; Niblock, (1981), (1985).
- (52) Niblock, (1981), p. 11.
- (53) Niblock, (1981), p. 11.
- (54) Al-Seyasa (The Politics), 7, January 1984.
- (55) Seccombe, (d) (1986), p. 14.
- (56) Seccombe, (d) (1986), p. 14.
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- (58) Seccombe, (d) (1986), p. 15.
- (59) Seccombe, (d) (1986), p. 15.
- (60) Seccombe, (d) (1986), P. 15
- (61) Ministry of Social Affairs and Labour, (1985), p. 3.
- (62) Ministry of Social Affairs and Labour, (1985), p. 10.
- (63) Ministry of Social Affairs and Labour, (1985), p. 3.
- (64) Seccombe, (d) (1986), p. 17.
- (65) Seccombe, (d) (1986), p. 17.
- (66) Sadeq, (1986), p. 103.
- (67) Sadeq, (1986), p. 103; Abd Al-Jabber, (1986), p. 31; Birks Seccombe and Sinclair, (1987), p. 7.

## CHAPTER SIX

### THE STATE AND THE NATURE OF THE LABOUR MARKET

Having considered the development of migrant labour, we will argue in this chapter that there is a distinct relationship between the reproduction of a state dominated by a traditional elite and the nature of the labour market. This labour market is characterised by a "duality". What is meant by this is that the workers employed in the various sectors of the economy are divided along national lines: indigenous workers are concentrated in government employment, while migrant workers are predominant in the private sector, although there are also a large number of migrants in the public sector.

Two points should be noted at the outset about this duality. First, Kuwait became dependent on migrant labour, both as necessary labour power for its growing economic activities and as consumers of the products of these activities. Second, the concentration of indigenous labour in the government sector means that Kuwaitis predominate in the non-productive sectors of economic activity.

It was the state that perpetuated this duality through various policies which favoured the indigenous population in employment (the constitutional guarantee to which we have referred), and social benefits, while denying these advantages to the immigrant population. Reasons for this relate directly to the perpetuation of the traditional political system of power. The concentration of Kuwaiti workers in essentially non-productive government employment ensured that this labour would not pose a direct threat to the legitimacy of the ruling class. Instead it would come to depend on that class for its privileges. It would be "removed" from the productive sectors and therefore would not be exposed to the harsh realities of economic life and market forces.

On the other hand migrant labour can be used as a flexible commodity, which has proved useful to the state. The employment of migrants in the private sector and to a lesser extent in the public sector ensures the smooth running of both. This is because migrants have few citizenship rights and can be dispensed with at any time to be replaced by other migrants.

This chapter will be divided into two main parts. In the first we will show statistically the nature and development of the labour market, pointing out the duality of the labour force. It will be shown that indigenous labour has become entrenched in government employment despite policies to encourage moves to the private sector. Part two will be divided into three sections in which we shall look at the various authors who have tried to explain this duality.

### 6.1 The Development of “Duality” in the Labour Market

In this section we will discuss the nature of the labour market as it has come to be characterised by a dual labour force. The development of this duality shows two important trends in the labour market since the fifties: first, Kuwaiti labour has not only come to be concentrated in government employment but its presence has actually increased in that sector; second, migrant labour has not only come to dominate the economy, but its presence also has increased. It is important to provide reasons for these trends and to locate state policy at the heart of these developments. Before this, however, we need to demonstrate the trends statistically, to show how the labour market has evolved from the 1950’s.

**Table 6.1**  
**LABOUR FORCE ACCORDING TO THE 1955 SURVEY**

Employers	Total	Kuwaiti	%	Non-Kuwaiti.	%
Gov’t Departments	11,802	2,154	18	9,648	82
Private Sector	5,225	396	7	4,829	93
Total(a)	21,229	2,774		8,455	
% of sample	100		13	87	

*Note: (a) Total includes a large number of workers employed by 5 major companies alone. For Kuwaitis a total of 210 worked for these companies and for expatriates it was 3978.*

**Source: reproduced from Sinan 1955, p. 174.**

Labour force statistics for the 1950’s are scarce and do not become comprehensive until the sixties, despite the fact that the first population census was carried out in 1957. Nevertheless, as we saw in the last chapter, the migrant population increased significantly in the fifties. In 1955 the then Department of Social Affairs carried out a survey of the labour market in Kuwait. The survey only covered a small sample of the labour force and it over-represented migrant labour, while under-representing indigenous workers. The total sample was of 21,229 workers included 18,455 were expatriates (87 per cent) and 2,774 Kuwaitis( only 13 per cent of the sample). Despite this, we would suggest that the survey was important in that it highlighted two trends in the labour market that were to continue throughout the next three decades: the dependence on migrant labour and the concentration of indigenous workers in government employment.

**Table 6.2**  
**Percentage of Kuwaiti and non-Kuwaiti workers in**  
**some occupations, 1957**

Occupations,	Kuwaitis	non-Kuwaitis
Public construction & Commerce	7	93
Hotels & Restaurants	5	95
Printing & Photocopying	8	92
Carpentry	1	99
Airlines	10	90
Travel & Tourism		
Electricians	8	92
Car mechanics	2	98
Insurance	17	83
Shipping	13	87

Source: Al-Din, 1958, p. 32.

The Survey found as table 6.1 shows, that 2,154 of the total Kuwaiti sample of 2,774, worked in government ministries, while only 620 worked in the private sector. In the case of non-Kuwaitis, the number in government employment was 9,648 while 8,807 workers were in the private sector.

While the tendency was for the indigenous workers to be concentrated in government employment as shown in table 6.2 it can be argued from these figures that dependence on migrant labour had already begun in the 1950's. In certain occupations, such as carpentry, virtually no Kuwaiti workers could be found; while in many others, the Kuwaiti proportion was very low. This development can be said to be in direct contrast to the conditions of the pre-oil era described in chapter 3; craft industries in the pre-oil economy, such as ship-building, house construction, and welding, were all activities undertaken by indigenous labour. From table 6.2 it can be seen that, with the dawning of the oil era, indigenous labour was progressively diverted from such work and increasingly took up government employment.

In the final section of this chapter we will provide an explanation for this: here it is only important to indicate that the 1955 survey provides important, if distorted, indications of long-lasting trends in the Kuwaiti labour market: the importance of labour migration for the economy, including the public sector, and the concentration of Kuwaiti workers in unproductive employment.

As table 6.3 shows, the migrant proportion of the labour force increased considerably and progressively from the sixties. The increase in the labour force reflected the growing expansion of the economy as a result of the oil revenues. The small size of the Kuwaiti population and its low level of skills were strong factors in the demand for immigrant labour as we have clearly noted and they shaped the division of the work force along national lines.

Non-Kuwaiti labour came to dominate whole sectors of the economy, but what makes the Kuwaiti experience distinct from that of other states in the region is that in Kuwait labour migration has not been confined to the economic sectors which require manual labour. Because of the dramatic changes which Kuwait underwent as a result of oil, labour was required for all sectors in the economy and at all levels of skill. Hence there was a strong demand for migrants with professional and administrative abilities and skilled as well as menial workers, as indicated in tables 6.4, 6.5 and 6.6. The tables make clear how the trends we have mentioned - the division of the labour force along lines of nationality, the concentration of migrants in all occupational categories but especially in productive work, and the use of immigrants at all skills - has become ever more marked over time. The proportion of foreign nationals has increased in every sector, even in those where Kuwaitis are concentrated, such as government employment. Migrants are now essential for the running of every economic activity and government sector; Kuwait has become totally dependent on imported labour for its reproduction and growth.

**Table 6.3**  
Labour force by sex and nationality in census between 1957-1985.

	Total	Total	Non-Kuwaiti Female	Male	Total	Kuwaiti Female	Male
<b>1957</b>							
Labour force(a)	82,288	55,686	1,693	53,993	24,602	384	24,718
Population(b)	190,794	83,548	16,868	66,680	107,246	52,135	55,111
%	42.1	66.7	1.0	81.0	22.9	0.7	43.9
<b>1965</b>							
Labour Force(a)	184,297	141,279	7,676	133,603	43,018	1,092	41,926
Population(b)	311,459	184,938	43,200	141,738	126,521	61,775	64,746
%	59.2	76.4	17.8	94.3	34.0	1.8	64.8
<b>1970</b>							
Labour Force(a)	242,196	176,827	14,541	162,286	65,369	2,055	63,314
Population(b)	440,650	260,999	83,396	177,603	199,651	98,914	100,737
%	52.6	67.8	17.4	91.4	32.7	2.1	62.9
<b>1975</b>							
Labour force(a)	304,582	212,738	27,729	185,009	91,844	7,477	84,367
Population(b)	553,930	315,284	114,159	201,125	238,646	120,117	118,529
%	55.0	67.5	24.3	92.0	38.5	6.2	71.2
<b>1980</b>							
Labour force(a)	491,509	383,749	49,105	334,644	107,760	14,172	93,588
Population(b)	812,229	524,904	165,652	359,252	287,325	147,311	140,014
%	60.5	73.1	29.6	93.2	37.5	10.3	66.8
<b>1985</b>							
Labour force(a)	670,385	543,975	107,365	436,650	126,410	24,803	101,607
Population(b)	1,072,216	721,873	245,549	476,324	350,343	179,582	170,761
%	62.5	75.4	43.7	91.7	36.1	13.8	59.5

Notes: (a) Age 12 years old and over; (b) Age 15 years old and over

Sources: (1) 1957 Census reproduced from ASA, 1977, p.81.  
(2) 1965-1980 Census reproduced from ASA 1985, p. 109.  
(3) 1985 Census reproduced from ASA, 1986, p. 109.



Table 6.4,

LABOUR FORCE (12 YEARS AND OVER) BY OCCUPATION AND NATIONALITY, 1965 and 1970

		1965			1970		
		Tot	K	N-K	Tot	K	N-K.
Professional and technical workers	T.	12,935	1,263	11,672	25,622	3,734	21,888
	%	100	9.8	90.2	100	14.6	85.4
Administ. and Managerial workers	T.	3,774	2,340	1,434	1,780	611	1,169
	%	100	62.9	37.1	100	34.3	65.7
Clerical and related workers	T.	17,710	6,631	11,079	28,204	11,474	16,730
	%	100	37.4	62.6	100	40.7	59.3
Sales workers	T.	15,223	4,626	10,597	21,093	6,548	14,545
	%	100	30.4	69.6	100	31.0	69.0
Service workers	T.	45,038	14,100	30,938	57,737	23,216	34,521
	%	100	31.0	69.0	100	42.2	58.8
Agric., Animal husbandary Fishermen and Hunters	T.	3,632	754	2,885	3,943	893	3,050
	%	100	20.6	79.2	100	22.6	77.4
Production workers	T.	81,286	11,323	69,963	96,966	13,385	83,581
	%	100	13.9	86.1	100	13.9	86.1
Total(a) manpower	T.	311,459	126,521	184,938	460,650	199,651	260,799
	%	100	40.6	59.4	100	40.6	59.4

Note: (a) includes categories of activities not adequately defined and persons with no occupation.

Source: ASA 1985, p. 117.

Table 6.5,

LABOUR FORCE (15 YEARS AND OVER) BY OCCUPATION AND NATIONALITY, 1975 and 1980.

		1975			1980		
		Tot.,	K.	N-K.	Tot.	K.	N-K.
Professional and technical workers	T.	41,836	9,739	32,097	78,261	16,098	62,163
	%	100	23.3	76.7	100	20.6	79.4
Admin. and Managerial workers	T.	2,854	1,045	1,809	6,214	2,112	4,102
	%	100	36.6	63.4	100	34.0	66.0
Clerical and related workers	T.	38,018	17,853	20,165	60,178	24,637	35,541
	%	100	47.0	53.0	100	40.9	59.1
Sales workers	T.	24,093	6,185	17,908	31,039	5,196	25,843
	%	100	25.7	74.3	100	16.7	83.3
Service workers	T.	78,300	32,900	45,400	114,133	37,574	76,559
	%	100	42.0	58.0	100	32.9	67.1
Agric., Animal Husbandry Fishermen and Hunters	T.	7,702	3,897	3,805	9,826	3,870	5,956
	%	100	50.6	49.4	100	39.4	60.6
Production workers	T.	105,608	15,348	90,260	184,393	13,986	170,406
	%	100	14.5	85.5	100	7.6	92.4
Total(a) Manpower	T.	553,930	238,648	315,284	812,229	287,325	524,905
	%	100	43.1	56.9	100	35.4	64.6

Note: (a) includes categories of Activities not adequately defined and inactive manpower

Source: ASA 1985, p. 118

Table 6.6				
Labour by Occupation and Nationality, 1985				
		1985		
		Total	Kuwaitis	Non-Kuwaitis
Professional and technical workers	T	108,926	25,963	82,963
	%	100	20.3	79.7
Admin. and Managerial workers	T	10,635	4,011	6,624
	%	100	37.7	62.3
Clerical and related workers	T	82,737	34,061	48,676
	%	100	41.2	59.8
Sales workers	T	37,089	5,910	31,679
	%	100	15.7	84.3
Service workers	T	189,061	40,615	148,446
	%	100	20.9	79.1
Agric., Animal Husbandry Fishermen and Hunters	T	13,040	2,657	10,383
	%	100	20.3	72.7
Production workers	T	220,600	10,343	210,357
	%	100	13.6	86.4
Total	T	662,588	123,560	539,028

Source: Reproduced from tables 91 and 92 of the 1985 Census, pp. 225-227

Table 6.7

Labour Force(12 yrs and over) by Economic Activity and Nationality 1965 and 1970.

		1965			1970		
		Tot.	K.	N-K.	Tot.	K.	N-K.
Agriculture Hunting and Fishing	T.	1,983	573	1,410	4,060	802	3,258
	%	100	28.9	70.1	100	19.2	80.2
Mining and Quarrying	T.	6,992	1,349	5,643	7,171	1,675	5,496
	%	100	23.9	76.1	100	23.4	76.6
Manufacturing industries	T.	17,942	1,825	16,117	32,091	6,109	25,982
	%	100	10.2	89.8	100	19.0	81.0
Construction sector	T.	28,848	1,264	27,584	33,672	2,188	31,484
	%	100	4.4	95.6	100	6.5	93.5
Electricity, Gas and water	T.	6,991	1,645	5,346	7,252	2,133	5,119
	%	100	23.5	76.5	100	29.4	76.6
Wholesale, retail, Restaurants and hotels	T.	23,045	5,129	17,916	34,013	7,298	25,715
	%	100	22.3	77.7	100	22.0	78.0
Transportation, Storage and Communications	T.	10,025	2,613	7,412	12,138	2,362	9,776
	%	100	26.1	73.9	100	19.5	80.5
Financial, Ins. and business services(a)	T.	82,534	25,519	57,015	104,136	36,826	67,310
	%	100	30.9	69.1	100	35.4	64.6
Total Manpower(b)	T.	311,459	126,521	184,938	460,650	199,651	260,999

Note: (a) includes real estate (b) includes categories of "activities not adequately defined" and "inactive manpower".

Source: ASA 1985, p. 122.

Table 6.8

Labour Force(12 yrs and over) by Economic Activity and Nationality 1975 and 1980.

		1975			1980		
		Tot.	K.	N-K.	Tot.	K.	N-K.
Agriculture Hunting and Fishing	T.	7,514	3,983	3,531	9,150	3,938	5,212
	%	100	53.0	47.0	100	43.0	57.0
Mining and Quarrying	T.	4,859	1,779	3,080	6,659	2,397	4,626
	%	100	36.6	63.4	100	36.0	64.0
Manufacturing Industries	T.	24,467	2,258	22,209	41,260	3,172	38,081
	%	100	9.2	90.8	100	7.7	92.3
Construction	T.	32,256	1,756	30,500	97,099	1,206	95,893
	%	100	5.4	95.6	100	1.2	98.8
Electricity, Gas and water	T.	7,271	2,034	5,237	8,167	2,068	6,099
	%	100	28.0	72.0	100	25.3	74.7
Wholesale, Retail, Hotel and Restaurants	T.	39,559	6,327	33,232	58,417	4,577	53,840
	%	100	16.0	84.0	100	7.8	92.2
Transport, Storage and Communications	T.	15,685	4,567	11,118	30,153	7,832	22,321
	%	100	29.1	70.9	100	25.9	74.1
Financial, Ins., and business services(a)	T.	6,523	1,377	5,146	12,686	2,816	9,870
	%	100	21.1	78.9	100	22.2	77.8
Social Services	T.	160,279	62,888	97,391	220,453	75,461	144,922
	%	100	38.9	61.1	100	34.2	65.8
Total Manpower(b)	T.	553,930	238,648	315,284	812,299	287,325	524,905
	%	100	43.1	56.9	100	35.4	65.6

Note: (a) includes real estate (b) includes categories of "activities not adequately defined" and "inactive manpower".

Source: ASA 1985, p. 120.

		1985		
		Total	Kuwaiti	non Kuwaiti
Agriculture Hunting and Fishing	T.	12,632	2,781	9,851
	%	100	32.2	67.8
Mining and Quarrying	T.	7,033	2,511	4,522
	%	100	35.7	64.3
Manufacturing Industries	T.	51,089	4,692	46,397
	%	100	9.1	90.9
Electricity, Gas and water	T.	7,466	1,564	5,908
	%	100	20.9	79.1
Construction	T.	124,156	1,462	122,694
	%	100	1.1	98.9
Wholesale, Retail, Hotels and Restaurants	T.	75,931	6,076	69,855
	%	100	8.0	92.0
Transport, Storage and Communication	T.	37,205	7,661	29,544
	%	100	20.8	79.8
Financial, Ins., Real Estate and Business services	T.	20,347	3,868	16,479
	%	100	19.0	81.0
Social Services	T.	326,729	92,940	233,784
	%	100	28.4	71.6
Total	T.	662,558	123,560	539,028
	%	100	18.6	81.4

Source: The 1985 Census, Table 90, pp. 233-243.

Tables 6.7, 6.8 and 6.9 show, that Kuwaiti workers are concentrated disproportionately in government employment. According to the 1985 Census the Social Services category employed 92,945 Kuwaiti workers; as the total of the indigenous labour force came to 123,560, this means that in 1985 about three quarters of Kuwaiti labour were in government employment. In all other economic activities, their total number was relatively small, so that Kuwaiti labour played a relatively more marginal role in the productive sectors of the economy over time.

In economic activities such as manufacturing and construction, Kuwaiti labour was particularly insignificant, meaning that Kuwait effectively had no significant indigenous working class in the "proletarian" sense of the term; indigenous workers had been "embourgeoisé" in government employment. By contrast it was migrant labour that was dominant in these economic activities. Equally interesting is that this dependence on migrant labour was clearly not abating over three decades.

Table 6.10

## Employees in Government Civil Service, 1984(a).

Occupations	G.tot.	Service		Craftsmen		Employees	
		Kuw.	non-Kuw.	Kuw.	non-Kuw.	Kuw.	Non-Kuw.
Ministries & Departments	157,012(b)	9,400	17,424	2,069	18,880	40,094	47,443

Note: (a) these are the central government administration.

(b) it is to be noted that the grand total includes Special Occupations which number 5,425.

Source: ASA 1985 p.140

Having shown the size of the government civil service we can break down the expatriate workers in the civil service according to their respective country of origin as table 6.11 will show.

Table 6.11

## Government Civil Servants by Nationality, February 1976.

Nationality	%	Total
Kuwaiti	40.2	46,769
Iraq	4.7	5,490
Saudi Arabia	1.1	1,281
Palestine	18.2	21,189
Jordan	1.3	1,444
Egypt	16.9	19,709
Syria	3.3	3,889
Lebanon	1.4	1,574
Sudan	0.2	219
North Africa	0.0	49
Yemen	3.8	4,467
Arab Gulf	2.2	2,593
Unclassified	0.2	241
Total Arabs	93.5	108,914
Iran	1.7	2,041
Pakistan	1.4	1,586
India	2.5	2,888
Other	0.9	1,022
Total non-Arabs	6.5	7,537
Grand Total	100	116,451

Source: Reproduced from ASA 1981, p. 131.

Having shown the patterns of both the Kuwaiti workers and the immigrants in the labour market we now need to discuss the role of the state in regulating this market. We will show that the state has been a principal agent in the perpetuation of the "dualistic" nature of the labour market and argue that it has done so for its own benefit.

A number of political and economic factors have contributed to the lasting concentration of indigenous workers in government employment. The state's own structure and legal framework have encouraged this concentration. Article 41 of the Constitution guarantees employment to every citizen of Kuwait; this necessarily means employment in the public sector. The government in its annual Budgets allocates to different ministries, a so called "Complementary Funds Budget", that is extra revenue for employing extra Kuwaitis, whether they are needed or not(1). Because of this guarantee indigenous workers flocked to government employment because of the better working conditions and generous welfare benefits that the state provided(2). Furthermore, the proliferation of migrant labour and the existing labour laws(see chapter 8) made Kuwait employers reluctant to employ Kuwaiti workers, on account of the high level of wages and social amenities they would be legally entitled to demand. Migrant workers on the other hand, could be paid lower wages and had little leverage to make demands on employers.

A recent survey carried out among government employees found that, whilst some government workers wanted to work in the private sector, they quite frequently found that such avenues were closed to them, mainly by unwilling employers(3).

It is our contention that the constitutional guarantee of employment has resulted in the division of the labour market along national lines. The state, in ensuring employment for its citizens, has created an economy based on migrant labour, in which private employers have no interest in employing the indigenous population. The state has created a framework of laws to protect indigenous labour against the abuses of individual employers, and it is these rights and obligations which have made the private sector favour the employment of migrant labour. The constitutional guarantee of employment can be said to be a strong factor against the "Kuwaitization" of the labour force. Without the guarantee indigenous workers would not be concentrated in the government sector, but would be spread throughout the economy. This is not the case, despite the widespread programmes of vocational training which started in the 1950's(4); the right to government employment initially meant that very few Kuwaiti workers went in for such vocational training and concentrated in the government sector.

Despite this lack of enthusiasm for vocational training, training institutes began to increase in number from the sixties onwards. As Census figures showed an increasing expatriate population and a concentration of Kuwaitis in government employment, so the call for more vocational training intensified. In the early eighties a national authority was set up to organize the development of such institutes. However, though more Kuwaitis entered such institutes, more and more of them increasingly reverted back to government employment, rather than taking occupations in the wider sectors of the economy(5).

The issue of Kuwaitization was taken up in the Assembly. One particular speaker in 1985 argued that the issue of Kuwaitization must be related to the nature of the Kuwaiti economy(6). He argued that in order to successfully carry out a programme of Kuwaitizing the labour force, the state needed to employ its present investments away from overseas markets to domestic productive industry(7). The effect of this investment in productive industry would be to create a labour market with wide-ranging job opportunities(8).

It can be argued that this reversion to government employment stemmed from public policy. The government's stated aim of the "Kuwaitization" of the labour force was at best a feeble objective; although various Five-Year Plans since 1967 stressed the importance of "Kuwaitization"(9), the constitutional guarantee of employment rendered ineffective any attempt at a meaningful expansion of Kuwaiti workers into other sectors of the economy.

The effects of such a policy of guaranteed employment have been criticised by a number of researchers(10). Their criticisms can be summarised as follows: Kuwaiti workers are encouraged to enter government employment; many of the Kuwaiti population come to look on such employment as of "right"; Kuwaiti workers become non-productive labour, thus reinforcing the dependency on the migrant population. Dr. Al-Wasmi, a Deputy in an Assembly Sitting in 1984, argued that the state is squarely to blame in creating a docile Kuwaiti labour force(11). The state's "cradle to the grave" policies has created a Kuwaiti individual who is devoid of any responsibility and dislike productive employment; he compared the state as acting as a "paternal father", the consequence of which was to create a "parasitic" Kuwaiti individual who is totally dependent on the state(12). In turn a psychology of dependence began to develop among certain sectors of the Kuwait labour force, who felt that very little work was required of them(13). This issue will be taken up again in the final section of this chapter.

## 6.2 Explanations regarding the nature of the Labour market

We need now to consider various explanations that have been put forward to explain this singular labour force and market.



### 6.2.1 Explanation One: Bedouins' Aversion To Manual Work

Some writers(14) on Kuwait have argued that the principal reason why indigenous labour is found in the service and administrative sectors is because of the bedouins' aversion to manual work. Such an aversion is attributed to the nature of tribal society that existed before oil and the rise of the modern territorial state.

Tribal society in this region was, to use Perry Anderson's term, "transhumant"(15); that is, it was characterised by the constant movement of tribes across the desert. This movement was dictated by the unit of production, that of camel and sheep herding. These two activities which supplied the economic subsistence of the nomads, required pasture and water. But the harsh nature of the desert and its hot arid climate, meant that grazing grounds were sparse and water wells scarce, and the nomads had to travel long distances in search of pasture to feed their herds(16).

Such movement, coupled with the natural scarcity of desert grazing land brought these tribes into conflict with each other. These tribal conflicts led to tribes raiding the area of other tribes in order to achieve dominance and expand control of available pasture. Hence the argument that war-like characteristics, dictated by the harsh nature of the habitat, rather than manual work, were the essence of tribal society. It has been maintained that it is this tradition that explains why indigenous workers favour non-manual government employment.

Richards and Martin argue that part of the aversion to manual work among the indigenous population is to be found in the dominance of a pre-industrial culture(17). This is further related to the lack of capitalist development, the indigenous population being held to lack the industrial experience that came with this development in Europe and the United States.

Implicit in this hypothesis, is the contention that Kuwaiti society did not experience the development of classes along the lines familiar to the developed capitalist states. In Kuwait there was emphasis on tribe and kinship, on customs and traditional values. There was no development of an industrial working class and so a pre-industrial culture persisted. Richards and Martin maintain that it is because of these factors that Kuwaiti workers have preferred sedentary, non-manual occupations, invariably in the government sector.

This explanation can be criticised on a number of levels. Firstly, to say that tribal society in the pre-oil era was averse to manual work because of a nomadic existence is to imply, wrongly, that the life of the nomad did not necessarily, involve hard, manual work. Secondly, such writers ignore the fact that tribal society consisted of two forms: some tribes were constantly on the move, but others adopted a settled ex-

istence and were found through out the Arabian Peninsula. In the case of Kuwait, as was shown in chapter 3 a large proportion of the economy was based on productive manual work, whether in the fishing industry, in boat-building or in house construction.

Thirdly, Kuwaitis became concentrated in the government sector not because of their aversion to manual work, but because their traditional craft skills were made obsolete by the economic changes that occurred in the oil era (this will be shown more fully in the next section). This obsolescence made them redundant and the great majority of these workers were unable to find work because they did not possess any skills required for the new occupations. Those who did find work, in the oil industry for example were employed as unskilled workers. Fourthly, as Tables 6.5 to 6.10 demonstrate, indigenous workers were employed in all sectors of the economy even though their numbers were relatively small compared to the numbers of non-Kuwaiti workers. Fifthly, many migrants come from societies which were culturally similar to Kuwait( indeed, they lacked traditional manufacture such as ship-building). Yet such migrants do not exhibit such cultural aversions to manual labour. Thus it would seem more useful to consider why their distribution was so skewed between occupations rather than seek explanations of cultural aversion which can, at best, be no more than a partial explanation.

What these explanations ignore is the role of the state, and the part it plays in conditioning its indigenous workers for a particular type of employment that happens to be in the government sector. The Constitutional guarantee has proved decisive in this process, ensuring that Kuwaitis were to become a permanent feature of the public sector. We need now to examine explanations based on the role of the state and its relationship with its indigenous workers.

#### 6.2.2 Explanation Two: State Direction

This approach follows the radical tradition and takes as its point of departure the preservation of the traditional structure of power. Beauge and Sader(18) see this in terms of the preservation of a social structure that legitimises the power of the rulers in Gulf states. The way that such rulers ensure the preservation of this social structure is through the labour market.

....The existence and the reinforcement of an administrative employment market is closely connected to the way the state machinery...is constituted and to the compelling necessities these countries face to reproduce such alliances(kin and tribe) for purposes of self preservation(19).

From the above quote it can be argued that firstly the labour market in Kuwait is constituted in such a way as to weigh heavily on the creation of a large administrative state sector, with little productive industry, and secondly this administrative sector is largely filled by Kuwaitis. The reason for the concentration of the Kuwaiti labour force in this sector emanate from the state's conscious decision to reproduce a socio-political system that is based on the perpetuation of a traditional power clique, through the repro-

duction of tribal alliances in the bureaucratic system of government. This is related to the nature of the tribal system, as described in the previous section. Because of the pace of development from the traditional mode of production to the "oil mode of production", tribalism as a social system was retained and reproduced, with all its emphasises on allegiances, family networks and Kinship.

It is these characteristics which the rulers tried to reproduce by the creation of an "employment administrative market". For Beague and Sader the creation of such a labour market( facilitated by the oil revenues) ensured that the pre-capitalist bonds of allegiance and "solidarity" were maintained, indeed given a new lease of life(20). This is important for two reasons: Firstly, a relationship of legitimacy was established between the state and civil society through the guarantee of employment given to the indigenous population. Secondly, within this relationship the state has ensured that only the traditionally most important families have had access to top positions in the civil service (as shown in chapter 4), which consequently have tended to be monopolized by those families who are supporters of the ruling family. The importance of kinship was pointed out by one Assembly Deputy in a 1985 Sitting when he argued that posts in the civil service tended to be monopolised by certain families and friends, who consequently have built a power-base(21); the Deputy argued this had negative effects on the civil service because people occupied posts without having the necessary qualifications(22).

In creating an "administrative employment" market in the government sector, the rulers help to perpetuate their rule in effect by giving citizens a "stake" in the system. If there is political pressure on the system of government, then the interest of the Kuwaiti worker( that is, the network of privileges and protection) is likely to be threatened. The creation of conditions in which the Kuwaiti labour force is concentrated in government employment indicates that the state is trying to avoid the creation of an indigenous working class(23). Beague and Sader say that:

...Income far from representing a category governed only by the logic of profit, will appear primarily as a social relationship of which the reproduction and enlargement has for a principal effect the blocking of the internal process of "salarization" of the labour force and the creation of a working class which will lead to a transformation of social relations(24).

Two issues are raised by this argument. First, the real intention of government policy is to divert indigenous labour away from the secondary sector and into tertiary employment. Second, this policy blocks the development of an indigenous working class capable of a political role. Al-Turrah says

The state extends employment in the government sector in order to enlarge a middle and an auxiliary class among the indigenous population....blocking any development of an indigenous working class or opposition groups(25).

Clearly, Al-Turrah and Beague and Sader agree that the ultimate objective of the state is to divert the indigenous labour force away from productive sectors and into government employment. Such a process they believe, will hinder the development of classes which are likely to call for political change.

The creation of an indigenous working class in the industrial sense of the term would inevitably increase income disparities among the indigenous labour force, despite the existence of a generous welfare system. The rulers may well fear that an indigenous working class, especially if organizationally represented by strong trade unions would generate threatening political demands, something which has already begun to happen in a limited form(26). To limit such demands the state has attempted to maximize the welfare of its indigenous population and to limit the extent of this proletarianization as is recognized by Assembly Deputy Dr. Al-Wasmey(27).

The state...has by its generous employment and welfare policies been successful in alleviating internal contradiction among the native population but imported labour has become essential to maintain the monopolistic structure(28).

We can deduce from the above quotation two related points: first, that the employment and welfare policies are essential to alleviate internal class contradictions among the indigenous population and in this sense to create consensus on the existing political form of the state; second, that the ultimate purpose of these policies is to ensure continued allegiance to the ruling class, and continued belief in its legitimacy. These two points reinforce each other. The greater the feeling of satisfaction among the indigenous labour force the more likely they are to support the existing political order based on the ruling family, since they are likely to feel that they have a stake in the system. Al-Turrah says that "...the employment of the indigenous population is used as a political means for maintaining the status quo"(29).

Not only is this situation dependent on the presence of a large migrant community, without which the economy would not function, but their very presence in Kuwait is said to legitimise the "traditional ruling order". Expatriates, by virtue of their status as migrants, have fewer legal rights than the indigenous population (see chapter 8) and they are easily controlled politically, as they can be expelled from the country. The very instability of the migrant population(30) serves to stabilise the regime so maintaining the traditional power structure. So, the point must be that, while the Kuwaiti social formation is dependent for its reproduction on migrant labour, the very instability and powerlessness of migrant labour serves to strengthen the grip of the state on civil society.

The migrant population, despite showing signs of stabilisation as we noted (31), still have the political and legal status of migrants(32). It is not integrated into Kuwaiti civil society; separation is maintained through an elaborate system of laws (see chapter 8).

Because of the increasing number of international migrants, the Kuwaiti state has been able to manipulate migrants to its own advantage. The state has been able to enforce oppressive laws without fear of interrupting its supply of incoming labour for the nature of the international labour market is such, that

workers can easily be replaced(33). The ability to draw on the vast supplies of international labour market has made migrants easy to control, allowing the Kuwaiti state to regulate and exclude them from civil society.

### 6.2.3 Explanation Three: The Historical Development of Migration

While the second approach does provide us with an explanation of the dynamic between the Kuwaiti state and the labour market, we need to adopt an historical approach to it. Without such a perspective the role of the state comes too easily to be seen as a Machiavellian one, manipulating economic forces purely to keep itself in power. We need to answer three questions in order to explain the present relationship. First, how did the existing dual labour market come about? Second, did the state consciously attempt to create a dual labour market based on ethnic divisions, or was this development much more complicated, involving the interplay of various historical objective factors relating to the nature of Kuwaiti society? Third, How far is the labour market a function of state manipulation, if at all. We need to answer these questions before any definite conclusions can be made about the relations between the state and society.

To find the answers to such questions, it is useful to consider the position of Kuwaiti workers back in the early 1950's. The development of oil brought wide-ranging structural changes in society and the economy, changes which happened very suddenly rather than over a number of years. Izz Al-Din Amin, amongst others, argued that the evolution of the Kuwaiti economy away from dependence on pearling and long-distance trade was a rapid one(34). Traditional Kuwaiti society was not equipped to deal with these changes. Its population was mainly involved in maritime activities, such as fishing and long-distance trade. When oil was found, many of these traditional activities were rendered obsolete by the new occupations that emerged.

Through the development of oil and the subsequent recession in the traditional economic activities, the majority of the indigenous labour force was made unemployed in the late 1940's and early 1950's. These workers first resorted to unskilled manual work, often in a menial capacity. Some worked as truck drivers in the oil industry, while others worked in the construction sector(35).

There is evidence to show that there was in this period much animosity among the local population towards the incoming migrants. The indigenous population saw these as taking away their jobs. They resented the privileged position of the incoming migrants. Al-Betha( Scholarship), a Kuwaiti magazine, often expressed such views(36). Some of its articles were strongly critical of foreigners who came to work in Kuwait, arguing that they had corrupted society with their alien culture(37) and had taken jobs away from local labour(38). It is important to examine some of these views further since we would argue it was

such views among large sections of the population which subsequently conditioned state policy from initially encouraging the entry of migrants into the country towards their progressive restriction and eventual exclusion from society.

However, before we examine such views, a more general theoretical point should be stated. Ibrahim says reasons for hostility towards the expatriates among the indigenous population were to do with the nature of tribal society(39). Such a society, with its emphasis on kinship, looks with suspicion on any incoming migrants, whose culture and different life-styles are seen as "alien"(40). Migrants are seen as "intruders", attacking the traditional values of society. While we maintain this is true, nevertheless, this theoretical point was underpinned by the worsening economic position of the indigenous population at that time.

In the late 1940's and early 1950's there began to develop a sharp reaction among certain sections of the population to the incoming migrants. This sharp reaction was not least among the unemployed indigenous workers but was also among the indigenous merchant class who feared competition from incoming expatriate businesses who were coming to Kuwait as a result of the oil boom of the 1950's(41). Migrants were also seen as competing with existing local labour whom were seen as demanding higher pay than the migrants who being single could live more cheaply(42); migration in general was argued helped to increase the cost of living (43), which was becoming high in the early 1950's for the indigenous population(44).

Although the opposition towards migration was primarily economic, nevertheless, writings about migrants in al-Betha magazine were "xenophobic" to say the least. Immigrants were seen as "intruders" coming to society with their different language(in case of non-Arab migration) and different culture(45).

Migrants were portrayed as "vagrants", "rouges" and "vagabonds" who ran away from the authorities back in their own country and came to Kuwait, a country with plenty of opportunities(46). The implication being that the migrants who came to Kuwait were "common criminals"(47). Hence, in the late 1940's and early 1950's there was talk of an increase in crime such as theft, an increase in various types of diseases such as typhoid and the lowering standards of morality(48); young men were seen as entering Kuwait with little responsibility and respect for the society they came to(49). All social evils were attributed to the influx of migration to Kuwait. It was argued that migrants intruded a traditional society causing widespread fear among the local population.

By the mid-1950's with the increase in the number of immigrants and the increase in the unemployment of the majority of the indigenous labour force widespread opposition to migration in a number of quarters began to be magnified. The tone of language that was used by a number of writers was "racist"; Kuwait was described as becoming a "rubbish heap"(50) for the lowest kind of people from other societies(51). Migrants were described in such terms as "colonisers" and "germs" which spread through the body, destroying the culture of society and making it unsafe for the indigenous population(52). Comparisons were made with Jewish immigration to Palestine in the early 20th century resulting eventually in the establishment of the state of Israel(53). Hence there were calls to limit migration and to eject migrants who were seen as a "liability" on the existing society(54).

The state, in order to pacify this hostility, began to change its policy of incentives to encourage migrants in favour of the indigenous population. The new policies principally involved the provision of welfare and employment for Kuwaitis and this provision became a part of the Constitution in the early 1960's. The state began to admit the indigenous population into its newly developing civil service, establishing a lasting trend for Kuwaiti workers to join government employment. In the 1950's indigenous workers joined government employment out of economic necessity and inability to work elsewhere, because of their lack of skill and of education. From the sixties it continued to do so because of the constitutionally defined incentives offered.

The policy of employing Kuwaiti workers in government jobs was adopted for a number of reasons: firstly, to soften the hostility of local people who had been made redundant because of the obsolescence of traditional maritime activities; secondly, to defuse widespread resentment among the indigenous labour force towards the expatriate population (as documented by al-Betha magazine); thirdly, to legitimise traditional rule in Kuwait, by displacing the tension between the state and unemployed Kuwaitis to that between Kuwaiti workers and the incoming expatriates.

The policy of the 1950's which allowed Kuwaiti workers to take government employment must be seen as essentially paternalistic on the part of the state, for the vast majority of those given such jobs were illiterate. This meant a number of Kuwaiti civil servants were unable to read or write(55). The employment of such people in the government sector was to leave its mark on the civil service, for a large number of civil servants continued to be poorly qualified, despite the later expansion of education(56). In the mid-seventies, the government no longer hired anyone without at least a Secondary School Certificate(57); however, a large number of civil servants continued to be poorly qualified as table 6.12 shows.

**Table 6.12**  
**Government Civil Servants by Educational Attainment, February 1976**

Educational Attainment	Total	Kuwaiti	non-Kuwaiti
Illiterate	29,982	18,717	11,265
Read and write	34,459	19,817	14,642
Primary	6,452	2,674	3,778
Intermediate	9,518	3,301	6,217
Secondary	16,539	10,472	6,067
Below university	3,444	1,683	1,761
First university degree	14,974	12,099	2,875
Post graduates	1,083	919	164
Total	116,451	69,682	46,769

Source: ASA 1981 p. 131.

The concentration of Kuwaiti workers with a limited education in the civil service had two important consequences: they were removed from employment in the productive sectors; and, in the civil service they continued to depend on expatriates who had the expertise, in administrative, policy-making, advisory and supervisory roles. It can even be argued that indigenous labour has come to form a "parasitic class", in consequence of the fact that it plays little productive role in the economy and is dependent on the state for its employment and on expatriate labour for expertise.

From what has been said above, it can be conceded that the relationship between the state and the indigenous labour force was not conspiratorial; the state did not set out to concentrate its indigenous population in the public sector, while at the same time increasing their dependence on the expatriate population, although this is what subsequently happened. Explanations for this must however, be grounded in objective historical factors, relating in the first place to the nature of the transition that Kuwait underwent, from an economy based on maritime activities to one based on the development of oil, and in the second to the reproduction of a traditional social formation, whose population was little equipped for the changes that oil brought about.

It can be argued that the relationship between the state and its indigenous labour force in the 1950's was initially one of indifference and contingency. The state can be said, if anything, to have been in favour of the employment of expatriates, particularly those with skills. It was only after pressure from the indigenous population that the state began to employ Kuwaitis in the civil service. This can be described as "welfare employment". From the 1960's onwards, this relationship between state and civil society began to be much stronger and a number of changes began to occur: firstly, every Kuwaiti had the right



to a job with the government guaranteed in the Constitution; secondly, Kuwaiti workers had the right to a large number of welfare benefits; and thirdly, a number of legislative enactments were passed by the state in order to safeguard Kuwaiti labour. Thus, from the late 1950's onwards, a new relationship can be detected between the state and its indigenous population.

By contrast, the immigrants who had been favoured in the early 1950's were progressively excluded from civil society. The laws that were passed in the late 1950's and early 1960's served as the basis for the exclusion of migrants from the economic and social fabric of society on the one hand and the integration of Kuwaiti workers into the state on the other. This exclusion was to be achieved through a number of laws, which were passed between 1959 and 1964, and which we will discuss fully in chapter 8. Here it is important only to note that these laws affected the status of migrants in the country, their employment rights, and their rights to property; the right to own property was denied to migrants, as was mentioned in the earlier chapters.

What is interesting is the new relationship that came to exist in Kuwaiti society. Migrants could be said to have "fallen from grace" with the state, suffering systematic exclusion from society. Kuwaiti workers on the other hand became the "favoured people". This new relationship had the effect of creating legitimacy for the traditional system of power in Kuwait.

From the 1960's onwards, two trends can be perceived with regard to migrant labour: they continued to dominate the various sectors of the economy; and their increase was met with ever more stringent regulation of their stay in Kuwait. Their increasing presence in Kuwait was countered by their progressive exclusion from society. This, seems at first sight to be a contradiction, but it coincided with the interests of the traditional rulers in Kuwait, who were concerned primarily with the preservation of their own power.

The Stanford Research Institute (SRI) Project of 1974 characterized what was happening in Kuwait from the late 1960's onwards. It said

The non-Kuwaitis who came to Kuwait were originally treated as "of the society" and were eligible for many of the welfare services either on the same basis as the Kuwaitis or for token fees. Those in the government employment received the same social allowances.....as the Kuwaitis.....during the late 1960's concern naturally developed over this relationship and moves were made by the Kuwaitis to at least begin to sever the connection between the non-Kuwaitis and the welfare state(58).

In this quotation, a number of developments are touched on. The first is the development of a more complex society. The second, is the tendency for the indigenous population to make more political, economic and social demands on the state. This put pressure on the state and led to the third develop-

ment, as the state, eager to please and pursuing its long-term aim to preserve its traditional rule, sought to satisfy these demands by further excluding the expatriate population from civil society. This it did by progressively restricting the demand which expatriate population could legitimately make on the state. This involved even areas such as education: in the 1970's and 1980's migrants became less and less eligible for state education.

What can be shown from the above is that the exclusion of the migrant population came about in stages. There was the institutional exclusion, the laws that were passed between 1959 and 1964, which we will discuss more fully in chapter 8. From the late 1960's onwards, we can detect also the process of the social exclusion of the migrant population, resulting from state policy.

At the same time there was the physical separation between Kuwaitis and non-Kuwaitis, an important development highlighted by the above quotation. This manifested itself both in the work-place and in residential accommodation( the object of chapter 9 when we come to talk about the effects of government policy on society).

There must be a link between what we termed the state-directed approach and the historical approach to migration. It is not sufficient to argue that the state sought to "embourgeoise" indigenous labour while increasing its dependence on migration, though this has been shown clearly through the use of statistical data. What must be shown also, however, is how the interests of the state came to coincide with maintaining and preserving the dependence on migrant labour that had already been established. In this sense it can be argued that the link between the labour market and the maintenance of the traditional ruling class (as identified by Beague and Sader and by Al-Turrah) occurred as a result of long-term historical developments, triggered by the advent of an oil economy and starting from at least the late forties and early fifties.

## ENDNOTES CHAPTER SIX

- (1) Ali A. Al-Moosa, (1975), pp. 90-92.
- (2) An Assembly Deputy in 1984 pointed out during a Sitting that most Kuwaitis travel abroad for medical treatment for as long as they like and at the expense of the state, in Assembly Proceedings, no. A. 485, 28, May 1984, pp. 78-81.
- (3) Soo'ud Al-Humaidi, (1988).
- (4) The first training institute was set up in 1956.
- (5) Interview with Essa Al-Refai, Head of the Central Administration for Training, in Al Qabas 29, May 1977; it is widely stated that work( other than administrative) carries low social standing among Kuwaitis, an attitude that must change if Kuwait is realise her manpower resource potential, a point widely expressed by various technocrats and acadamics, Al-Arabi, February 1986, p. 79.
- (6) Assembly Proceedings no. 494, 19 March 1985, pp. 182-183.
- (7) Assembly Proceedings no. 494, 19 March 1985, pp. 182-183.
- (8) Assembly Proceedings no. 494, 19 March, 1985, pp.182-183.
- (9) we will quote the First Five-Year Plan of 1967/68-1970/71. This will be done because it reflects all the subsequent plans in its insistence on the need to plan the immigrant labour force and on the need to plan indigenou labour for and to encourage Kuwaitis to enter vocational employment. The Plan said:
  - Adoption of a strict selection system in determining the non-Kuwaiti Labour-force in conformity with the tenets of national sovereignty and with the conditions relating to public security, religion, culture and society(in general).
  - Adjustment of masked unemployment widely spread in certain fields, particularly in the civil service, and training the excess labour force in such a manner as to enable it to fill in more productive jobs in other fields of employment.
  - Creation of incentives for the numbers of excess labour to join other fields of employment and the laying down of strict service conditions in such fields as masked unemployment, See Planning Board, the First Five Year Plan 1967/68-1970/71( English translation), p. 167.
- (10) Conrad C. Stucky, (1972), p. 9; Birks and Sinclair, (b) (1979), pp. 304-305;Fergany, (1983), p. 117; Al-Qudsi, (1985), p. 131.
- (11) Assembly Proceedings no. A. 485, 28 May 1984, p. 85.
- (12) Assembly Proceedings no. A. 485, 28 May 1984, p. 85.
- (13) Assembly Proceedings no. A. 485, 28 May 1984, p. 85.
- (14) Birks and Sinclair, (b) (1979), p. 302; Al-Essa, (1981), p. 2; Richards and Martin, (1982)

83); Kalander, F, Characteristics and Goals of Kuwait's Socio-Economic Development, p. 30 and Al-Moosa, A., Human Resources, p. 55, both articles are in the Proceedings to the Symposium on Science and Technology for Development in Kuwait, edited by Behbahani, K. Girgis, M. and Marzouk, M.S. for Kuwait's Institute for Scientific Research, Longman, 1981; Al-Qudsi, p. 119; Jaber, Z. Seminar on the Relationship between Work and Education (Arabic), Arab Planning Institute, Kuwait, 1982, pp. 63-68.

- (15) P. Anderson, (1978), pp. 219-220.
- (16) See section 1 of chapter 4.
- (17) Richards and Martin, (1982/83), p. 46.
- (18) Beauge and Sader, (1981), p. 92.
- (19) Beauge and Sader, (1981), p. 92.
- (20) Beauge and Sader, (1981), p. 93.
- (21) Assembly Proceedings no. 494, 19 March 1985, p. 281; outside the Assembly this view had long been held by others, see Al-Rumaihi, *The Human Capital in the Gulf, A Way for lasting Development*, Unpublished Paper, 1975, p. 5.
- (22) Assembly Proceedings no. 494, 19 March 1985, p. 281; Nasser al-Assimi in an Assembly Sitting in 1974 pointed out that in the Foreign Ministry individuals were given posts not according to their merit but according to the people they know, Assembly Proceedings no. 329, 9 February 1974, p. 27.
- (23) Al-Turrah (1983), p.158; Niblock (1985); C. Meckat, (1983), p. 19.
- (24) Beauge and Sader, (1981), p. 92.
- (25) Al-Turrah, (1983), p. 158; Halliday, (1974), p. 434; Niblock, (1985), p. 41.
- (26) The closure of the National Assembly on two occasions in 1976 and 1986 may be argued as a response to curtail the growing pressure on the traditional system of power, for wider participation in the decision-making process, see chapter 4.
- (27) Assembly Proceedings no. A. 485, 28 May 1984, p. 85.
- (28) Al-Turrah (1983), p. 152.
- (29) Al-Turrah p. 157; Palmer, (1980), p. 12; Ibrahim, (1980), p. 283; Ismael p.125 1982.
- (30) On the concept of instability, see F.Al-Salem and Daher, *Expatriate Labour in the Gulf, Kuwait, That Al-Salaasel*, p. 21.
- (31) See section 2 of chapter 5.
- (32) No adequate term has been used to describe the status of migrants in Kuwait, that is their long-term stay coupled with their effective exclusion from civil society. Some have used the term "Settler-migrants".
- (33) Al-Seyasa 7 January 1984.
- (34) Amecn Iiz Al-Din, (1958); Husain, Abdul Azziz, (1960), p. 81.

- (35) It is interesting to note that by 1965 only 4.4 per cent of the Kuwaiti labour force was employed in the construction sector, and this figure had progressively declined, to reach 1.1 per cent in the 1985 Census. Such a change shows the magnitude of the effects of state policy.
- (36) Al-Shaaygi Yousef Mohammad, Al-Ajanab fi al-Kuwayt( Immigrants in Kuwait), Al Betha( The Scholarship), March 1949, p. 17; Al-Ajanab fi al-Kuwayt( Immigrants in Kuwait), Al-Betha, March 1949, p. 21; Hawal Mashkilat al-Hijra( Around the Problem of Immigration), Al-Betha, March 1953, p. 41; Neda'a ( A Call), Al-Betha, January, 1954; Al-Betha, July 1954, pp. 40-41; Neda'a ( A Call), March 1954.
- (37) al-Betha, March 1953, p. 41.
- (38) Al-Betha, March 1949, pp. 21-24.
- (39) I. Ibrahim, (1980), p. 283; Al-Rumaihi, (1981) p. 71.
- (40) Ibrahim, (1980) p. 283.
- (41) Ibrahim, (1980), p. 283; Al-Rumaihi, (1980) p. 72.
- (42) Al-Betha, March 1949, p. 21; Al-Betha, March 1949, p. 24; Al-Betha, February 1950, p. 29; Al-Betha, April 1950, pp. 28-31; Al-Betha, December 1952, p. 26.
- (43) Mohammed, Abdul-Wahab, Kuwait and the United Kingdom, in Al-Shamlan, Saif Marzoouk, (1986), p. 221.
- (44) Al-Betha, March 1949, p. 24.
- (45) Al-Eman, January 1952, p. 22, pointed to the increase in the cost of living, though unlike other writers(al-Betha, March 1949, p. 21 and 24) did not attribute this rise as the result of increase in migration.
- (46) Al-Betha, March 1949, p. 21; Al-Betha, March 1949, p. 24; Al-Betha, March 1953, p. 41.
- (47) Al-Betha, March 1949, p. 21; Al-Betha, March 1949, p. 24; Al-Betha, March 1954, p. 34.
- (48) Al-Betha, March 1949, p. 21.
- (49) Al-Betha March, 1949, pp. 21 and 24.
- (50) Mohammed in al-Shamlan, (1986), p. 221.
- (51) Al-Betha, March, 1954, p. 34.
- (52) Al-Betha, March, 1954, p. 34.
- (53) Al-Betha, March, 1954, p. 34.
- (54) Al-Betha, March, 1954, p. 34.
- (55) According to government statistics only 1 per cent of Kuwaitis in the Ministry of Interior were graduates; this was pointed out by Assembly Deputy al-Rasheed who criticised the government for failing to induce more Kuwaiti graduates to that Ministry, Assembly Proceedings no. D. 391, 27, April 1976, pp. 5-6.

- (56) T. Farah and F. & M. Salem, (1983).
- (57) This is different than bureaucracies in the western societies where high educational standard is required to enter the civil service.
- (58) Stanford Research Institute, (1974), p. I - 12.

## CHAPTER SEVEN

### LABOUR MIGRATION, STATE POLICY AND CAPITALIST INTERESTS

Having traced the development of migrant labour since 1945 and its subsequent dominance in the labour market, and having explored how the state came to have a fundamental stake in its perpetuation and regulation, we shall here examine the development of the Kuwaiti government's migration policy. It will be argued that this is one of the most difficult fields to study, since government policy is not always made clear or explicit with regard to the "entry", "residence" and "exit" of the individual migrants. We shall show that the policy - rather the set of policies - relating to migration was not the result of coherent and well thought-out plans, but were either undeclared and/or developed in an ad hoc fashion. It will be argued that the failure to develop a coherent policy is partly explained by the dominant political and economic interests that have come to be built around the perpetuation of labour migration. In this chapter we shall, accordingly, study government migration policy insofar as it serves these dominant interests.

The discussion will be divided into three sections. Section one will deal with a number of interpretations of migration policy which have sought to overcome the difficulties created by the fact that policy is sometimes deliberately left unclear by the policy-makers. This they have done by situating the making of policy in terms of its expression of political and economic power. In section two we shall examine the regulation of migrant labour from the late forties onwards, in order to indicate the shift which occurred from the relatively liberal entry of the fifties to the stringent regulation of the 1970's and 1980's. Again we would argue that these stringent regulations are related to the nature of political and economic power as described in chapters 3 and 4. Section three of this chapter, then uses a case study to illustrate the relations between the state, fractions of capital and migrant labour, showing the importance of certain types of migrant labour both to the state and to various fractions of capital.

#### 7.1. Problems in identifying migration policy

Although there is no specific policy document dealing explicitly with the issue of migration, a number of policy statements were made in reaction to particular events over time. It can be argued that, while a general "open-door" policy of immigration to Kuwait has continued as has been claimed by Kuwaiti policy-makers and officials(1), this claim must be qualified on two counts: The government has shown preference of entry to some nationality groups of migrants over others; migration to Kuwait has

continued, but, within the integration/exclusion dichotomy, that is migrants, as shown in chapter 1, once in Kuwait, were excluded from society through a set of laws and regulations. Birks and Sinclair say about the Arab World

....there has not been any regional or unified approach to what is acknowledged to be a challenging issue. Even national policies have been slow to evolve beyond a short-term and ad hoc basis. As a result government action in the Arab World directed towards the movement of labour has been pragmatic, changeable, inconsistent and often contradictory. The only characteristic that policies have shared is their relatively ineffective application(2).

It can be argued that the above quotation aptly describes the process in Kuwait. However, while it sees policy in terms of a set of contradictions( these contradictions as we shall show below relate to the facilitation of entry of certain workers, while denying it to others), it should be said that two kinds of policies can be identified. First, there are the long-term policies which the state has instituted to restrict the status of migrants in Kuwaiti society. These policies have generally been codified in law and will be considered in the next chapter. For the moment, as we try to relate the problems of policy formulation to the dominant political and economic interests, it is sufficient to note that these laws exist. The second set of policies are those which are undeclared or still inchoate. These undeclared policies relate to the issue of preference of "entry" for migrants from certain nationalities over others(3); the issue of population mix, to make sure that no one group of migrants outweigh other groups and the issue of occupational segmentation, that is to try to make sure that no one group of migrants are concentrated in one area of economic activity, but that migrants in each area of economic activity are drawn from different nationalities. These are not policies enshrined in law, but their implementation tend to be through administrative practice. These will be discussed in greater detail but for the moment we will discuss a number of views around migration policy.

Labeeb argues that there is a government policy expressed within the context of the flow of migration to Kuwait, through the institutional mechanism of laws and regulations as well as through the practice surrounding the issue of work-permits(4). Labeeb argues that two general distinct policies can be perceived, the first of which continued until 1975 and can be called the "open-door" policy(4), while the second, which appeared after 1975, he characterises as the "short-term" migration policy. This later policy Labeeb believes evolved from a concern to improve security and the internal stability of the state(5), and is related to the import of short term single workers mainly from South-East Asia.

Likewise Russell has argued that there exists a migration policy as expressed in the laws governing migrant labour(6). These relate to the "entry", "exit" "residency" and employment laws pertaining to the immigrants. She in turn looks at the development of these laws from the fifties onwards.



However, while Labeeb and Russell are right in the sense that one can identify an evolution of policy, through the fifties onwards, nevertheless, they do fall short of explaining the existence of undeclared policies and ad hoc decisions, concerning for example the preference for the entry of one group of nationals over others.

Birks and Sinclair on the other hand suggest that Kuwait's policy in dealing with the expatriate community has been at best erratic and contradictory. Birks and Sinclair characterise Government policy as seeing migration as "temporary"(7), despite the fact that it has taken on stable characteristics. Yet the continued increase in migration, which could be called a policy in itself(8), was followed by increased regulation and institutional exclusion of this mass of migrants from civil and political society. The government's attempt to deal with migration produced a variety of measures designed to prevent the migrant community from becoming settled and stable. All these could be justified by a perspective which viewed the community as "temporary", despite all the evidence of its permanency. The consequence of this incongruence has been to deny civil rights to most of the labour force.

Others like Galal al-Din (9) have argued that, while there does exist a framework of restriction governing migrant labour, there are decisions affecting migrants which are made on ad hoc basis and/or policies which are undeclared. However whilst a government immigration policy may not be declared it does not mean that it does not exist(10). This is because of both the nature of the oil economy which demanded different kinds of migrants, and because the traditional state power which make certain decisions although are not made public more logical and likely than others. This is reflected in the fact that there is a trend in Kuwait: the state rests harshly on migrants and increases the measures of their exclusion over time; but more and more migrants are needed and recruited.

At a Conference held in Kuwait in 1986 by the Arab Planning Institute, a number of speakers sought to understand existing policies in terms of the problems of capital accumulation(11). From this perspective the problem is less to identify a specific policy than to understand policy and practice as expressing dominant socio-political structures of power(12). Al-Najjar for one argued that the prevailing policies of Gulf governments on the matter would not be understood solely in terms of local interests; researchers needed to contextualise these societies in terms of the international capitalist economy and the structural disadvantages which flowed from this context(13).

We need to consider how far this argument applies to Kuwait. An explanation must be sought not only in the class nature of the Kuwaiti social formation and the attempt to preserve certain class relations(14). Hence an explanation of a policy or a set of policies concerning the "entry" "residence" and

“exit”, and preference of certain types of migrants over others must be seen in terms of class, state and nationalism. Capitalist interests have come to be built around the existence of migrant labour whether settled and/or short-term. As well as this the class character of the state has enabled it to view the existence of migrant labour in terms of its own parochial interests. For the state, migrant labour has come to be regarded as a palliative for a long-term problem. The problem related to both providing manpower to the economic structures which oil has created and to the perpetuation of traditional political power. Thus, it can be argued that it is these capitalists interests as well as its own that the state have to reconcile.

The consequence is that policy with regard to migration is often undeclared or made on an ad hoc basis. It can be argued that the state has followed a dual strategy: it has sought to concentrate its indigenous labour force in government employment,( the effect of the constitutional guarantee), while increasing its dependence on migrant labour( this was the object of the last chapter). What can be perceived from existing state policy is that it has not only sought to regulate and restrict the internal situation of the migrant workers, but has sought to heterogenise them ( we must stress this desire to heterogenise the immigrant population is an undeclared policy and is not made public). It has done this by importing labour from the widest possible sources as shown in chapter 5. This was essential for political and economic reasons as shown in chapters 2 and 6. Much of this political strategy, that is the perpetuation of traditional rule, benefits from the divisions maintained between Kuwaiti society and the fragmented migrant communities, divisions which have induced in Kuwaitis a “seige mentality” or xenophobia. In the attempt to create and enforce the “siege mentality” the state has utilised the forces of what can be called modern day nationalism, expressed in terms of tribalism and the “one-family” concept(15). Rulers in Kuwait often in their speeches refer to Kuwaitis as belonging to one family, the reference being that the present Kuwaiti families originally came from settlers that belonged to one extended family. The manipulation of these traditional and nationalist symbols permits the state to move politics out of the realm of class interests and to co-opt the loyalty of indigenous Kuwaitis; it also allows the state to have its cake and eat it: on the one hand it attacks immigrants and so gain favour from indigenous Kuwaitis while strengthening the discord between indigenous and immigrant communities; on the other hand it continues to bring in migrants to perform the tasks essential to the economy and its own power.

The nature of the dependence on migrant labour which according to the 1985 Census has increased to 59.1 per cent of the total population(see Table 5.6) has led the state to equate this dependence with problems of security; the state accordingly argues that it is not in the national interest(16) to make clear a definite policy with regards to the stay of migrants. The policy-makers may argue that making a definite

policy towards immigrant with regard their residence in Kuwait, may be counter productive for the state on at least two counts: migrants may begin to view Kuwait as a country of long-term settlement, something which it was not as one government publication has clearly pointed out(17); immigrants from different nationality backgrounds such as Palestinians, Lebanese, Iraqis and Iranians may be viewed as having ideological motivations, with subversive tendencies whose aim is to use Kuwait for their own political ends. Thus, in the late seventies it became very difficult for certain groups of migrants from certain nationalities to enter Kuwait, such as Palestinians, and later in the eighties of *Iranians while allowing entry to other workers* such as short-term workers from South-East Asia and Egypt(18). However, In reality, the “national interest” seems to be infused with the economic motive; labour from these countries is cheap and “non-ideological”.

Many of these measures were apparently directed against the growing trend towards stability in the sex-structure of the migrant population, a trend which, in the late seventies, the state tried to counteract by the importation of cheap, short-term labour from South and South-East Asia(19). This clearly indicated the presence of both policy and direction in at least from 1977. What is less clear is why the change of direction occurred at all, for the state continued to speak of its commitment to the “open door” while increasingly restricting the entry of migrants like the Palestinians and the Jordanians(20). The state characterised it as a response to considerations of national security and it is certainly clear that it has acted against migrant groups in response to regional crises as much as to local problems. Thus it has used mass deportations to remove certain groups at particular times: Palestinians were deported in 1959(21), Egyptians in 1965(22), a mixture of Iraqis, Syrians, Palestinians and Lebanese in 1976 at the height of the lebanese civil war(23) and Iranians in the eighties during the Iran-Iraq war(24).

Nevertheless, as we have observed in Part I, economic considerations, governing the nature of accumulation and economic crises, have also been important in influencing shifts in the administration of migration and the type of labour recruited. Throughout all these shifts the state continued to speak of an “open door” policy on migration just as it attacks migrants in the country. What is clear is that, whatever the shifts in policy produced by conjunctural factors, the basic dependence on and exclusion of migrant workers continues and expands; that is an imperative of the type of economy and state found in Kuwait.

Another factor influencing the practice of migrant regulation is certainly the desire of the state to maintain a population or a nationality balance. The Kuwaiti government has attempted to balance its migrant population and to make sure, that no one group outweighs the others((25). Choucri, talking about the Gulf states, has said:

....They wish to diversify the nationality mix of migrants as much as possible in order to avoid a situation of dependency on one numerically dominant group(26).

This population balancing practice by the administration results in the migrant community having an increasingly ethnic character and being divided ethnically. (It is certainly true that the Palestinians see themselves as a distinct communal group and one would expect this to be the case elsewhere too). The practice has not resulted in migrant groups of roughly equal size so much as a fragmented immigrant population, a process further exacerbated by a tendency towards occupational segmentation along tribal, ethnic and class lines(27). This process, too, owes much to public policy rather than simple market forces; Beblawi goes so far as to write that the population mix in the labour market is a feature of the "wisdom" of Kuwaiti policy makers(28).

In the above we have pointed to the problems of defining migration policies and the constraints upon it. These constraints arise from the various political and economic interests. In the next section we will examine trends towards the regulation of migrant labour. This will help in the final section when we come to talk about the various fractions that have come to have interest in the perpetuation of migrant labour.

## 7.2. Trends in Institutionalisation

Coherence has also been given to the development of policy, however ad hoc its formulation, by the institutionalisation of administrative structures and practice to manage and regulate migrants.

Migration to Kuwait throughout the fifties was made easy by the free entry then permitted. The intellectual tenets of a migration policy did not then exist. There was in the fifties a demand for migrant labour, and the ruler of Kuwait Sheikh Abdullah was even prepared to grant naturalization to a certain groups of migrants(29). Russell, relying on documentary evidence from the British India Office, quoted the then British Political Agent as saying that, with regard to the admission of Jordanians and Palestinians,

When applications for these people are received, they are referred by this agency to the Department of Public Security of the Kuwait Government. That department's recommendation is almost invariably accepted and as long as its permanent head, Sheikh Abdulla Moubarak, is here it is usually to the effect that the visa may be granted; he is known to be under the influence of the Palestinians, often with unhealthy results. When, however, this Sheikh went on leave in early August, Sheikh Abdulla al-Ahmed, who was acting for him; he insisted that no entry visas whatsoever should be given to the people in question. Sheikh Abdulla Moubarak has now returned and begun to reverse this policy if such it may be called(30).

It would thus appear that there was a divergence of opinion at the time with regard to labour migration into Kuwait, and to Palestinian migration especially. This was complicated by the fact that Britain exercised a protectorate over Kuwait and controlled entry into Kuwait. Yet although it may have refused

entry to some workers, the statistical evidence given in chapter 5 would indicate that migration policy in the fifties was essentially relaxed, in contrast to the stringent requirements that Britain imposed for entry into the Gulf states in the thirties and forties. The economic transformation that Kuwait underwent after the discovery of oil led to an overwhelming demand for migrant labour. In the sixties a process of institutionalisation of migrant labour began to take place. This involved the bureaucratisation of administration as well as the regulation of migrant labour. In the fifties entry into Kuwait has been basically through British consulates abroad which granted visas(31); with Kuwait's independence in the early sixties, the flow of migrants into the country was handled directly by the Kuwaiti authorities themselves and encouraged the development of an administrative apparatus and a regulatory structure.

Al-Sabah argues that by 1962 the "open-door" immigration policy had come to an end through the introduction of the "No Objection Certificate"(32). There was also the introduction of a quota system to regulate the monthly intake of immigrants(33), though it was not very effective in the sixties. As observed in chapter 5, the period saw an increase of migration and also the stabilisation of the immigrant population. The quota system thus represented only part of a process of institutionalisation of controls and regulations under the aegis of the Ministry of Social Affairs and Labour(34).

We would argue, in contrast with al-Sabah, that the introduction of a new set of measures in 1962 did not mean the end of an "open-door" policy of migration, for this has continued to date. Rather it represented a process of institutionalisation centred on the emerging bureaucratic system and limited by the regulation of entry and length of stay. The state and economy continued to need the importation of large supplies of labour, and the bureaucracy, while increasingly regulating its character did not do other than seek ensure its recruitment. Where events, issues or interests intervened, these would necessarily produce shifts in the way policy was implemented but such changes implied modifications in the "open door" rather than its demise. Interests and issues acting on the state could shape such shifts and changes but always within the parameters of maintaining the migrant dependant economy. Thus, class interests and fractions of capital concerned to benefit from migrant labour supplies, acted to influence policy - a matter we will consider in the next section. Thus, too, considerations of national security also weighed heavily with policy-makers when regulating immigration, especially from the sixties, and we need now to consider this matter further.

What is clear is that questions of security became increasingly important to the state( Moubarak notes the Arab-Israeli war in 1967 as a watershed(35)) and led to the intensification of administrative regulation of migrants without ever ending the commitment to recruiting foreign labour. It was the appearance of a flood of Palestinian refugees in 1967 seeking to enter Kuwait that highlighted the security

question in the eyes of Kuwaiti decision-makers. The creation of the refugee problem and the surplus labour from countries such as Egypt and Syria in the aftermath of the war, brought about a greater concern about security in Kuwait. Its importance during this period as indicated by the fact that responsibility for the "entry" of migrants was transferred from the Ministry of Social Affairs and Labour to the Ministry of the Interior. Migration to Kuwait was no longer considered to be a routine operation; thus, migrants had thenceforth to produce good conduct certificates(36).

Increasing security regulation continued in the 1970's and 1980's. There was the development of two new trends which marked a contrast with the earlier period. One was that restrictions were gradually imposed on family migration to Kuwait. A migrant had to have a specified fixed income before he could apply to the relevant authorities for permission to bring his family to join him. This income provision was progressively raised throughout the 1980's - thus creating problems for certain capitalist interests, as we shall see in the final section. The current Five Year Plan, for 1985/86- 1989/90, envisages a further increase in the threshold income(37). The Five-Year Plan calls for a shift to short-term non-dependent labour by offering greater incentives to single migrants(38), and for migrants already in the country to be encouraged to send their dependents back to their country of origin(39). The aim of the Plan is to restore the population balance to a 50:50 ratio between Kuwaitis and expatriates by the year 2000. The aim is not to embark on a wholesale repatriation as the last statement implies but merely to "restore a population balance". But even at a time of economic crisis it is very difficult to see how the state is to free itself from its dependence on the migrant population, simply because of their vital role in the economy.

Despite the increasingly discriminatory and stringent regulations of the 1970's and 1980's, there are many differences of opinion in the National Assembly and between various government Ministries on the appropriate treatment of foreigners. This can be seen when considering the question of naturalization. If, on the surface there does not seem to be a systematic migration policy (other than exclusion of 60 per cent of the population from enjoyment of the full benefits of social, political and economic life) nevertheless over the years (and in particular the 1970's) questions have been raised about the wisdom of such exclusion. A number of views developed within the state apparatus different from those held by the dominant political and economic interests.

Throughout the 1970's the Ministry of Planning(40) and, in 1982, the Home Affairs and Defence Committee(41) of the now dissolved National Assembly, were both in favour of relaxing some of the laws restricting the stay of immigrants. The Ministry of Planning consistently called for the laws relating to residence and naturalization to be relaxed. As early as 1971 the Ministry's Committee of Population Policy recommended that rights of residence should be granted to certain groups of immigrants. The

Committee argued that the planning of immigration to Kuwait should be part of a wider population policy involving the development of indigenous human resources. By that it meant that Kuwaitis, rather than being concentrated in government employment, should be induced to enter employment in other sectors of the economy,(42). The Ministry of Planning believed that there were advantages in granting citizenship to immigrants who had lived in Kuwait for a specific number of years: this would bring greater stability to the state, as immigrants would feel greater allegiance to it. In the National Assembly debates, the issue of naturalizing immigrants has come up consistently. Some argued there was a need to naturalize some immigrants with special skills like doctors, teachers and skilled workers simply because Kuwait has become dependent on them. As early as 1974 this issue was given prominence by Assembly Deputy Salem Al-Marzouk(43). Later in 1982 the same views were expressed by a number of Deputies who argued that Kuwait still needed skilled manpower, and therefore there was a need to give them citizenship(44). Others couched the issue with questions of security. Back in 1974, the now Prime Minister of Kuwait, but then the Defence and Interior argued that he was only prepared to grant citizenship to those who were in the Police and the Armed Forces(45). Such an issue remains unresolved. Granting citizenship and planning the migration process in accordance with the needs of the economy would go against the dominant political and economic interests as is recognized by Assembly Deputy Abd Al-Karim al-Jehdali(46). It can be argued that there are two reasons for this.

Firstly, granting citizenship to immigrants would mean that they would become entitled to full legal rights and hence tremendous pressure on the state would be created through the demand for social, political and economic benefits. Secondly, immigrants would demand equality in wages with the indigenous population. This would mean reduced profits for employers, and an increase in social costs, caused by the need to provide social insurance schemes and better working conditions.

On the political level, the result of the granting of citizenship would eventually put pressure on the traditional system of power to permit greater political pluralism and more democracy. It would do this because the indigenous workers would cease to be a "privileged" class vis-a-vis the expatriates and become part of the same class with them. The state would have to extend its responsibility from the provision of social benefits for the indigenous population to the provision of these benefits for the large number of expatriates who would have become citizens. This would mean that Kuwaitis would have to "compete" for employment, health and housing. This, it might be feared, would lead to political demands for greater popular participation.

In the next section, the case study, we shall point to the economic and political reasons for the regulation and exclusion of migrant labour.

### 7.3 State, Capital and Labour

Having examined the development of the stringent regulation of migrant labour, we need in this part to examine how various fractions of capital have come to be built around the existence of two types of migrant labour: the first type consists of what can be called long-term migrants, predominantly Arabs; the second type are short-term migrants who have come from South and South-East Asia. We will first identify the various fractions of capital, in two sections; one will talk about landlord rentiers and import merchants, the other about the rise of the infrastructural bourgeoisie. A further section will relate these to the state. We consider the interests of capital in terms of fractions so as to be able to show that the different types of migrant labour serve different fractions.

The capital-surplus nature of the economy, which was discussed in chapter 3, not only perpetuated Kuwait's role in the world economy but magnified the existing, and gave rise to new, fractions of capital. Not only did infrastructural development give rise to capital accumulation, but the increase of labour in Kuwait which these infrastructural programmes required gave a further avenue to capital accumulation. It did this by increasing dependence on the international market for the import of goods and commodities for consumption and for infrastructure. Migration, which was characterised in the 1960's by the adoption of settled existence and family settlement, gave an impetus to the process of capital accumulation in two ways: it strengthened the power of the import merchants through increased demand for imported consumer durables and luxury items; and it gave rise to property acquisitions and real estate investments. While the real estate investment market experienced a boom in the 1950's and 1960's through the government's Land Purchase Scheme, the fraction of capital that came to be built around this involved investment in property to provide accommodation for incoming migrants and their families. It is because of this situation that the state, through legislative enactments, made the import of goods and the ownership of property the sole preserve of the Kuwaitis.

What can be seen from such restrictions is that the state sought to make the migrant population a large consumer market for Kuwaiti capital to exploit. In addition, immigrants were directly to benefit the Kuwaiti population. This can be seen in the area of the sponsorship system to which we have already referred but which will be examined in more detail in the next chapter.

The importance of the migrant population for the economy in terms of expenditure on consumer goods is indicated in table 7.1. Al-Moosa and McLachlan using Family Budget Surveys, indicate that consumption by non-Kuwaiti households represent 59.4 per cent of the total. The authors argue that this share of consumption is relatively small compared to the total expenditure of the government. Neverthe-



less the consumption by the expatriate community shown in these figures, primarily expenditure on consumer goods and rent for housing, in addition to the total spending of the indigenous sector, represents a significant areas of accumulation for private capital. The fact that immigrant consumers spend slightly more than Kuwaitis despite the fact that they have lower income can be explained by the fact that there is more single workers of migrant origin.

**Table 7.1**  
**Household and per capita consumption by Kuwaiti and non-Kuwaiti communities- 1978/79. (KD)**

Group	Consumption per month	Consumption per year	Consumption total
Kuwaitis by household	477.2	5,76.4	-
Kuwaitis by capita	56.4	676.8	380,405,590
Non-Kuwaitis by household	367.8	4,4134.6	-
Non-Kuwaitis by capita	56.6	690.0	539,123,150

Source: Al-Moosa and McLachlan, p. 97.

It may thus be argued that the import merchants necessarily represent a strong interest within the merchant class, and this should be linked to their role as landlords of rented property. The landlord rentiers came traditionally from the merchant class that was described in chapter 4. They had a strong interest in import trade. Subsequently, in the oil era, and especially under the Land Purchase Scheme of 1952, this traditional merchant class was to benefit most and acquire large interests in immovable property.

### 7.3.1 The Rise of the Landlord Rentiers

By the early eighties rented property contributed KD 50 million per annum ( 100 million approximately) to Kuwaiti landlords(47). The increase in foreign labour from the 1950's onwards meant that there was a growing demand for accommodation as can be shown from the growth of apartment buildings from table 7.2. Indigenous capital benefited from this development, especially as state law prohibited immigrants from owning their accommodation, so that they had to rent it from Kuwaiti landlords.

Table 7.2

The growth of residential buildings 1950-1980

	<i>Apartments buildings</i>	<i>villa</i>	<i>Traditional house</i>	<i>Others</i>	<i>Total</i>
1950	-	-	1,012	159	1,171
1950-54	139	520	1,710	130	2,499
1955-59	436	1,635	2,979	157	5,227
1960-64	1,421	3,732	4,213	436	4,802
1965-69	2,358	9,440	7,274	476	19,748
1970-74	1,637	4,882	10,066	533	17,118
1975	374	1,506	651	252	2,783
1976	219	1,442	291	100	2,052
1977	319	3,335	328	243	4,225
1978	461	4,327	6,111	233	11,132
1979	431	1,399	318	375	2,523
1980	52	46	37	87	225
Total	7,847	32,264	35,210	3,181	78,502

Source: ASA 1985, p. 89.

This monopolistic structure of the rented property market, restricted to Kuwaiti ownership only has meant that there has been a growing fraction of capital from the sixties that has supported the continued settlement of migrants as can be shown from the growth of apartment buildings. Further, the growth of apartments represented a significant area of accumulation by way of rent. In 1975 the total apartments was 57,636, this increased to 89,897 by 1980(48). In the final section we will show more fully how in the 1980's the landlord rentiers tried to transform their economic power into political power in response to the state's policy increasing the threshold income which a migrant needed before he could apply to bring his family to join him. But before we can do this, we must examine the implication for the immigrant of the lack of a right to the ownership of private fixed property.

The monopolistic structure of the property market in the hands of Kuwaiti landlords created an adverse situation for immigrants. The legal prohibition of the ownership of property has meant that the immigrants and their families lacked a basic choice, and had to rent accommodation from a Kuwaiti landlord(49). Consequently, high prices attached to poor quality housing. Immigrants live in overcrowded conditions(50), with no basic amenities, such as the provision of water supplies and lack of recreational facilities(51).

The following example illustrates the strength which the monopolistic structure of the market in rented property gives to landlords. When there was an excess supply of property for rent in the 1980's, the prices should have decreased. This did not happen: initially, landlords maintained the same rent and,

while it decreased somewhat later, this reduction was minimal. The lack of competition among landlords meant that they could maintain the same rent even at a time when there was vacant rented property. The state has also contributed to this for it rented property from private landlords for its Kuwaiti employees(52). We shall now talk about the rent laws passed by the state.

Although a number of state rent laws have been passed, it is most illuminating to consider that passed in 1978, which increased rents by 100 per cent. The rent increase of 1978 was part of the proposals put forward to the government by a committee of the Chamber of Commerce, who depicted the increase as a "rationalization" of rent and hence a protection for the tenant. The Chamber maintained that the rent law would establish a relationship between tenants and landlords whereby rent would increase every five years on a sliding scale which would ensure that rent increases would decrease over a period of time(53). Such a relationship, the Chamber maintained, would give stability to the tenants(54).

From this we can see the importance of the Chamber of Commerce in the policy-making process, as the 1978 rent law came largely out of its proposals. This fraction of capital clearly felt able to suggest such a steep increase in rent and to obtain state support for it. The combination of state and rentier was one against which migrants had no defence. It must be remembered that large sections of long-term immigrants, such as the Palestinian community, had nowhere else to go, but had to accept the status quo. There are some who argued that the Rent Law of 1978 was intended to mean that the state was telling the Palestinians to leave(55). More likely it was simply the imposition of new levels of exploitation on a captive community.

Policy-makers, under pressure from the landowning interests, likely calculated that immigrants would be forced to accept such an increase in view of their lack of choice and of the regional situation which did not encourage return migration(56).

Rentier capital was not the only fraction of capital with interests in migrants. We will examine the rise of new type of capital in the 1970's as a result of the boom in the construction industry.

### 7.3.2 The Rise of the "Infrastructural Bourgeoisie"

In this section we will examine a fraction of capital that came to rely on the third stage of the migration process, that of importing short-term labour from South-East Asia. The 1973 oil price rise brought about an expansion in the construction sector through an increase in infrastructural activities throughout the Gulf, including Kuwait; this can be shown from the construction permits that were issued from 1975 to 1984 as table 7.3 shows. This potentially large market meant that numerous indigenous construction companies developed encouraged by the state. These companies took on

infrastructural projects and sub-contracted them to international construction companies. This was a normal practice, especially if the project undertaken by local firms was a complicated one as shown in chapter 5.

**Table 7.3**  
**Construction Permits Issued by the Kuwaiti Municipality**  
**1975-84**

	<i>Total permits</i>	<i>Private permits</i>	<i>Permits of public utilities</i>
1975	7,935	7,674	261
1976	9,029	8,721	308
1977	13,892	13,259	633
1978	11,840	11,335	505
1979	11,094	10,471	623
1980	10,680	9,617	1,063
1981	12,205	11,118	1,087
1982	18,375	17,202	1,173
1983	10,538	9,830	708
1984	10,235	9,358	877

**Source: ASA 1985, p. 100**

The role of the state in general can be argued to have been a strong influence on the import of migrant labour. This was so because it was the state which was responsible for initiating the process of infrastructural development(57); in this sense it was responsible for changing the source of labour imports from the Arab countries to Asia. Al-Shabnan( Assistant Undersecretary of State at the Ministry of Social Affairs and Labour) said in 1980 the state had contracts with 7 major foreign companies which employed 30,000 contracted workers(58). In addition to that there were local companies cooperating with 17 other foreign companies(employing 20,000 contracted workers on government construction projects(59). The state, like any other employer, demanded the lowest cost for the projects. The clearest statement of this came during the debate on the Second Development Plan of 1975/76-1979/80 when government stated that it would seek to award contracts to foreign companies who provided their own labour(60).

Economically, the state favoured non-Arab labour, particularly that from South-East Asia, mainly on the grounds of low wages and low social cost. In chapter 2, we argued that the state sought to reduce the social cost of the immigrants by making them shoulder most of the cost of their own social reproduction. Even so, the state had necessarily incurred some expenditure, namely on health and education. With the Asian contracts these could be minimised.

It is in this light that the recession of the early 1980's was viewed positively in certain government quarters(61), because recession would either reduce dependence on imported labour, or it would mean that many existing migrants, made redundant, would leave Kuwait with their families. The effect of this would be to reduce state expenditure. Nevertheless, there was no universal welcome for the shift to short-term Asian labour.

In the late 1970's and early 1980's the property owners and the import merchants, who can be said to form one fraction of capital, opposed what Birks and Sinclair have called the "Oriental Connection"(62), that is, the construction companies which came to Kuwait bringing their own labour. As shown in chapter 5 this opposition was based on the grounds of the insularity and the "enclave" character of the South East Asian worker. This point will be explained more fully.

The "lock, stock and barrel" contracts meant that the international construction companies operated in Kuwait without significant links into the local economy. Their materials was brought from outside so that the local economy did not benefit, while the wages of the workers were directly remitted to the home country, with the consequence that these workers did not serve as a purchasing power in Kuwait. A 1984 Report by the Chamber of Commerce accordingly criticised this enclave development as potentially "divisive"(63). The Chamber called for the grant of any future contracts to be conditional on the international construction companies drawing partially on the resources of the local economy, a demand which eventually became government policy in 1986.

Because of the existence of two fractions of capital, each favouring different patterns of migration, a conflict could have arisen. It could however, be argued that this was defused by the weakening in the 1980's of the link between the sub-contracting international companies from Asia and the local contractors. This was because building projects were being completed and a slump in the construction sector was setting in as we noted in chapter 3.

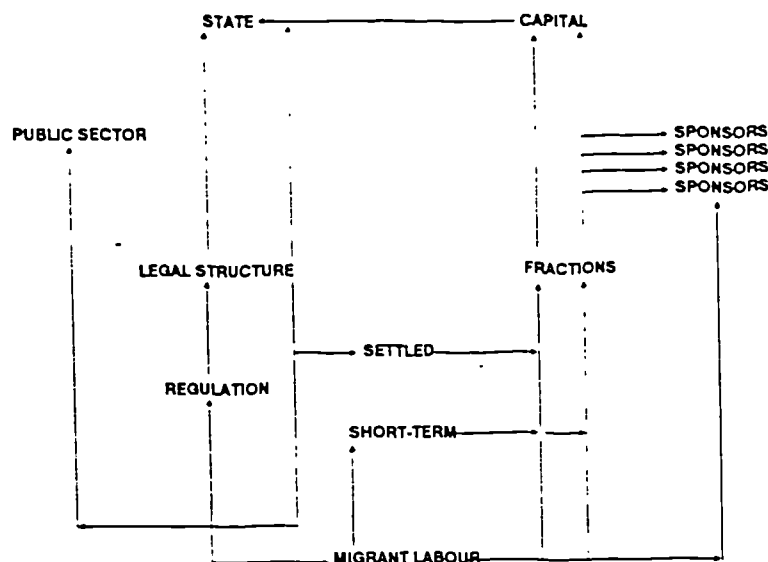
### 7.3.3 The State and the Existing Fractions of Capital

In this section we will examine the relationship between the state and the fractions of capital discussed above.

It can be argued from the above that there are three distinct groups which are interested in the migrant population: there is the state which sees the migrant population as a means of maintaining its power; there are the landed rentiers and import merchants who favour stable migration which will bol-

ster rent and consumer demands; and, in the third stage of the migration process, there is the bourgeoisie whose accumulation rests on construction and short-term migrants. These interests can be represented in a diagrammatic form as shown on figure 7.1.

Figure 7.1



State, Capital and Migrant Labour

The diagram should be understood on two levels. On one level there is the state and capital and their interests in migrant labour. On another level, capital itself becomes divided into fractions which are interested in different types of migrant labour. The legal structure of the state imposes constraints upon migrant labour and benefits capital: it is these legal constraints that make migrant labour so attractive to indigenous capital.

This diagram also represents an essential relationship between state and capital. Thus far it has been useful to present capital in terms of fractions in order to understand the reasons for the recruitment of different types of migrant labour. However it would be an exaggeration to suggest that there was a clear demarcation between these fractions of capital. This is because of their structural links in the economy, their involvement in different types of economic activities, and their relationship with the ruling elements, as pointed out in chapter 4. In chapter 4 it was shown how the state and capital are intertwined in the executive apparatus. It is the relationship between the dominant classes, of the ruling family and the merchant class, that have benefited most from the oil era, that is, the descendants of the trade and pearl merchants.

The state, as personified through the ruling elements, has sought to maintain a balance with its relationship to the various fractions. We mean by this that the rulers have come to have interests in both fractions of capital, in property and in commercial companies whether engaged in the import trade or in construction. Al-Nafisi points that the ruling family was necessarily involved in the "Oriental connection" through those of its members who served on the boards of construction companies(64). What we wish to suggest from the above is that the state has itself become deeply involved in the perpetuation of a variety of types of migrant labour, for economic as well as political reasons.

We will now show the hold which these fractions of capital have on the state apparatus, by means of a particular example involving two governmental departments. We must first briefly set the scene. In the early 1980's a significant number of properties for rent were being built and left empty. These had been planned during the late 1970's, when the economy was booming and it was thought that there would be an increase in the migrant population, particularly of families. However, this was not to be the case. The Ministry of Planning initially put the figure of vacant residential property at 8,332 in 1984(65) increasing to 11,000 by 1986(66).

This slump in the property market was a problem taken up by government Ministries. Al-Talieha argued in 1984 that a conflict of interests developed between the Ministry of Social Affairs and Labour and the Ministry of the Interior over the type of labour that should be allowed in to Kuwait(67). The debate centred on the raising of the income threshold above which a migrant might apply to the relevant authorities to bring his family.

While the Ministry of Social Affairs and Labour was in favour of "stabilising" the threshold income, the Ministry of Interior wanted to increase it(68). The views of the Ministry of Social Affairs and Labour according to al-Talieha, had to be understood in the context of the vacant residential flats and a desire to encourage family stabilisation. The Ministry of the Interior on the other hand was concerned with questions of security of the state and wanted therefore to increase the income threshold(69). The state as an institutional actor as well as a socio-political entity does have an interest of its own vis-a-vis migrant labour and capital. The importance of migrant labour can be argued from the evidence in the previous two chapters to lie in the reproduction not only of an economic formation per se, but of a social formation in which there are strong links between the political, economic and social spheres. Nevertheless the state as a legal, institutional, political entity must try to project the interests of society in general(70). Because of the nature of the structural relations of power, it was essential for the state in Kuwait to maintain and perpetuate the existence of migrant labour, both for the reproduction of the traditional elite and for the alignment and pacification of one fraction of capital (that of the landed rentiers). The state found it

equally necessary at the same time to reduce its dependence on one source of labour and to spread it to other sources in the international labour market. By doing this it has been able to satisfy the second fraction of capital, which has come to rely on imported short-term contracted labour for its capital accumulation.

It is our contention that, in a recession period, the complementarity of the phases of migration outlined in chapter 5, are essential reproduction of capital in general. These phases are in turn reconstituted to include fractions which are best served by different patterns of migration. What is distinctive about the Kuwaiti example is that, while the state serves to mediate between fractions of capital, it too has an interest in maintaining a variety of forms of migrant labour.

#### **7.4 Conclusion**

In conclusion we will come back to the set of questions that were posed in the earlier sections of the chapter. These relate to the government's failure to develop a consistent policy. From what was said in the section on fractions of capital it can be seen why is this so. Various political and capitalist interests have found the maintenance of migrant labour to be beneficial to them, offering advantages over the indigenous workforce which is small and incapable of generating enough accumulation for capital. The coercive apparatus of the state has ensured that migrant labour is powerless, a necessity for both political and economic reasons as we have seen.

In the next chapter we will examine more fully these coercive powers as constituted into a system of laws and institutions.



## ENDNOTES CHAPTER SEVEN

- (1) Assembly Proceedings no. 494, 19th March 1985, p. 276; Ministry of Social Affairs and Labour, (1981), p. 5; Abdul-Lattiff al-Hamad (1978) p. 13.
- (2) Birks and Sinclair, in Niblock (1980), p. 135.
- (3) Leaked government document to Al-Qabas newspaper which said that preference of entry will be given to certain nationalities over others, 16.11.1986.
- (4) Ali Labeeb, (1983), p. 84.
- (5) Labeeb, (1983), p. 84.
- (6) See Russell, (1987).
- (7) A view of Kuwait, Kuwait Embassy, Washington, cited in Ismael, (1979), p. 169.
- (8) See above.
- (9) Galal al-Din, (1983), p. 405.
- (10) Al-Din, ( 1983), p. 405.
- (11) Conference on Seysat al-Istikhdam wa Intiqal al-Amala al-Arabiya (Conference on Labour Policy and the Movement of Arab Labour), Kuwait, API, 1986.
- (12) Al-Najjar, (b) ( 1986), p. 175.
- (13) Al-Najjar, (b) ( 1986), p. 370.
- (14) For an analysis of these class relations see chapter 4.
- (15) The use of the one-family concept has been used successfully in speeches made by the successive rulers of Kuwait, See, Al-Gazalli, Salah(ed), Al-Hayat al-Democratiya fi al Kuwait(Democratic Life in Kuwait), Kuwait: The National Union of Kuwaiti Students, University of Kuwait Branch, 1985.
- (16) See the collection of articles on the concept of the national interest in Smith, M. Little R. and Shackleton M. (1981).
- (17) cited in Ismael,(1979) , p. 169.
- (18) In the 1970's the Kuwaiti government appears to have encouraged single short-term workers from Egypt by making it easier for them to obtain work-permits, see Fergany, N. The role of Egyptian Labour in the Construction Sector in Kuwait, Institute of Developing Economics, Japan, 1981, p. 47. This leniency over granting work-permits is different from what occurred in the 1960's where Kuwaiti government policy towards Egyptians was cautious because of the strength of Nasserism; indeed some Egyptians were expelled periodically.
- (19) Al-Din, (1983), p. 408.

- (20) Seccombe, cited in Russell, (1987)p. 168; Abu-Lughod, (1983), p. 248.
- (21) Hashim S.H. Behbehani, (1985), p. 191.
- (22) Moubarak, (1979), p. 127.
- (23) The actual number expelled was 10,000, these being mostly Palestinians, See, Avi Plascov, (1982), p. 94.
- (24) Cline, (1985), p. 11.
- (25) Abdul-Razzak, (1984), p. 40, says this is an undeclared policy which she found through a series of interviews from government officials and through government classified materials which she was given access to.
- (26) Chcouri, (1986), p.261.
- (27) Sen, (1988), p.92.
- (28) H. Beblawi, (1984), p. 151.
- (29) See part II of chapter 5.
- (30) Russell, (1987), p. 105.
- (31) Rushdi, (1955), p. 69.
- (32) A. Al-Sabah, (1978), p. 496; a 'No Objection Certificate', essentially meant that the entry of a worker into Kuwait was dependent on him producing a certificate of work from his Kuwaiti sponsor.
- (33) Al-Sabah, (1978), p. 496.
- (34) Al-Sabah, (1978), p. 496.
- (35) Moubarak, (1979), p. 138.
- (36) Moubarak, (1979), p. 139.
- (37) Five-Year Plan, 1985/86-1989/90, Part 1, p. 40.
- (38) Five-Year Plan, 1985/86-1989/90, Part 1, p. 40.
- (39) Five-Year Plan, 1985/58-1989/90, Part 1, p. 40.
- (40) cited in al-Sabah, (1978), pp. 496-505.
- (41) MEED Special Report on Kuwait, (1982), p. 35.
- (42) Al-Sabah (1978), p. 500.
- (43) Assembly Proceedings no. 329, 9, February 1974, p. 3; Despite the fact that limited Palestinians in the past have been naturalized, the official policy has been not to grant citizenship to any Palestinians, the attitude being that Palestinians would be returned to their homeland, See Assembly Proceedings no. 33, November 23 1963, p. 3.
- (44) Assembly Proceedings no. 446(d), 23, October, 1982, pp. 51-56.

- (45) Assembly Proceedings no. 329, 9, February 1974, p. 7; the issue of granting citizenship remains a very complicated one. Discussion of it in the Assembly tends to be tied with the issue of Bedouins who are Kuwaitis in all but citizenship(as shown in chapter 2).
- (46) Assembly Proceedings no. 446(d), 23, October, 1982, p. 56.
- (47) Al-Moosa and Mclachlan, (1986), p. 41.
- (48) Annual Statistical Abstract 1985, p. 91.
- (49) A. Abdul-Azziz Al-Jardawi, (1977), p. 92.
- (50) Amir Al-Ani, (1984), p. 253.
- (51) Al-Ani, (1984), p. 253.
- (52) Up till the 1970's the state also rented the buildings of the government ministries from private landlords( KD 700,000 p.a.) . In 1974 in an Assembly Sitting this was criticised by one Deputy who argued that the state should build its own building, save its money on rent and build with it housing for the poor, Assembly Proceedings no. 329, February 1974, p. 37.
- (53) Arab Times, Kuwait, 25 February 1978.
- (54) Arab Times, Kuwait, 25 February 1978.
- (55) Sirhan, (1980), p. 258.
- (56) Sirhan, (1980), p. 258.
- (57) The state in its annual budgets allocates a specified amount for construction projects. In the 1983/84 budget this was K.D. 3,376,300, an almost sixfold increase on the amount allocated in the 1982/83 budget, See Annual Statistical Abstract 1984, p. 240.
- (58) Interview with Al-Shabnan, al-Watan 14, March 1981.
- (59) Interview with Al-Shabnan, al-Watan 14, March 1981.
- (60) 2nd Five-Year Plan 1975/76-1979/80, quoted in the Central Bank of Kuwait Economic Report for 1976 p. 18; the view that the state would grant contracts to the cheapest source was highlighted by al-Shabnan, see above.
- (61) Owen, (1985), p. 9.
- (62) See above
- (63) Chamber of Commerce,1984, p. 15.
- (64) Al-Nafisi, Conference on Foreign Migration, Kuwait, Arab Planning Institute, 1983, p. 311.
- (65) Chamber of Commerce, (1984), p. 5.
- (66) Al-Rai al'am, 11, 7, 1986.
- (67) Al-Talieha, no. 848, 27, June 1984, p. 18.

- (68) Al-Talieha, no. 848, 27, June 1984, p. 18.
- (69) Al-Talieha, no, 848, 27, June 1984, p. 18.
- (70) For the classic texts on the state see Marx and Engels, *The Communist Manifesto*, *The Eighteenth Brumiere of Louis Bonaparte*; Engels, *The Origins of the Family, Private Property and the State*, these works are in the Marx-Engels Selected Works in One Volume, Progress Publishers; Lenin, *The State and Revolution*, in Lenin Selected Works Progress Publishers, 1977; For a later view on the state see, Miliband, R., Marxism and Politics, London, Oxford University Press, 1977.

## CHAPTER EIGHT

### THE LEGAL STRUCTURE OF MIGRANT LABOUR

In the previous three chapters we have shown the development of migrant labour, its importance to both state and capital, and the implications this has had for the formulation of migration policy. The last chapter dealt with the developing regulation of migrant labour. In this chapter we carry this examination further by considering those areas of law which have the effect of excluding the migrants from society. This legal framework regulates the development of the immigrant community, the rights of migrants ownership to property, and the restrictions on their rights to join political and social organisations. Although these laws have been mentioned throughout this thesis, in this chapter we shall analyse them systematically, as a regulatory framework or structure, so as to show the process of exclusion of the migrant population. The bulk of this structure was put in place between 1959 and 1965, the period, it could be argued, in which the structure of exclusion was formed.

Before we consider the laws dealing with migrant labour, we need first to examine an area which is fundamental to the effective operation of the law: the administrative apparatus. Lacking a citizenry from which a modern bureaucracy could be recruited the state was forced to use immigrants in its administration and these expatriates soon came to have a pre-eminent place within the civil service. We will not discuss fully the bureaucracy (since this would require a separate study) but would briefly point out the importance of expatriates in its development.

#### 8.1 Bureaucracy and the development of administration

As was shown in chapter 6, the dependence on immigrant labour developed during a period in which Kuwait passed almost "overnight" from an economy based on pearling and long distance trade to one based on oil. The speed of the transition was not paralleled by a similar transformation of the state apparatus. Apart from the Customs and Excise Board that was established during the reign of Mubarak, and the rudimentary state structures that were established in the inter-war period, no real national administration existed(1). Thus it was necessary to construct a modern administration almost from scratch and to recruit a civil service to operate it.

### 8.1.1 Migrants and the administration

It has been pointed out by various observers that the influence of the migrant element on the administrative system of Kuwait has been immense(2). Abdul-Rahman, talking of the Gulf states, says that

.....their administrative systems....are too weak to cope with the responsibilities created and intensified by huge wealth and they suffer from a major shortage of qualified and trained manpower. In response to this shortage...they...have resorted to the import of foreign manpower. Their dependence on a foreign labour force has been so heavy that new and varied elements, values and interests have influenced the structure of their administrative social and economic system(3).

Two principal points can be discerned from the above. Firstly, the oil wealth has opened up new infrastructural and administrative employment opportunities, though the indigenous population with its low level of literacy, was unable to take advantage of these, and this created a demand for migrant labour. Secondly, this imported labour was heterogeneous, that is in terms of education, ideology, nationality, political outlook and culture. This heterogeneity resulted in a variety of ideas and beliefs about the way to organise and run the administration.

The work of al-Rumaihi is particularly instructive on this particular subject. Al-Rumaihi discusses the development of the administration in terms of the nature of society and in terms of the variety of incoming expatriates who had a decisive influence on the nature of the emerging bureaucracy(4). As we have shown in the first part of the thesis and in chapter 6, Kuwaiti society was characterised by its tribal character. These tribes were reproduced in the bureaucracy, where their loyalty was to family and kin rather than to state institutions(5). This, argues al-Rumaihi, had a negative effect on the functioning of the bureaucracy.

For al-Rumaihi, the different cultures and traditions which the imported workers brought with them also had a negative effect on the bureaucratic development. Different migrants had different ideas about development, not least because they came from different bureaucratic traditions. The expatriates from Egypt who came to dominate the bureaucracy had a long tradition of bureaucratic development(6). Their influence was felt in the establishment of ministries, in the formulation of law and in constitutional development(7).

Apart from the Egyptian expatriates, Palestinians are the most important of several other groups in the bureaucracy (by 1976, as table 6.11 shows Egyptian and Palestinians dominated the administration in terms of numbers). What was distinctive about those Palestinians who joined the higher echelons of the bureaucracy was that their ideas of administrative development had been learned in Palestine during the British Mandate between 1919 and 1948. Consequently, their administrative tradition had been very much influenced by British administrative and bureaucratic organisation(8). After 1948, for instance,

skilled Palestinians began to be recruited to Kuwait: Hani Al-Qaddoumi in 1949 founded Kuwait's first Department of Residence and Passports(9); other Palestinians were to find themselves in the highest echelons of government whether as administrators in the Department of General Security(10), as advisors(11), in the Municipality(12) or in one case as the head of the Department of Finance(13).

Despite the influence of certain migrants in the top hierarchy, the dominance of the expatriates in society and the administration lead to their exclusion from society through a number of laws that will be discussed in the following sections.

## 8.2 The dynamics of exclusion

The various laws that were passed between 1959 and 1965, taken together, constitute the framework of a system intended to exclude the migrant population from participating in the social, economic and political life of the country. It was these laws, expressing a state policy outlined in chapters 6 and 7, that established the dualism that exists between the indigenous and expatriate populations.

### 8.2.1 Labour Laws

At the heart of the legal structure which organises the dualism in society are the statutes regulating labour and conditions of employment. Of themselves, they do not impose particularly severe forms of exclusion on immigrants. Rather they create the framework (through loop-holes) in which discriminatory administrative practice can flourish and be justified. Once again it needs to be stressed, the legal structure being discussed here must be seen in its organic relationship to the practice and policies which we discussed in chapters 6 and 7. Thus, for example, in the area of employment, workers from South and South-East Asia were given contracts, only to find that once they have reached Kuwait, these workers were forced to accept new contracts at reduced pay(14).

The first attempt to create a regulatory framework within which the labour force could be controlled, did not distinguish between nationals and expatriates. Nevertheless, they laid the groundwork for what would come later. In 1954 a committee recommended that every worker should be registered with the newly created Department of Social Affairs and Labour(15). With this one step, the state obtained a profile of the character of the entire workforce of the formal sector, a resource it could later put to use in its treatment of foreigners. Then in 1955, the first labour law, the so-called the Organization of State Employees was established. Although the 1955 statute did not distinguish between nationals and expatriates(16), it permitted subsequent statutes to reshape the relationship between state and civil society through the concentration of Kuwaitis in government employment, in the way we have described.

By contrast, subsequent laws dealing specifically with the labour force began to take on a different character in the early 1960's in that they specifically distinguished between citizens and foreigners. Three principal laws, dealing with the government and the private sectors, constituted the basis for any subsequent legislation on labour matters: the Civil Service Employment Law No. 7 of 1960 dealt with workers in the government sector, replacing the 1955 Organization of State Employees, Law No.18 of 1960 for the public sector, and Law No.38 of 1964 which incorporated the 1959 labour law for the private sector(17). The Kuwaiti labour laws, whether public or private, have one general feature, they grant priority of employment in both sectors to Kuwaiti citizens(18). This is spelt out in article 10 of Law No. 38, which not only gives priority to Kuwaiti labour but, among immigrants, it gives priority to Arabs before non-Arabs. Thus article 10 lays down that jobs should be offered first to Kuwaitis, then to Arabs and lastly to non-Arabs.

In practice, the priority of employment only applies to Kuwaiti workers, who are guaranteed employment by the constitution. Al-Jardawi has argued that the state failed to enforce the priority of employment which the law gave to Arab workers. Between 1978 and 1984 (that is, the period covered by al-Jardawi) the number of Asian workers overtook that of Arab workers and the employment of Asians was not only preferred to that of Arabs, but encouraged for the reasons discussed in chapter 5(19). The state has gone against both the letter and spirit of article 10 by allowing the import of non-Arab labour while restricting the entry of labour from other Arab countries. Of the two public sector statutes Law No.18 of 1960 was divided into 9 sections and 31 articles. The most important dealt with the recruitment of personnel and the wage scales and fringe benefits to which they might be entitled. Other sections dealt with hours of work, holidays and the right of association(20). There is even, in article 11 a 'marriage gratuity' for Kuwaitis; this, in 1960, was 500 Rupees(21). This statute remains the basis, although subsequently a number of laws were passed for the public sector.

Law No. 7 of 1960 further protected Kuwaiti labour in government employment. The right to employment was granted to expatriates on a temporary basis only. This was because they are not a part of the "political community" defined by citizenship(22). Law no.7 of 1960 reserved the top three positions of public office for Kuwaiti nationals, stipulating that the employment of expatriates might only be permitted in certain occupational categories. Article 13 states, non-Kuwaitis should be employed only after the post had been advertised and only if a Kuwaiti national had not been found to fill it(23). Article 13 was inserted into the law to protect the status of indigenous labour against competition from immigrants. However, by 1983 the government has stopped employing additional migrants in the civil service.



The laws for the public sector are much more generous and comprehensive, than for the private sector especially in the area of welfare. Workers in public employment were not only guaranteed social insurance, and sickness benefits, but also early retirement and generous income subsidies, including a child allowance. In 1976 Kuwait established a national insurance scheme for Kuwaitis only, which provided old-age pension, invalidity payments, and compensation for death and accidents at work. The national insurance law of 1976 incorporated previous labour laws which dealt with the above mentioned aspects of social insurance, which applied primarily to the public and oil sectors. This insurance law was first introduced in the public sector and only later extended to the private sector. The reason for this was that the private sector was dominated by expatriate labour while Kuwaitis concentrated in public employment.

The provision of child allowances will serve to highlight the difference in treatment between Kuwaitis and non-Kuwaitis in the government sector. Child benefit payments are given to every government employee; they are fixed and given for every child. The size of the benefit depends on the nationality of the employee, that is whether he is a Kuwaiti or a foreigner. The 1979 Civil Service law No. 15 laid down that a Kuwaiti was allowed thirty Kuwaiti Dinars( 70) for each child per month, whereas the non-Kuwaiti was allowed ten Kuwaiti Dinars ( 25 ) per month for each child. The 1979 Civil Service Law also stipulated that a child of expatriate origin, born after a certain year(1979), would not be eligible for the benefit. The effect of this is that eventually there will be immigrant government employees who are not entitled to child benefit. On the other hand, a new Law was proposed in 1989 which would increase state benefit to Kuwaitis to 50 Kuwaiti Dinars for each child.

Law No.38 of 1964, for the private sector, contained 16 sections and 98 articles, all laying down the rights and obligations of employees and employers. Although Law No. 38 specifically excluded certain workers from its benefits(24), it was fairly comprehensive and set out regulations covering labour relations, the employment of juveniles, work conditions, labour contracts, compensation for accidents at work and industrial diseases, labour organization and arbitration(25). Articles 33-39 of the law dealt specifically with hours of work and holidays. Article 33 restricted the working day to 8 hours and the working week to 48 hours, article 34 restricted paid overtime work to 2 hours per day, coupled with overtime pay. Articles 35 and 36 enforced a weekly rest day and public holidays, while Article 37 dealt with sick leave. The law also specified protection for the employee in the work place: Articles 41, 43 and 46 required employers to provide basic industrial protection against industrial diseases, and, where necessary, to ensure transport to and from work, accommodation and drinking water. Articles 52 to 60 dealt with the labour contract. While Article 52 specified that there should be a labour contract, nevertheless,

the subsequent articles created a loop-hole for employers to exploit. Article 55 for example deals with the right of employers to dismiss labourers under certain conditions specified. This Article, however, has given employers wide discretionary powers which they have sought to use to make workers accept low working conditions, and long-hours at reduced wages; Employers use the threat of dismissals and consequent deportations to make labourers acquiesce to their will, as has been pointed in numerous cases(26).

The enforcement of this law in the private sector tends to be very lax. One important reason for this, as was shown in the previous chapters, is that the majority of workers in the private sector tend to be migrants. While the 1964 law limits working hours, and stipulates the right of workers to rest days and annual holidays, a study found that a great number of migrants work long hours, have few or no rest days, and do not receive their annual holidays specified by the law(27). Despite the provisions of article 33 the study revealed, from government statistics, that in a number of occupations workers were working as much as 72 and/or even 84 hours a week(28), exceeding the 2 hours of overtime per day the law specified(29). Bader observes that workers had to work extra hours to supplement their low incomes(30). In a later Study, Sen's research on migration to Kuwait found that the majority of people interviewed worked up to 14 hours a day(31). Similar findings were produced by the Arab Planning Institute in Kuwait(32). Law No.38 did not deal specifically with wages, which left the employer to impose wages on migrants with little bargaining power.

In the light of this it is illuminating to examine the provision of labour services, using two studies undertaken by the Ministry of Social Affairs and Labour in 1973 and 1974. The 1973 survey examined those establishments which employed a 100 or more workers, a total of 37 enterprises employing 22,698 workers (2,167 Kuwaitis and 20,531 non-Kuwaitis)(33). The 1974 study surveyed those establishments which had between 50 and 200 workers, 25 establishments employing 12,131 people(34). Although the statistics they present are now dated, they express a relationship which remain in place and inequalities which have worsened in the eighties.

These studies looked at certain areas of provision, such as transport, housing, food, insurance, retirement and health benefits, leisure and training. The reports found that some services provided were good, while others were poor or mediocre. A great number of establishments provided free or cheap transport to and from the workplace. The 1973 Report found that transport facilities were mainly for workers living far from the workplace(35). The 1973 Report also found that 17 out of the 37 establishments surveyed provided their employees with free housing, individually or collectively. However, a mere 3492 workers out of a total of 22698, benefited from this provision. Again, those who benefited

from the housing provision normally worked a long distance from their homes(36). In the area of health provision and retirement pensions, the Report found that although they did exist in some estab-

**Table 8.1**

**Establishments by the No. of Employees, 1980.**

<b>Employment size group</b>	<b>total number of Establishments</b>
1 - 4	23,414
5 - 9	4,018
10 - 14	1,123
15 - 19	514
20 - 49	918
50 - 99	279
100 - 199	157
200 - 400	95
500 +	36
<b>Total</b>	<b>30,552</b>

**Source: ASA, 1985, p. 131**

lishments, in the majority they were lacking, although, as Al-Din points out that expatriates received a lump sum before leaving the country(37).

The 1974 study produced similar findings: in the area of transport provision about half the workers (5,565 out of 12,131) benefited; in other areas, such as housing, few received workers benefits.

However, these studies attracted a number of critics the most prominent of which was the present (1989) Assistant Undersecretary for Technical Affairs at the Ministry of Social Affairs and Labour. He pointed out that these studies overestimated the provision of services because they only considered labour services in establishments with 50 or more workers(38). The most generous service provision was found either in big companies, like the KOC, or companies where the government was a major partner(39). The Assistant Undersecretary argued that in establishments with fewer than 50 workers, it was highly likely that labour services were almost non-existent(40). As Table 8.1 indicates, only 567 companies out of 30,555 registered in 1980 had 50 or more employees.

The Kuwaiti labour laws have been criticised because of their fragmentary nature: there are three different labour laws, dealing separately with the public, private and oil sectors, while in the public sector there exist a number of statutes dealing with different government occupations including a law for the civil service and a law, together with subsequent amendments, for other public employees. In a sem-

**Table 8.2**

**Establishments by Number of Employees 1980.**

<b>Employment size group</b>	<b>Number of Employees</b>
1 - 4	49,978
5 - 9	25,329
10 - 14	8,456
15 - 19	27,253
20 - 49	18,955
100 - 199	21,609
200 - 400	27,690
500+	31,529
<b>Total</b>	<b>223,859</b>

**Source: ASA 1985, p. 131**

inar given on labour laws in May 1975(41) it was argued that there was a need to unify this legal framework for the public sector. Their fragmentary nature was said to lead to confusion which directly affected the conditions of workers. As a result of separate laws for the civil service and the rest of the public sector, workers in government service were treated unequally, in terms of salary scales and leave. The workers who inevitably suffered the most are the expatriates.

During the Seminar one of the explanations put forward by the then Under-Secretary of State at the Ministry of Social Affairs and Labour for the existence of this legal diversity related to the pace of development in Kuwait since 1945. This resulted in haphazard and disjointed bureaucratic and ministerial arrangements and developments, with inconsistent legislation resulting.

Another view expressed at the seminar was that these labour laws should be unified because they affected some workers more adversely than others. Those who suffered tend to be expatriates, precisely because some laws were not enforced - for example, Law No. 38 of 1964 for the private sector. The Civil Service Employment Law No. 7 of 1960 gave employees 45 days annual holiday. On the other hand, Law No. 18 of 1960 for the rest of the public sector, which was amended by Law No.14 of 1963, gave workers either 21 days or 14 days annual holiday according to grade. Most Kuwaiti employees are governed by the civil service law, but the majority of expatriates are governed by the law for the public sector and are entitled only to the shorter holidays; these are no more than 14 days annually for the first five years, and then 21 days annually.

We need now to consider two specific aspects of the labour law: wages and the formation of trade unions.

### 8.2.2 Wages

There is a wide disparity in the wages paid to Kuwaitis as compared with expatriate labour for the same work, a disparity which results from state law. This becomes clear when we examine the three laws which are applicable respectively to the private sector, the government sector and the oil sector.

Law No. 38 of 1964 (for the private sector) provides general guidelines for the regulation of wages. Articles 28 to 32 deal with the monthly wage, piece work and hourly pay. Article 30 stipulates that no employee may be forced to purchase any foodstuffs or goods from his employers. Article 32 holds that if an employee is indebted to his employer, the latter is allowed to deduct no more than ten per cent of the wage at a time for the repayment of the debt. Law No. 38, however, does not deal with minimum pay; this is left to the employer. As a result wages in the private sector are basically determined by the free market and, in certain occupations (mainly menial, skilled and clerical) wages tend to lag behind those paid in the government and oil sectors(42). A few more privileged occupations in the private sector, however, such as the professions, tend to enjoy higher pay than is usual in the government sector.

The reason for this generally lower level of pay in the private sector is that most of the indigenous labour force is concentrated in government employment and expatriate workers lack bargaining power. The private sector is dominated by migrant labour and the government has been reluctant to enforce the provisions of the 1964 labour Law (No.38). As a result, lower wages in the private sector persist as Tables 8.3 and 8.4 show.

“Dualism” in wages is very distinctive in the Kuwaiti formation and permeates the public, private and oil sectors through legal and institutional mechanisms. Al-Din says that dualism in wages means unequal pay as between citizens and non-citizens for the same work done. This differentiation is made in terms of nationality(43). Although the state justifies paying Kuwaitis more money for the same work than non-Kuwaitis by saying that this is a way of redistributing national income among the local population, others have argued that the state has opened itself to the charge that it pursues a policy of wage discrimination(44).

Unlike the law governing the private sector, the laws for the government sector do contain articles which regulate remuneration, fringe benefits and promotion. As early as 1955, when the Organization of Government Employees Act was passed, article 5 specified workers' salaries, while Article 8 dealt with the system of fringe benefits and promotions(45). Similarly articles no.5,7,8,9 and 12 of Law No.18 of

Table 8.3

Wages by occupational category in Kuwait, 1983.

Occupations	Kuwaitis	Non-Kuwaitis
Professional and technical	456	412
Administrative and Managerial	908	778
Clerical and related	373	263
Sales	440	300
Services	388	81
Agricultural, Animal and Fisheries	351	153
Production	405	226

Source: Ministry of Planning - C.S.O: The Final Results of the Labour Force Survey According to Sample, April 1983, p.144.

Table 8.4

Wages according to economic activity, 1983.

	Kuwaiti	non-Kuwaiti
Agriculture and fisheries	350	173
Mining and quarrying	534	455
Manufacturing	533	236
Electricity Gas and Water	442	272
Construction	989	289
Wholesale, retail Hotels and Restaurants	422	272
Transport and Storage	382	276
Finance and Insurance	537	472
Social services	396	188

Source: Ministry of Planning - C.S.O - The Final Results of the Labour Force Survey According to Sample, p. 145 April 1983 (Arabic).

1960, for the public sector, specified wage rates, fringe benefits and promotions(46). There are also civil service laws dealing specifically with salary scales. Although the Civil Service Law (No. 15 of 1979) re-structured the salary scales of civil servants, we will here consider an earlier grading exercise, because wage levels were expressed according to nationality. The 1979 Law did not express scales in nationality terms although it did not in anyway alter the dualist system.

As Table 8.5 shows clear inequality in the basic salary rates in the civil service according to occupational category and nationality. Discounting the category of Minister, which is for Kuwaitis only, the top administrative category (Group I, Distinguished) demonstrated an income parity for indigenous and expatriate "workers". But it is clear that the difference between the pay of Kuwaitis and non-Kuwaitis em-

Schedules of Grades and Salaries of the Personnel of Government Organizations 1976			
Groups and Grades of Posts	Average Annual Salary (KD)		Percentage difference
	Kuwaiti	Non-Kuwaiti	
Minister	6,000		
Group I			
Distinguished	4,800	4,800	
Grade A			
Distinguished	4,440	4,200	5.4
Grade B			
Under-Secretary	4,200	3,960	5.7
Assistant	3,840	3,600	6.2
Under-Secretary			
Group II			
Grade 1	3,258	2,970	8.8
Grade 2	2,640	2,407	9.6
Grade 3	2,190	1,980	12.4
Grade 4	1,836	1,608	17.1
Group III			
Grade 1	1,524	1,264	21.2
Grade 2	1,188	935	23.4
Grade 3	942	722	27.5
Grade 4	708	513	27.5
Group IV			
(Service)			
Grade 1	1,092	589	46.1
Grade 2	768	427	44.4
Grade 3	570	292	48.8
Group V			
(workers)			
Head	1,698	1,198	29.4
(workshop)			
Supervisor	1,200	979	18.4
Craftsmen(a)	990	793	19.9
Craftsmen(b)	825	643	22.1
Craftsmen(c)	675	47	29.0
Assistent	540	363	32.8
Head	-	369	-
Worker			
Worker	-	281	-

Source: Table translated from Al-Din - The Condition of Labour and Labourers in the Gulf, p.152, ALO, 1978.

ployed at the same level tended to widen as one went down the hierarchy. The differential started at 5.4 per cent (Group 1, Grade A) and increased to a margin of 32.8 per cent at the lower end of the scale. In the fourth category of employees this differential between Kuwaitis and non-Kuwaitis was as high as 48.8 per cent. It should be pointed out that in the fourth category, which included the government service sector, there was a particular concentration of Kuwaiti workers.

Throughout the 1970's the government was instrumental in creating wage disparities. In 1971 and 1972 four laws were passed dealing with wages in the government sector. Three of these altered the wage-scales specifically for indigenous workers and increased their fringe benefits. Law No.31 of 1971 introduced a new wage-scale and increased social benefits. This was followed by Law No.33 of 1971 which increased annual increments and made provisions for promotion. Law No.4 of 1972, an amendment of Law No.31 of 1971, introduced a salary scale for Kuwaiti civil service workers, together with increased fringe benefits. In addition, Law No. 35 of 1972 was passed specifically to deal with expatriate workers in the civil service. It did not create a new wage scale, although it dealt with increased social and fringe benefits for non-Kuwaiti workers. It can be argued that, from this point on if not before wage dualism is officially sanctioned and enforced by law. In fact whilst Law No.35 of 1972 actually increased the social benefits( although not the wages) of expatriate workers, the aim of the Civil Service Law No.15 of 1979 was to eliminate social benefit for expatriate workers.

Wage dualism also exists in the oil sector. This dualism was practised in the early days(1940's to the early 1950's) of the KOC when there were separate wage-scales for Europeans, non-Kuwaiti Arabs and indigenous Kuwaiti labour, the last being mainly composed of bedouins who were paid the least and mostly confined to low skilled categories. As was shown in chapter 6, when migrant labour first began to flow to Kuwait, Indians and Pakistanis were paid higher wages than Kuwaitis indeed were amongst the highest paid workers, which caused resentment(47). However, from the 1960s, this wage disparity in the oil industry was rectified in favour of indigenous labour, which at that time was becoming correspondingly embourgeoisied in the government sector.

It was the changes overtime in the relationship between the KOC, which was owned by BP and Gulf, and the state which produced the alteration of the wage structure by the KOC. Al-Din points to the 1973 agreement signed between the KOC and the Kuwait Trade Union for the oil sector, which effectively institutionalized wage dualism by establishing a new scale of wages of Kuwaiti employees, while leaving the old wage scale in place for expatriate workers(48). It should be emphasised that this formal recognition of wage dualism occurred when the KOC was still in the hands of international capital; the full scale nationalization of the Kuwaiti oil industry came in 1976 and carried the process further.



The state has been especially important in perpetuating this segmentation in such a way as to make Kuwaiti civil society identify its interests with those of the state. The duality in the wages, which now seems to be an established norm, may help to bring out the coincidence of interest between state and civil society while perpetuating the various divisions within it. The level of wages not only represents the configuration of class interests, but is also (and necessarily) instituted according to nationality. Thus:

A Kuwaiti school guard will often have a monthly salary three times higher than an Arab High School teacher who teaches 48 hours per week (KD 285 as opposed to KD 91 respectively). Further the Kuwaiti guards usually are illiterate while the foreign teacher must have a B.A. or B.Sc degree to teach in Kuwait(49).

The above example illustrates the fact that the wage dualism that exists is based on citizenship rather than skill or merit(50). As will be shown in the last part of this section this dualism has wide-ranging implications for the relationship between the expatriate and indigenous communities and for the cohesion of the traditional political authority. The effect of wage dualism has not so much been to distribute wealth to the indigenous population, as to divide civil society along national lines and so to create an accommodation between a state controlled by a traditional ruling class and the indigenous population.

### 8.2.3 Trade Unions

The trade union movement is another area of differentiation between Kuwaitis and non-Kuwaitis. One general point that should be made, at the beginning is that trade unions in Kuwait are essentially the preserve of Kuwaitis; expatriate workers are effectively barred from joining any trade unions. In the following section we will trace their development in Kuwait and their relationship to the state.

In discussing this topic, two views will be represented which we have formulated. The first is that the formation of trade unions in Kuwait was the result of state involvement in the late 1950's and early 1960's, when they came to operate under the auspices of the Ministry of Social Affairs and Labour, which still allocates them an annual budget. The second view holds that the formation of the trade unions in the early 1960's was the result of objective factors that came into existence in the 1950's, manifesting themselves both in the unemployment which afflicted Kuwaitis mainly those who were involved in sea-related activities as was discussed in chapter 6), and in a wider pan-Arab regional perspective.

The first view, focuses on the relationship of the unions with the state. State involvement in labour relations began in the 1950's when the Ministry of Social Affairs and Labour organised cultural labour programmes. In 1957, the Workers Cultural Institute was established by the same Ministry. Its purpose was to organise seminars and study groups around issues dealing with employment. In the 1960's, the

WCI was very effective in this field; its cultural labour programmes were numerous, and it sent workers abroad to attend conferences and invited experts from the International Labour Organization to Kuwait(51). These activities continued in the 1970's and 1980's.

By 1971 the WCI had come directly under the Kuwait Trade Union Federation, an umbrella organization coordinating all the unions, which was formed in 1967. It is argued by some that the removal of the WCI from the direct auspices of the Ministry of Social Affairs and Labour to the KTUF was merely "cosmetic", since the trade union movement was itself controlled by the Ministry, as we shall show(52).

The formation of trade unions was mainly found in the public sector, where indigenous workers are concentrated . Unions tended to be set up in each government ministry. By 1982 there were nine unions in the public sector(53), but only one in the private sector, that of bank employees, and four in the oil sector, as can be seen from Table 8.6. It is interesting to note that in the private sector, where the majority of migrant workers were employed, almost no union formation had occurred, presumably because of the lack of associational rights from which expatriates suffered.

Table 8.6

Trade Unions, by the date of establishment, in Kuwait in 1982.

Trade Union	Date of establishment
(1) Municipality	21.10.1964
(2) Public Health Ministry	24.10.1964
(3) Education Ministry	6.11.1964
(4) Public Works Ministry	31.12.1964
(5) Finance Ministry	10.1.1965
(6) Electricity and Water Ministry	25.5.1965
(7) Telecommunication Ministry(a)	19.9.1968
(8) Information Ministry	12.12.1971
(9) Social Affairs and Labour Ministry	26.11.1972
(10) Union of Bank Employees	27.12.1972
(11) Kuwait Oil Company	12.11.1964
(12) Arabian Japanese Oil Co.	25.12.1964
(13) American Oil Co.(Independent)	18.12.1965
(14) Kuwait National Petroleum Oil Co.	15.11.1968
(15) Petrochemical (oil) Industries	27.2.1972

*Note:(a) include postal workers*

Source: Compiled from Al-Ajami, 1982, pp. 106-120.

The formation of unions was shaped and governed by a legal framework, started in 1959 and culminating in the 1968 law for the oil sector which, among other provisions, set up a union protecting oil workers. Article 70 of the 1959 labour law for the private sector called for the formation of trade unions, though this had no result until 1964, when a union for employees of the Kuwaiti Municipality was established. This was followed in the same year by unions in the health, education, and other government ministries.

A number of reasons have been put forward to explain the delay in the formation of such unions after the inception of the law in 1959. Al-Din(54) argues that the reason why the formation of trade unions began in 1964 and not in 1959 was that the government of Kuwait had earlier been preoccupied with facilitating its independence from Britain. Al-Najjar says the British were against any attempts to form trade unions in Kuwait because they feared that such steps would lead to similar demands from other workers throughout the Gulf(55). Dobson, on the other hand, writing in 1963, thought the reason why trade unions had not then been formed was that the government believed that industrial relations were good and needed no institutional interference. However Dobson pointed to another reason also, namely was that most of the workers in Kuwait were migrants(56).

A part of the explanation for this delay in the formation of trade unions lies in the nature of Kuwaiti society itself and also in the regional political situation. The pace of development and the economic disarticulation which oil brought about by rendering various traditional economic activities obsolete, led to a sharp adverse reaction among indigenous workers (as was shown in chapter 6). This was not only the result of the influx of migrants but was very much the result of the collapse of employee/employer relations that operated in the pre-oil economy.

In the pre-oil era there existed in Kuwait (basically in the pearling industry), a system of labour relations called the credit advance system (57). This system tied workers to their employers by means of debt: the workers had to keep working for the employer to whom they owed money (58). Because of the seasonal nature of the pearling industry, workers kept accumulating debt with the employer because they needed to ask for advances of wages (59). From the 1940's onwards, because of the gradual collapse of the pearl industry which had already suffered from the appearance of Japanese cultured pearls in the early 1930's, the situation of workers became worse, and was further aggravated by the dearth of other *traditional industries*.

During this period a number of articles were written about the plight of Kuwaiti workers, not just in the oil industry but generally (60) and calls were made for the formation of trade unions which would protect workers from unscrupulous employers, who demanded money from already indebted workers (61).

At the same time workers in the oil industry began to demand the same kind of treatment as was given to expatriates. There was a strike in the oil fields in 1948 by Kuwaiti workers seeking a better wage and better social conditions. This strike lasted for four days (62). In 1951 there was another strike by Kuwaiti workers in the oil fields, again demanding equal treatment with non-Kuwaitis. In the same year a workers' cooperative was formed by a number of Kuwaitis (63). All these developments suggest that labour relations were not good as documented in chapter 6. These demands continued, however, it was only in the late 1950's that there was legislation for the formation of trade unions.

Along with this internal development went the external one. Kuwait, as was mentioned in previous chapters, had been long affected by developments in the Arab region. In chapter 2, for example, we noted the effect of the 1956 Suez Crisis on Kuwaiti society. During that year a number of strikes occurred in Kuwait, in protest against the tripartite attack on Egypt. Belling emphasises the strength of

pan-Arabism in the Gulf and argues that there was a strong link between Gulf societies and the wider geo-politics of the region. For example, workers in Kuwait had a strong link with regional labour organizations, such as the International Confederation of Arab Trade Unions(64).

In the late 1950's and early 1960's the state became more receptive to the idea of forming unions for the country's workers. A number of factors influenced this change of attitude. Firstly, the majority of the workers were now in government employment, which they had not been earlier. Secondly, a system of welfare was already under construction, which would mean that workers would be less radical in their demands, enjoying a stake in a system of state benefits(65). Thirdly, the majority of unions would exist in the public sector, where there would be safeguards to prevent expatriates from joining. Fourthly, it was expected and planned that the unions would come under the control of the state.

On the last two of these points it is useful to examine again Law No. 38 of 1964 for the private sector the provisions of which also applied to the public and the oil sectors. Articles 69 to 87 of the Law deal with the formation of trade unions. Article 73 prohibited unions from undertaking political activity, and forbade them from investing their funds in any financial or real estate speculation(66). They are also forbidden from accepting any donations(67) without the consent of the Ministry of Social Affairs and Labour, thus ending any hopes they might harbour of an existence independent of the state.

Article 72 of the same law effectively restricted the membership of trade unions to Kuwaiti workers although the same article did go on to state that expatriates might join a trade union after residing in the country for five years(68). However, the same article stated that an expatriate was not eligible to vote in union elections or to exercise an executive post within the union(69). This provision has discouraged many people from joining. Al-Ajami, relying on Assembly proceedings, says that article 72 of Law No. 38 was in effect a compromise between those who wanted to ban expatriates from joining unions altogether, arguing that they would be a threat to the local labour force, on the one hand, and the Nationalist Deputies who argued that the unions, in order to be effective, must be based on a wider membership because of the small size of the indigenous workforce, on the other(70).

Unions in the private sector were not prohibited as such, but article 71 of Law No. 38 stipulated that a union could not be formed with less than one hundred members, and that only one union might be formed in any one firm or profession(71). Because the vast majority of firms had less than one hundred workers(as shown by table 8.1), they were immediately disqualified from unionization.

In addition to these legal restrictions, there were institutional ones imposed by the state. We have already mentioned the relationship between the trade unions and the Ministry of Social Affairs and Labour. This relationship was set out clearly in 1973 by Ministerial Resolution no. 5(72). This made a number of stipulations, the most important of which were that the Ministry had to be represented on any committees which was related to any trade union activity; that the cultural programmes undertaken by the WCI had to be in line with the policy of the Ministry; and that any publications undertaken by the union had to be supervised by the Ministry(73). In addition to all this, the Ministry allocated an annual budget for each union. Furthermore, any union could be dissolved on the orders of the Ministry of Social Affairs and Labour if, in the Ministry's opinion, the union had broken any laws, especially the article of Law No.38 forbidding political activity(article 73). After the dissolution of the union the whole of its assets were to be transferred to the Ministry(74).

It can thus be said that the if relationship between the state and the unions prior to 1973 was one of de facto inequality and domination by the state, the 1973 Ministerial Resolution gave this relationship the force of law. Despite these restrictions on trade unions or because of them, their relationship with the state has remained remarkably cordial for two main reasons. Firstly, union membership is overwhelmingly comprised of white collar government workers. Secondly, Kuwaiti trade unions are seen in terms of their semi-exclusive character, as their membership is overwhelmingly Kuwaiti. Hardly any migrants are members, though, interestingly enough, it is migrants who conduct the administration of these unions.

### 8.3 Other elements of exclusion

Having discussed the various aspects of the labour laws in Kuwait, we shall concentrate in this section on describing the regulation of other elements of the migrant population. We will consider a number of subjects such as company law, and laws governing clubs and societies . These are all parts of the overall government policy of the exclusion of migrants and further exemplify this policy.

#### 8.3.1 Company Law

A number of statutes deal with company law in relation to the economic life of the country. These laws, dealing with joint-stock companies, import agencies and industries, are designed to give the Kuwaitis maximum ownership of economic wealth and to exclude migrants from competing with them. Expatriates may not set up a business on their own but must, by law, have a Kuwaiti partner. Throughout Company Law No. 15 of 1960 numerous references are made to the 51 per cent ownership which Ku-

waitis must have in any company that is set up in Kuwait. Articles 12, 67, 68 and 197 of the Law No. 15 all require a 51 per cent majority shareholding to be held by Kuwaitis. Article 68 expresses the position clearly:

Every joint-stock company which is incorporated in Kuwait, shall be of Kuwaiti nationality; all partners shall be Kuwaiti and the company's head office shall be in Kuwait. However as an exceptional measure a number of persons who are not Kuwaiti nationals may be partners in a joint stock company (but not banking and insurance companies) if it is necessary to invest foreign capital or exploit foreign expertise, provided that the capital holdings of Kuwaitis shall not be less than 51 (fifty-one) percent and provided also that a licence to that effect is obtained from the government department concerned(75).

This quotation is very important because it says, in effect, that expatriates may operate in Kuwait only as partners of Kuwaitis. The phrase "exceptional measure" may be taken to mean that non-Kuwaitis under the law have a very tenuous claims or rights to corporate activity or property. The effect of this law is to ensure that companies must be registered in the name of a Kuwaiti.

The 51 per cent majority meant that there was a great deal of business to be done by citizens. Kuwaiti nationals often came to lend their names to an expatriate businessman without putting up any capital. In return the Kuwaiti received an annual share of the profits. However, as the legal majority partner, he was entitled to 51 per cent of the profits of the company. Hadawi says this system is open to much abuse and has been exploited by Kuwaitis for their own material advantage(76). The lending of the name effectively means that Kuwaitis come to act as sponsors for expatriates. This will be discussed in the final section.

Commercial agencies were regulated by Law No. 36 of 1964, which stipulated that only Kuwaitis could become agents as specified in article 1. The law stated that existing agencies in the hands of expatriates had to be terminated within three years of the Act becoming law(77). In this field the law was tightened up to exclude expatriate capital entirely; this contrasted sharply with the 1950's when anybody was able to own commercial agencies to market imported products.

In the case of insurance companies, while Company Law No. 15 of 1960 required that these must be Kuwaiti-owned, the Insurance Agencies Law No. 24 of 1961 allowed the continued operation of branches of foreign companies. However, article 23 of the latter stated that an insurance agent had to be a Kuwaiti, and it required, like the Company Law, that Kuwaitis own at least 51 per cent of the majority shareholding.

Decree no. 6 of 1965, the Industrial Law, was promulgated to encourage industrial activity among local capitalists by the provision of incentives through the Credit Bank, especially government grants and cheap loans. Article 7 empowered the Industrial Development Committee of the Chamber of Com-

merce and Industry, after careful study, to grant licences for the establishment of industrial firms(78). Article 8 of the Industrial Law stated that Licences might only be granted to Kuwaiti nationals and the majority of the board of directors had to be Kuwaiti nationals. Existing industrial firms owned by non-Kuwaitis which did not have at least 51 per cent Kuwaiti ownership had to terminate their business within two years of the law unless they complied with its provisions, that is by bringing in a Kuwaiti partner.

In the case of cooperatives, the law stated that their ownership as well as their board of directors had to be in Kuwaiti hands. The expatriate population could only serve as consumers. Similarly, in the stock exchange, the buying and selling of shares was made the preserve of Kuwaitis. Non-Kuwaitis could not participate in their own right in this financial activity but they could do so through a Kuwaiti national. Clearly the state developed a strong relationship with Kuwaiti capital and society.

The business laws were designed to curb the potential growth of an expatriate capitalist class rivalling the indigenous one. They were also designed to “peg” expatriate capital to indigenous capital and thus make the former subservient to the latter. The “lending” of names for registration purposes to expatriates wishing to form companies meant that ordinary Kuwaitis benefited greatly from the system (and continue to do so). As well as increasing the legitimacy of the state, this system has far-reaching consequences for theoretical analysis and serves to heighten the problems in defining the relationship between state and class. The de facto partnerships which arose from the “lending” of names gave a tremendous amount of power to nationals regardless of their class background. There is a major difference between this kind of social formation and the developed capitalist ones where a much clearer distinction can be seen in the relationship between class and state in politics. In the Kuwaiti case the situation is much more complex. Although the relationship between the state and the merchant class is very strong (as was shown in chapter 4), the state necessarily seeks to legitimise its role with appeals to wider sectional interests in society. The state seeks to appear not to represent class interests, but represents itself as a Hegelian type of state, “above” sectional interests. This produces a situation where a concrete relationship has come to exist between state and the whole of Kuwaiti society, realized and made possible through the exploitation of migrant labour.

### 8.3.2 The liberal professions

The legal profession is the preserve of Kuwaitis while, in the field of journalism, only Kuwaitis may own a newspaper.

Both these professions are overwhelmingly filled by expatriates. Most judges and lawyers tend to be foreign. Law No. 42 of 1964 regulated the legal profession and created two official lists of registered lawyers, one of Kuwaitis and the other one “temporary” list of non-Kuwaitis(79). This was specified by Ar-



article 8 of the Law. In addition to this, regulations demanded that no expatriate may practice law unless in partnership with a Kuwaiti lawyer(80). In the case of journalism, although many expatriates, particularly Palestinians, are employed in the newspaper industry, article 11 of Law No. 3 of 1961 governing journalism states that only Kuwaitis may own a newspaper.

Similarly, Clubs and Societies are the preserve of Kuwaitis. Law No. 28 of 1965 states that only Kuwaitis have the right to establish social or sports clubs, whose board members must all be nationals. In Kuwait today there are more than 60 societies ranging from the academic to the recreational, the members of which are all Kuwaitis. However, these societies continue to rely on expatriates for their day to day administration(81).

In the above we have discussed the structure of exclusion as it developed between 1959 to 1965. In the next section we will discuss a system of social relations that underpins this structure, the al-Kafalha system.

#### 8.4 The Al-Kafala (Sponsoring) system

In the section we will discuss the sponsoring system that operates as an institution in Kuwait. It represents a view of a society that has the majority of its population, and hence its labour force, made up of expatriates. This system seems to be unique to a particular region of the world, specifically to a subregion, that of the Arab Gulf states. Although the al-kafala system was implied in what has been said above about business and employment, a separate discussion of this institution is justified since the al-kafala system is an all-embracing system designed to differentiate the population along national lines and to make the expatriate population in the Gulf dependent on the indigenous population. The sponsors are responsible for importing the immigrants into the country, for maintaining their residential status, and for their employment.

The origin of the sponsorship system goes back to the 1930's when the then ruler of Kuwait, afraid of the economic competition for local businesses from Indian traders, wrote to the Political Agent asking for safeguards for local merchants(82).

Thereafter, the practice was established in Kuwait whereby expatriate businesses would operate only with a Kuwaiti sponsor who acted as a business partner. In the early 1950's, because of the influx of expatriates into Kuwait, local businessmen again complained of the competition from expatriate busi-

ness. This time the ruler told them that he could not control the entry of the expatriates because it was not in his hands to do so(83). They, as sponsors were responsible for the entry of immigrants into Kuwait. After this the sponsorship system became a widespread practice in Kuwait.

Having dealt briefly with the origins of the system we can discuss its substance. The system of sponsorship does not involve a fixed contract, but is a system governing the relations between expatriates and the indigenous population, in that an immigrant is "tied" to a Kuwaiti in his business, employment and right of residence. Thus sponsorship is an extra-legal system based on common law rather than enshrined in any legal document or statute. What is interesting is that the system of laws( those that are related to migrants) are subservient to the al-Kafala system. That means the sponsor is very important in the eyes of the law, and in cases of court or prosecution it is only he who has the authority to bail immigrant(s). There are varieties of sponsorship whether in the area of business or employment. Thus in the area of business, as has been shown in the last section an expatriate in Kuwait is required to have a partner who shall act as his guarantor in matters concerning the legal-juridical system, or an employer who automatically acts as the expatriate's kafeel and is legally responsible for the expatriate through the upkeep of the employment contract and the maintenance of residence laws.

A kafeel may become a de facto partner in several business establishments, only "lending" his name for the setting up of a business. Ibrahim, talking about the sponsorship system in Saudi Arabia says

A non-Saudi cannot by law initiate or own a business...A Syrian tailor or an Egyptian mechanic wishing to open a shop must find a Saudi sponsor as a partner. Abu Hamad [a Saudi] was a partner to or a full owner-employer of Egyptians, Palestinians, Syrians, Lebanese and Pakistanis. These other nationals put up the capital, the skills and the labour. He gave them only the legal coverage by lending his finger print (later his signature ) to contractual arrangements to obtain licensing. In return, Abu Hamad was getting 50 per cent of the profit. He and those sponsored by him....were quite happy with the arrangement. Other more greedy kafeels may appropriate as much as 80 per cent of the profit for the same legal coverage(84).

The kafeel may, and frequently does, have a multiplicity of partnerships by lending his name for the setting up of firms and establishments. In addition to lending his name in this way, he sponsors all the other employees who are working there. The implication is that, in addition to the 51 per cent profit an employer receives, he also receives payment each time he renews the residence permit of each individual worker within that establishment. In the area of employment the kafeel may import labour who are to work under his own name in Kuwait. The imported workers may work in the employment of al-Kafeel or they may work somewhere else.

We will now examine the different types of Kafeels that have come to exist in the Gulf.

In one activist version a kafeel may travel around the neighbouring countries to recruit people of various skills and set them up in various enterprises as employees of his or as his partners. A kafeel may simply import labour and then

retail it out to other local employers for a percentage of their wage. In the least activist version a kafeel may lend his signature to enable potential workers to come to Saudi Arabia. They would be on their own until they found employment and would then pay the kafeel a fee(85).

From the above it can be seen that the sponsorship system brings a marked financial benefit for the local population. The indigenous population benefit from the presence of migrant labour. A sponsor may import under his name as much labour as he likes. When in the seventies a trend began towards the import of labour from South-East Asia, a big business developed around the sponsoring system, with some kafeels importing as many as 3000 workers against the name of each sponsor(86). Al-Rubai an Assembly Deputy gave this figure in 1985 at an Assembly Sitting(87). He asked those sponsors to "slave merchants"; Al-Rubai says that these sponsors import outside workers under fictitious companies in order to make profit(88). There developed a widespread practice of subleasing expatriate workers to different employers and making a profit in the process. Al-Khouri states (with regard to Bahrain, but what he says applies equally to Kuwait:

Several Bahrainis today style themselves "labour dealers"; they travel between Manama and Bombay, hiring labour in India and subleasing it in Bahrain. A foreign labourer who is hired for U.S. 75 dollars a month in India may sublease him for U.S. 125 dollars in Bahrain to another dealer who, in turn, leases him for U.S. 200 dollars. I learned in 1975 about a few labourers who were subleased from two to three times by different dealers each making a little profit in the transaction(89).

Having shown the economic interests that have developed around the sponsoring system, we will now examine the powers that a Kafeel has. These are institutional. Migrant workers may not change employment without al-Kafeel's permission(90). Failure to do so may result in the worker's deportation if his sponsor writes to the relevant authorities and revokes his sponsorship. Certain categories of expatriates are treated under the law more harshly than others. With regard to domestic servants, article 3 of the Interior Ministry regulation no. 84 states that:

If a servant leaves his employer before the expiration of the contract, his residency permit will be cancelled and he will not be given a new one unless his employer agrees to it(91).

It appears from the above that certain workers are more discriminated against than others. Al-Essa says that:

The al-Kafala system is frequently abused by the merchant or employer..... When the prospective employee arrives in Kuwait he or she is "obliged" to remain in the service of the person up to the time agreed upon in his or her contract, which is normally two years. In certain ways this system is similar to "indentured servitude" since the employed person is forced by law to remain with the employer regardless of the particular working conditions(92).

there are other constraints which are imposed by the sponsor on the migrants. The migrants passport is kept with the sponsor(93), to make sure that the migrant does not leave his employment without the consent of the sponsor. As has been said above, the sponsorship system is an all embracing system governing the lives of the expatriates in the Gulf. Hire purchase agreements, for example, are not given to expatriates without a sponsor. An expatriate who is arrested for the most trivial offence must provide a Kafeel to bail him out.

The institution of al-Kafala together with the laws that were discussed above, has succeeded in creating a two-tier population structure in which the indigenous sector has the responsibility for and control over the expatriate sector. One distinctive feature of this system is that the maintenance of the laws governing the expatriate population has been devolved to the indigenous population. This is "unique" because the execution of the law devolved on the indigenous population comes into the hands of the local population in general, rather than professional law-enforcers.

The effect of this has been to create belief among the indigenous population in the legitimacy of the traditional political system. While the state, through the institution of sponsorship, has created a semblance of unity among the indigenous population by giving every citizen the right to become a sponsor, it has by definition removed the class contradictions in society. The migrant population was the source of the removal of that class contradiction, because the existence of oppressive laws came to mean that they were the exploitative section in society.

In the next chapter we shall show the effect of these laws on the social system in Kuwait, namely to create a segregated society.

## ENDNOTES CHAPTER EIGHT

- (1) S. Shuihaber, (1981).
- (2) Al-Rumaihi, (1978), pp. 193-205; Al-Rumaihi, (1981); Mahjoub, M. (1971); Osama Abdul-Rahman, (1987).
- (3) Abdul-Rahman, p. 1.
- (4) Al-Rumaihi, (1978), p. 194.
- (5) Al-Rumaihi, (1978), p. 194.
- (6) Al-Rumaihi, (1981), p. 73.
- (7) Al-Moosa, and Mclachlan, (1986), p. 54.
- (8) Badran, (1981), p. 494.
- (9) Shafeeq, N. Ghabra, (1987), p. 42.
- (10) Ghabra, (1987), p. 42.
- (11) Ghabra, (1987), p. 42.
- (12) Ghabra, (1987), p. 47.
- (13) Ghabra, (1987), p. 49.
- (14) See Al-Amel No. 272. 15 October, 1988, pp. 30-33.
- (15) Bedro, and Siksek, (1959), p. 33.
- (16) Up till 1955, only one labour law existed in Kuwait and that was the Law of Divers (This law regulated the condition of divers in the pearling industry, however, it came at a time when the industry was facing total collapse as was shown in chapter 6) which was passed in 1944, see Ismael, (1982), pp. 161-171.
- (17) Private Sector Labour Law no: 38 of 1964 of State of Kuwait with explanatory memorandum and implementing decisions, Trans. by M. A. Mursi, Kuwait, Umm Al Maradim International Establishment.
- (18) H. Hadawi, (1973), p. 273.
- (19) Al-Jardawi, (1984), pp. 164-165.
- (20) A. I. Al-Din, et. al., (1978), p. 212.
- (21) Al-Din, et. al., (1978) p. 212; The Indian Rupee was the unit of currency before the independence of Kuwait from Britain in the early 1960's.

- (22) Hadawi, (1973), p. 256.
- (23) Hadawi, (1973), p. 257.
- (24) Article 1 of Law No. 38 specifically excludes certain categories of people:(a) Labourers in seasonal employment;(b) Domestic servants(c) Owners of non-mechanical business concerns not employing less than 5 people. As shown by Table 8.1 in 1980 23,414 employers were employing 4 employees or less.
- (25) Law no. 38 of 1964, for the Private Sector .
- (26) This had been widely practised in the case of workers from South and South-East Asia involved in low skilled manual work, Al-Amel, no. 272, 15 October 1988, pp. 30-33.
- (27) A. Bader, (1975), pp. 14-18.
- (28) Bader, (1975) pp. 14-18.
- (29) Recently it was reported that some workers even in the public sector were working up to 4 hours overtime( thus contravening the law) but being paid for only 2 hours overtime, see Al-Amel, no. 246, 15th. September 1987, pp. 18-19.
- (30) Bader, (1975), p. 14-18.
- (31) Sen, (1986), p. 178.
- (32) Sen, (1986), p. 179.
- (33) Ministry of Social Affairs and Labour, Technical Affairs Department, Research on Labour Services in Kuwait, January 1973(Arabic), p. 8.
- (34) Hussain Abdulla Gholum, (1977), p. 47,
- (35) Research on Labour Services (1973), p. 13.
- (36) Research on Labour Services (1973), p. 17.
- (37) Research on Labour Services (1973), p. 24
- (38) Hussain, (1977), p. 49.
- (39) Hussain, (1977), p. 48.
- (40) Hussain, (1977), p. 49.
- (41) Uniting the labour Laws, Al-Taliha, May 1975.
- (42) Al-Din, et. al., (1978), p. 150.
- (43) Al-Din, et. al., (1978), p. 150.
- (44) Al-Din, et. al., (1978), p. 150.
- (45) Al-Din, et. al., (1978), p. 150.
- (46) Al-Din, et. al., (1978), p. 150.

- (47) Al-Din, et. al., (1978), p. 151.
- (48) Al-Din, et. al., (1978), p. 155.
- (49) Al-Essa, (1981), p. 74 .
- (50) Farah and Salem, (1983), p. 49.
- (51) Al-Din, et. al., (1978), p. 250.
- (52) Al-Moosa and Mclachlan, (1986), p. 107.
- (53) Mohammed Massoud Al-Ajami, (1982), pp. 106-114; By 1985 the Kuwait trade union movement had a membership of 40,000, see Cline, (1985), p. 11.
- (54) Al-Din, et. al., (1978), p. 286.
- (55) Al-Najjar, (1983), p. 405.
- (56) M. Dobson, (1963), p. 28.
- (57) Peonage, Encyclopedia of the Social Sciences, vol. XII 1934; Corrigan, P. Feudal Relics or Capitalist Monuments? Notes on the Sociology of Unfree Labour, Sociology vol. 11, 1977 pp. 435-436; Bolland, Nigel, O. Systems of Domination After Slavery: the Control of Land and Labour, Comparative Studies and History, vol. 23, 1981; Al-Sabah, Y.S.F. The Oil Economy of Kuwait, London, Kegan Paul International Ltd., 1980, pp. 14-17.
- (58) Y.S.F. Al-Sabah, (1980), p. 16.
- (59) Al-Sabah, (1980), p. 16.
- (60) Al-Shaaygi, Yousef, Mohammed, Ma al-Tabakh al- Amela (With the Working Class), Al-Betha, June 1949, p. 19; Al-Betha, April 1949, pp. 30-31; Al-Betha; A collection of articles under the title Keif ninhud bi-al-Tabaka al-Amela( How to rejuvenate a Working Class in Kuwait), Al-Betha, August 1950; Al-Zeid, Abd al-Razzak Khalid, Matha Nureed min Sharakat al-Naft,( What Do We Want from the Oil Companies), Al-Betha. January, 1952, pp. 32-33.
- (61) Al-Betha, August 1950 pp. 43 and 47.
- (62) Al-Ajami, (1982), p. 59.
- (63) Al-Ajami, (1982), p. 60.
- (64) W. Belling, (1960), p. 69.
- (65) Shabon says the emergence of the welfare state was one reason explaining the weakness of unions, A. Shabon, (1980), p. 140.
- (66) Private Sector Labour Law no:38 of 1964, p. 22.
- (67) Private Sector Labour Law no:38 of 1964, p. 23.
- (68) Private Sector Labour Law no:38 of 1964, p. 22.
- (69) Private Sector Labour Law no:38 of 1964.

- (70) Al-Ajami, (1982), p. 83.
- (71) Private Sector Labour Law, no:38 of 1964, p. 22
- (72) Al-Jardawi, (1979), p. 354-355.
- (73) Al-Jardawi, (1979), p. 354.
- (74) Al-Jardawi, (1979), p. 353.
- (75) Karam (1979).
- (76) Hadawi, (1973), p. 263.
- (77) Hadawi, (1973), p. 263; A Commercial Agency is taken to mean a “go-between” international companies and the local market. No international company may market its products without having a local agent, M. Field, (1984), p. 98 and 345,
- (78) Conference on Industrial Development on Arab Gulf Countries, Kuwait, 1966, p. 39-40.
- (79) El-Sayed, M.K. Professional Associations and National Integration in the Arab World, with Special Reference to Lawyers Associations, in A. Dawisha, and I. W. Zartman, (1988), p. 98.
- (80) El-Sayed, M.K., in Dawisha and Zartman, (1988), p. 98.
- (81) Some of these societies, especially the professional ones have been regarded as “centres of opposition” by the regime. Thus in 1976 when the National Assembly was dissolved, the executives of the societies of journalists, lawyers, teachers, as well as the executives of the “Independence Club” were all dismissed, being replaced by loyal supporters of the government, see The Economist, November 20th 1976.
- (82) See Section 1 in Chapter 5.
- (83) Al-Betha, December 1952, p. 26.
- (84) Saad al-Din Ibrahim, (1982) p. 12.
- (85) Ibrahim, (1982), p. 12.



- (86) Assembly Proceedings no. 495, 26 March 1985.
- (87) Assembly Proceedings no. 495, 26 March 1985.
- (88) Assembly Proceedings no. 495, 29 March 1985; the sponsoring of a large number of migrant workers is not a new phenomenon, as early as 1952 al-Betha magazine was reporting that some individual Kuwaitis sponsored hundreds of immigrant workers, see Al-Betha, December 1952, p. 26.
- (89) Al-Khouri, Foud, I. Tribe and State in Bahrain: The Transformation of a Social and Political Authority in an Arab State, 1980, p. 140.
- (90) Owen, (1986), p. 11.
- (91) Al-Essa, (1981), p. 45.
- (92) Ibrahim, (1982), p. 12.
- (93) Ibrahim, (1982), p. 12.

## CHAPTER NINE

### SOCIAL RELATIONS IN A SEGMENTED SOCIETY

The aim of this chapter is to examine the consequences for social relation of what was discussed in the last four chapters about state policy and law. We will show the segmentation that has developed in society along national lines, that is between expatriates and the indigenous population, as a direct result of state policy. Such segmentation has manifested itself in two principal ways: lack of social interaction and residential segregation. This lack of social interaction has two facets, the absence of interaction between expatriates and the indigenous population on the one hand, and between different expatriate nationalities, on the other. Residential segregation, which has developed because migrants cannot own private property, has tended to reinforce this lack of social interaction.

The discussion below will be in two sections: section one examines the reasons for the lack of social interaction, while section two assesses the nature of residential segregation. Before we start this examination it should be reiterated that the state has been a central agent in the engineering of attitudes of social exclusiveness and physical distance. Its policies of guaranteeing employment to the indigenous population and of providing an extensive welfare system in the form of free housing for Kuwaitis only, have served to add to this lack of social interaction between the two communities.

#### 9.1 The Social Relations Problem

Both the lack of social interaction and residential segregation have tended to create and enforce divisions within society between the expatriate and indigenous populations. However, both Kuwaitis and expatriates, constitute internally diverse groups. We need therefore to consider them not only in terms of ethnicity but also of class. This will be explained below.

By ethnic diversity we mean that the population is segmented along ethnic, cultural and linguistic lines. The expatriate population, for example, is divided between its different nationalities, such as Palestinians, Syrians, Lebanese, Egyptians and Omanis. In the case of Arab migrants, the cultural differences tend to be reduced by the existence of a common language.

The cultural and linguistic differences are clearly more perceptible, however, when we examine non-Arab migrants, particularly those from South and South-East Asia. In addition to the workers who came on short-term contracts, there were well-established communities of Indian and Pakistani origin in Ku-

wait (albeit smaller in numbers than the Indian and Pakistani communities established elsewhere in the Gulf). Among the non-Arab communities, there are also Iranians, some of whom came to Kuwait in the pre-oil years and subsequently became naturalized and integrated into society, one of the elements of this integration being the ability to speak Arabic. Others have come from Iran for short-term work. Thus, all three of these communities are also divided in terms of how and when they entered Kuwait.

The extent of cultural diversity can be comprehended from the fact that in 1985 108 different nationalities existed(1). The number had increased from 68 different nationalities in 1980(2). Such figures show something of the extent of cultural and national diversity within the migrant population, particularly when it is realised that the total population of Kuwait at the time of the 1985 census was about one and three quarter millions. National diversity tends to be complicated by class differences among the migrant population. These class differences reflect the work of migrants in Kuwait. As was shown in chapter 6 migrants are employed in every sector of the economy, at every level from unskilled worker to the professional. Like the expatriate population, the indigenous population is also characterised by its diversity, originating from its tribal composition. In the pre-oil period, as was noted in chapter 4, Kuwaitis already tended to be stratified in terms of their wealth, that is, their ownership of cattle. These differences continued and were elaborated in the oil era; Kuwaiti income differences have tended to correspond to their tribal affiliation. However, these differences tend to be "unified" or offset at the national level by citizenship, which it guarantees access to the social services provided by the state.

The divisions of ethnicity and class have been very important for the perpetuation of traditional rule. It can be argued that the state has used a number of mechanisms to perpetuate this rule. The creation of the welfare and employment policies for its indigenous population were only two among several. A third mechanism was this diversity of population, the perpetuation of which is important to the state because society so divided is less likely to pose a threat to the existing political system, precisely because of its fragmentation. This fragmentation may be seen on the societal level as we will show below and on the economic level. There is little evidence for example of solidarity between the expatriates and the indigenous population. Saad al-Din and Abd al-Fadeel show that in a conflict that occurred in the early 1980's between Kuwaiti academics and the administration of the university of Kuwait over pay and conditions, the expatriates stayed well out of the conflict, despite the fact that it affected them as well; this consequently led to animosity between the expatriates and Kuwaiti academics and was taken up in the Kuwaiti newspapers(3).

With this brief sketch of Kuwaiti society in mind we can proceed to discuss the lack of social interaction in more precise terms. A number of studies have been done in this area(4), all of which concluded

that interaction between expatriates and the indigenous population is mainly confined to the "formal" level, that is in employment or outside the home (such as in public places like the market). In private life very little social interaction, such as social visits, takes place (5). Both sections of the population have in practice a segregated existence in terms of the other.

Al-Salem and Al-Daher, in their 1981 research survey, found that, of the Kuwaitis in their sample, 54.3 per cent considered that their relationship with the expatriate community was a "normal" one. However, the responses to their questions clearly indicated the flows inherent in this perception: 8.3 per cent feared expatriates (that is they thought expatriates had a negative effect on society); 14.7 per cent said they had no relation with the expatriate community; 9.3 per cent said their relationship with expatriates occurred by "accident", that is in the market-place; and 22.3 per cent said that their relationship with expatriates was confined to the work-place(6).

Thus, al-Salem and al-Daher argue that the majority of Kuwaitis, 54.7 per cent of the respondents, do not have social, informal relations with expatriates. Even in the workplace, where interaction would seem unavoidable, less than a quarter of the sample(22.3 per cent) indicated interaction with immigrants. And, we suggest, even this figure is likely to give a misleading impression of such contacts since indigenous workers are heavily concentrated in the government sector. The majority of expatriates, working in the private sector, are thus likely to experience very little workplace conflict with Kuwaitis of their own class or profession.

A number of conclusions can be drawn from this isolation and lack of contact between nationals and the expatriates. Lack of contact means that no common values and traditions are established or developed between the two sections of the population and this may lead to mutual fear and suspicion. This may also lead to political fragmentation and antagonism between the two, because very few social bridges are built between them, either in the the work-place or within society as a whole. The consequence of this is that there is little unity at the political level particularly along class lines. This fractionalisation, economic, social and political lines, is in the interest of the state and the traditional ruling class.

The lack of social interaction has tended to be reinforced by a set of socio-political and institutional factors. The most important of these is the residential segregation along national lines that exists in practice, though not in law. Both the Kuwaitis and expatriates are concentrated in certain residential areas, away from each other. This point will be examined more fully in the next section. However, we must first note the other factors which account for this lack of social interaction.

One of the most important has to do with the tribal or, at best transitional nature of indigenous society(7). Saad al-Din and Abd Al-Fadeel point to the importance of custom and tradition emanating from the social system of tribalism, which contributes strongly to the insularity of the local population(8) so that Kuwaitis tend to regard anyone outside the social system as a foreigner(9). The essence of this system, based on the importance of tribe and kin, is parochial, leading to suspicion of outsiders(10).

There are no institutional mechanisms to bring the expatriate and indigenous sectors of the population together. For Kuwaitis there exist a number of institutions encouraging social solidarity, the most important of which is the traditional Diwaniya(11). In the days before oil Diwaniya was a place where people met to settle conflicts(12); today Diwanias have a social and a political role to play in society. People meet in these places regularly, often using them for attempts to gain influence with certain people in the government. These Diwanias are found in all Kuwaiti districts. Although they can be attended by non-Kuwaitis, very few expatriates do in fact attend deterred by tradition and social mores.

It can be argued that the state has also contributed to the lack of social interaction. In general the state has discouraged links. Indeed, as we have shown the legal framework set up by the state barred expatriates from joining any societies or trade union movements. Their memberships tend to be exclusively Kuwaiti.

Social mores have also contributed to the lack of social interaction. A number of social scientists have argued that this lack of social interaction stems directly from the feelings that the expatriate and indigenous population had for one another; they believed that some expatriates considered themselves superior to the local population because of the societies from which they came. Their home societies were seen by some expatriates to be more developed than that of Kuwait. Moawd argues that it was this feeling of superiority among certain expatriates, coupled with the Kuwaitis' traditional suspicion of outsiders, that reinforced the lack of social interaction between the two communities(13). The negative feelings of some groups of the population towards each other might have resulted from experience in the work-place. Expatriates were not only found in most important sectors of the economy, but they frequently served as advisors and administrators to policy-makers. By contrast, the majority of the Kuwaiti workforce were found in clerical work in government. This served as a source of friction between members of the two communities, a point was touched upon in chapter 6.

The resentment of the indigenous community was somewhat reduced by the fact that Kuwaitis were entitled to undertake outside employment after working hours and to generous welfare benefits. Though some expatriate workers could also work after their normal working day in the government sector, they

had to obtain prior permission from the ministry concerned. In general, this capacity also underlined the Gulf between the two communities

The dependence on migrants, which we showed figures in chapter 6, has also created a psychological dependence on migrant workers on the part of the indigenous workforce in the government sector. One obvious manifestation of this is the lack of productivity of some indigenous workers in government employment, particularly in the case of top government administrative personnel. A United Nations study in the 1970's calculated that such top Kuwaiti personnel did, on average, seventeen minutes of work per working day(14). In the late 1980's there was no evidence to suggest that the situation had changed. On the contrary, the increase in migrant labour numbers that was indicated in chapters 5 and 6, would tend to suggest increasing physical and psychological dependence. Moawd suggests that indigenous Kuwaiti government personnel have become dependent on the expatriates. Much of the time they attended to outside interests, while leaving office work to be done by expatriates(15). In addition to this the Kuwaitis received a higher salary and better fringe benefits and often held an outside job, usually a private business.

For the benefit of indigenous clerical workers, the state reserved certain occupations in the private sector for Kuwaitis only: these included taxi and van driving. The accepted practice has been that most lower middle class Kuwaitis would do such private work after government working hours. In contrast, expatriates were barred from using their vans or private cars as taxis by law and discovery by the police could lead to a hefty fine and confiscation of the vehicle or to instant deportation.

It could be argued from the above that from the 1960's onwards, the state began to pursue policies to separate the expatriate and the indigenous populations, imposing restrictions on the former while materially enhancing the position of the latter as shown in chapter 6. Moawd argues that the effect of these policies of employment and welfare was to create a class of masters and another of servants(16). Along with all the other factors we have discussed the overall effect was to foster communal separation and resentment.

The state made this attempt at separation because of the rising forces of pan-Arabism that had developed in the 1950's. These had affected the Kuwaiti people greatly. Indeed, as shown in part I of chapter 5, Kuwait had traditionally been affected by regional events and tensions. In 1956 feelings of pan-Arab solidarity were expressed against the British at the time of the 1956 Suez Crisis when mass demonstrations took place. Pan-Arab sentiments continued to be expressed until the early sixties. Some writers have suggested that had a plebiscite been held at the time of the 1961 crisis, when Iraq attempted

to occupy Kuwait, the country would have been brought into the Nasserite camp, despite its prosperity and development(17); Nasser at that time was advocating Arab unity.

However, Pan-Arabism represented a strong contradictory element in Kuwaiti society. While it has been suggested that the indigenous population at one level was characterised by its "tribalism" and suspicion of foreigners, this was also very much counteracted by the overwhelming strength of feeling for the Pan-Arab cause. This can be said to have occurred largely because of two principal factors. Firstly, in the 1950's there were in general rising nationalist forces in the Third World directed against colonialism. These affected the Arab world. Secondly, within the Arab world there was always the strength of a common language and of Islamic culture(18). These have served as bridges between different societies within the Arab World, as shown over Palestine in the inter-war period( see chapter 5) and the Suez Crisis in 1956.

Because of this, from the 1960's onwards the state began to develop welfare policies for the benefit of its indigenous population. The effect of this was to "embourgeoise" indigenous society, by way of employment in the government sector. By the late 1960's, as was shown in chapter 2, a much more "localist" ideology began to develop and thereafter Arab nationalism as a driving force began to lose influence(19), The oil price rise of the 1973 led to a further erosion of Pan-Arab aspirations. The state, armed with the increasing surplus revenues from oil, increased spending on more welfare benefits for the native population. Strengthened by the oil wealth, the state was able to play on the elements of tradition and tribalism, appealing to them against modernising and outside forces.

Although Kuwait historically had been opened up to the Arab world through long-distance trade and the caravan trade routes, migrants were portrayed nevertheless as "political entrants", a term encouraging suspicion of foreigners. However, "entryism" also had another meaning, migrants being portrayed as entering Kuwait taking away its riches and leaving the country. Having looked at the lack of social interaction between the two communities, and the factors that led to it in the next section we will deal with residential segregation. Although this is one of the factors that promotes the lack of social interaction, because of the physical distance from one residential area to another, it is nevertheless so important that it deserves separate consideration.

## 9.2 Housing

In this section we will examine residential segregation as it has developed in Kuwait. Residential segregation means the division of residence along national lines, so that Kuwaitis and immigrants live in different areas. It is important to realize that residential segregation has developed without legal en-

forcement. The state did not pass laws prohibiting migrants from living in certain areas; there was no Kuwaiti equivalent, for example to the Group Areas Act in South Africa. Nevertheless, residential segregation has been the direct outcome of a number of government policies relating to ownership of land and property. As was shown in chapter 7, immigrants were not allowed to own property but had to rent it from Kuwaiti landlords.

The discussion of residential segregation must involve consideration of the segmentation that occurred within society on ethnic and class lines. This can be discussed usefully on the basis of the country's electoral constituencies; such a discussion reveals how social segmentation and residential segregation have come to coincide with the pattern of political support for the state. First, however, we need to sketch briefly the residential situation that existed in pre-oil Kuwait.

Many writers(20) have shown that the present city of Kuwait was in the past divided into quarters, occupied by particular groups. Like all old Middle Eastern cities, Kuwait resembled a social mosaic(21). Lorimer breaks down the population of Kuwait in the early 20th century into various tribes, which include the Awazim, Rashaidah, Bani Khalid, Dawasir, Anaizh and Dhafir, the Hasawiyah, and the Baharinah (Bahrain) (22). In addition there were Iranians, the Jews, the Jana'at and black Africans(23). These groups occupied different quarters of the city. Hill says certain tribes or groups tended to live in areas in relation to their occupation(24).

*Kuwaiti society, therefore, was not uniform, but exhibited a range of material and class differences a pattern echoed in its contemporary social structure. This has a strong tribal character: some tribes have low status and low income, while others have high status and high income. This is revealed clearly when we examine electoral constituencies, which reveal the vast inequalities that exist in present day Kuwaiti society. The electoral process, an area of major interest in itself, lies outside the scope of the thesis.*

Al-Nafisi shows clearly the influence of ethnicity and sectarianism on the electoral process, and how the political authorities have manipulated such a heterogeneous force to their political advantage(25). At the outset it should be made clear that we are discussing the constituencies that existed before 1981 which totalled ten. One major feature of these constituencies is that each elected a total of five Deputies making up a General Assembly of 50 Deputies. This means that each constituency is an amalgamation of forces divided along tribal, religious and class backgrounds

In the first electoral district, the majority of the population was of Shia origin. Most Shia Kuwaitis were affluent and pro-government. They had settled in Kuwait at the turn of the century( see section 1 of chapter 5). These Shia Kuwaitis were thus different from other Iranian Shias in the same constituency



were expatriates who had come to form part of the working class. In the four General Elections from 1963 to 1975, this constituency consistently returned Shia Deputies(26). The second electoral district was composed of citizens, the majority of whom were Sunni Arabs. Like the first electoral district there was a coincidence between religion( Sunni) and class background. Daher and Al-Salem say that:

This district was the enclave of the old upper class Kuwaitis, the merchants, sea traders and land owners who became an aristocracy of sorts by virtue of being Asil, that is "original". The use of the term was purely geographical in that those families who came originally from Najed were Asil...all others were not and therefore not part of the privileged class...(27).

The third and fourth electoral districts consisted mostly of bedouin who had been sedentarized relatively recently, and were generally of poor education and occupied menial jobs. They were strong government supporters(28). The third electoral district contained both poor and rich Kuwaitis - bedouins and those of the Asil families. In the fourth electoral districts on the other hand, the population was solid bedouins as evidenced by the candidates that won seats for the Assembly between 1963 and 1975( 29). Again the vote tends to be split amongst candidates who belonged to different tribes. Likewise the fifth electoral district, comprises a mixture of families, from different tribes, as well as those from Asil families. This constituency tended to be divided along sectarian grounds with the Sunni families forming the majority(30). In the General Elections between 1963 and 1975, the candidates that won seats were consistently split along the tribal religious lines(31).

The sixth district, which included suburbs such as Qadisya, Faiha, Nuzha and Mansouriya, had a population the majority of whom were from the Asil families, and the educated sections of society(32). What is interesting in this constituency is that it has elected in the 1970 and 1975 General elections a number of "radical" and pan-Arabist Deputies(33). Like all constituencies it also has a section which is politically conservative.

In the seventh electoral district the diverse mix of the population tended to be overshadowed by their religious affiliation, with Sunni and Shia numbers being roughly equal; up till 1970 the number of Deputies returned was split between these two sects. In the 1975 General Election however, the shia took all five seats in this constituency(34). The residents of this electoral district have predominantly lower to middle class backgrounds.

The eighth electoral district returned several "radical" deputies to Parliament arguably because of a large immigrant population and a large number of a young voters(35) which tends to influence the outcome of the electoral process as Salem and Dahr suggest(36). However, it is difficult to substantiate the point on the presence of migrants as affecting voting behaviour on two counts: the immigrant community do not have the right to vote; and a number of "radical" Deputies were elected in the sixth electo-

ral district, an area that was solidly Kuwaiti. Further in the 1981 General Election, al-Khateeb and al-Munis who previously were two of the (radical) Deputies for this constituency lost their seats, but were returned in the 1985 General Election(37). Thus it can be argued that the immigrants presence may be no more than a coincidence with the radical stance of Deputies being elected to Parliament. Socio-Economic factors may explain the tendency for this constituency to elect radical Deputies. For this constituency, in addition to the young voters it has, a mixed sedentized Kuwaiti population with a different tribal background. Al-Salem al-Dahr admit that future voting patterns in this district is likely to change from returning "radical" Deputies precisely because of the rise of young affluent and upwardly mobile middle class voters(38).

The last two electoral districts, the ninth and the tenth, contained large expatriate communities. However, the potential effect of the immigrants on voting behaviour as claimed was counteracted by the presence of large tribal communities who were politically very conservative(39).

The political map of Kuwait, thus allows a number of variables to be clearly discerned: the tribal diversity and division in terms of religion coalesce with such factors as class and power. In addition the constituencies in themselves exhibit differences. The political map of Kuwait only serves to highlight the political weight and allegiance of the population to the government ( the franchise is given to only 50,000 people), and it shows the geographical distribution of the indigenous population. There are very clear residential divides between the low-income families, the middle class and the upper class. Residential divides within the indigenous population reflect material and political power. However, because the nature of the electoral districts and the way they were drawn, most constituencies tend to return Deputies which are from different classes, political outlook, and have religious or tribal background. Such a mixture of Deputies is likely to be in the interest of the rulers of Kuwait, by way of segmenting the remotist possibility of a united opposition against their rule.

The divisions which such diversity within the indigenous community might create is offset by the existence of a large community of migrants, more obviously segregated residentially from Kuwaitis than they are from each other. Again, it must be stressed that the development of the residential segregation of Kuwaitis and non-Kuwaitis was not the result of a "premeditated" act on the part of the government, in the sense that they did not pass a "law of segregation". However, the effect of a number of statutes, including the law banning expatriates from owning property, has created a *de facto* residential segregation as marked as enshrined in legislation. Abu-Lughod goes as far as to say that

....caste-like residential segregation is coming to characterize the evolving spatial pattern. Ethnicity not unrelated to class is the dominant differentiating element in the various urban quarters. One is told, "this is where the Q live, and this is where

the...live" as if this were the natural order of things. In fact, however, such segregation is the conscious product of government policy(40).

We will now look at how this residential segregation came about. Al-Jardawi argues that it came about as a result of two factors which were arguably interrelated. The first factor was voluntary segregation, as immigrants clustered with their kin and countrymen(41), seeking a feeling of security and a link with their own country. The second factor was involuntary segregation, that is, the result of government policy(42). We will examine this second type.

Besides banning expatriates from owning property, by the property law of 1959( Land Registration Law No. 5), the government, from the 1950's onwards, began to build housing for the native population as part of its welfare programme for indigenous Kuwaitis(43). This government housing was concentrated in certain areas around Kuwait City, in time coming to be exclusively Kuwaiti areas.

The building of this housing came about in part as a result of various Town Plans which the government undertook from the early 1950's, employing experts from Britain to plan the present city of Kuwait. The first Town Plan was drawn up in 1954 by Minopiro, Spencely and Macfarlane, and sought to create an infra-structural and administrative centre for the state(44). To make this possible various residential zones were mapped out where the then inhabitants of the city would be resettled. The government of Kuwait then began a process of resettlement of its own population, involving a mass construction programme of houses for the poorer Kuwaitis. The merchant class also came to live in certain residential areas outside the city center, which became exclusively Kuwaiti.

For the merchant class, the influx of immigrants into Kuwait provided a potential source of accumulation. As a result they began to build high-rise flats for immigrants and their families, in areas away from Kuwaiti residential districts. The building of such flats became concentrated in places like al-Salmiya, Hawalli and al-Nugra, Kheitan and Farwaniya. The concentration of immigrants in certain areas, away from Kuwaiti areas, started the process of residential segregation.

It needs to be repeated that there was no legal restriction to prevent immigrants from living in Kuwaiti suburbs. Very few did so, however, and the few that did tended to be merchants and company directors. Most of these rented their property from Kuwaiti landlords.

**Table 9.1**

**Population by locality and nationality in Kuwait according to the 1980 Census  
(concentration of non-Kuwaitis in specified areas).**

Localities,	Kuwaiti,	%,	Non-Kuwaiti,	%
Al-Shareq	2,792	9.05	28,043	90.9
Hawalli	8,267	5.4	1441,35	94.5
Maidan Hawalli	1,586	5.8	25,690	94.1
Al-Salmiya	14,974	10.2	131,017	89.7
Kheitan(a)	23,712	22.5	81,329	77.4
Farwaniya	9,831	16.9	48,010	83.0
Jaleeb al-Shuyukh	31,710	45.4	7,921	54.4

*Notes: (a) the figure provided is both for Abrak- and South Kheitan.*

**Source: Reproduced from ASA 1985, p.28.**

**Table 9.2.**

**Population by locality and nationality in Kuwait according to the 1980 Census  
(concentration of Kuwaitis in specified areas).**

Localities	Kuwaitis	%,	Non-Kuwaitis	%
Dasama	7,114	68.1	3,340	31.9
Qadsiya	9,060	70.4	3,799	29.5
Faiha	7,511	64.44	136	35.5
Keefan	10,597	68.3	4,898	31.6
Rawda	11,106	72.3	4,252	27.8
Adeiliya	7,207	71.9	2,806	28.0

**Source: Reproduced from ASA 1985, p. 28.**

Tables 9.1 and 9.2 show the concentration of migrants and Kuwaitis in selected localities in Kuwait in 1986. It makes clear the pattern of residential segregation we have discussed.

Furthermore, it can be seen from Tables 9.1 and 9.2 that within some immigrant districts, there is a significant proportion of Kuwaitis. These are mainly of bedouin origin, and their existence in these areas has been the result of two factors. There are some bedouins who have traditionally lived in areas outside the city of Kuwait, notably areas such as al-Salmiya and Jaleeb al-Shuyukh, which have since become immigrant residential districts. Also, some of the bedouins came to live in these areas as a result of government policy, in the 1960's in particular. This policy was aimed at sedentarising some of the nomadic

population from the outskirts of Kuwait. The government had two objectives in attempting to sedentarise these bedouins: firstly to restructure the population, which by the 1960's was increasingly composed of expatriates to increase electoral support(45) and secondly to create a conservative political force in such areas.

A strong tribal element in a particular constituency helps to tip the balance in favour of a "conservative" rather than a nationalist candidate. The bedouin population helps to strengthen conservative electoral support in a particular area, and in doing so, to disperse the potential pressure on the political system. Their presence furthermore tends to act as a blocking agent against the "radicalization" of the population. While the tribal element may be a strong factor raising support for a particular candidate, the issue of support is not as clear-cut as it may seem.

Underlying the residential pattern shown in Tables 9.1 and 9.2 is another, deeper process, that of ethnic concentration whereby a number of expatriate groups who have come from the same village or area of their own home country now congregated in the same area or suburb of Kuwait. Ethnic concentration, which is particularly characteristic of the Palestinian community, goes hand in hand with the formation (or recreation) of ethnic communities among the various immigrant nationalities. Thus, in certain residential districts, not only do immigrants come from a particular country but they tend also to come from certain villages in that country. The trend towards community formation has been helped by two factors in addition to the natural tendency of people to gravitate towards their own in a foreign land: firstly, despite the official view that immigrants are temporary visitors, many have lived in Kuwait for many years and established roots there; and secondly, the phases of family migration have encouraged the process of community formation.

A very interesting feature of this ethnic formation among certain expatriate nationalities is its instability, owing to the fact that migrants, however long they may have lived in Kuwait, are by law allowed to remain in the country only so long as they are in employment. What this means is that the ethnic formations that exist at a given moment in time could disappear, if the Kuwaiti government so wished. This could be done by the termination of some immigrants' employment. The dynamics of this ethnic formation will be explained with regard to the Palestinian community in Kuwait.

### **9.3. The Palestinian community**

The Palestinians, as has been pointed out in chapters 2 and 5, are important. They have supplied Kuwait with many of the necessary administrative and professional skills needed by the new state and economy as shown by Tables 9.3 and 9.4. The Palestinian community are the largest immigrant group in

and Mclachlan, relying on the 1981 Annual Statistical Abstracts, show that 78.6 percent of Jordanians and Palestinians living in Kuwait are concentrated in four districts: Hawalli, Salmiya, Farwaniya and Kheitan. The Palestinian community made up 60, 20.8, 74 and 55 per cent respectively of the population of these districts(47).

From the statistics of migrants according to nationality, from 1957 to 1975, we can see that the Jordanian/Palestinian population not only showed an increase in the period, but underwent a demographic

**Table 9.3**  
**Palestinians (15 years and over) by Economic Activity and Sex in Kuwait, 1981.**

Economic Activity	Total	Females	Males
Agriculture(a)	1,502	-	1,502
Mining and Quarrying	2,257	105	2,152
Manufacturing	13,593	60	13,533
Construction	7,556	15	7,541
Electricity Gas and Water	4,492	2	4,490
Wholesale(b)	10,557	299	10,258
Transportation(c)	4,557	35	4,522
Services	25,072	5,390	19,682
Total	69,586	5,906	63,680

*Notes: (a) includes Hunting and Fishing.  
(b) includes Retail trade.  
(c) includes Storage and Communication.*

**Source: Palestine Annual Statistical Abstracts 1982, p. 312.**

transformation in terms of its sex-structure and pattern of family migration. More than any other expatriate group, the Palestinian community in Kuwait adopted a settled existence. More precisely, a process of ethnic formation developed within the Palestinian population, with close-knit communities being re-produced in Kuwait(48). A

....distinctive feature of these settlements was that they represented total or partial transplants of the original urban and rural communities(49).

These "transplants" were not unique to Kuwait but also developed in other Arab host countries where the Palestinians settled(50). In Kuwait, in towns like Al-Farwaniya, where 74 per cent of the population were Palestinians, the process of ethnic formation has been manifest in the "transplant" of literally the entire population of villages from Palestine to Kuwait. French and Hill points to this phenomenon when they say that migration from Palestine to Kuwait has tended to come in groups from particular areas(51).

Table 9.4

Palestinians( 15 years and over) by Occupation and sex in Kuwait, 1981.

Occupation	Total	Females	Males
Professional, Technical and related	17,524	4,293	13,231
Administrative and Managerial	823	3	820
Clerical and related	12,164	852	11,312
Sales	5,524	78	5,474
Service	5,963	617	5,346
Agricultural(a)	1,307	-	1,307
Production Workers(b)	26,253	63	26,190
Total	69,586	5,906	63,680

Notes:

(a) include Animal Husbandry workers Fishermen and Hunters.

(b) includes Transport Equipment Operators and Labourers.

Source: Palestine Annual Statistical Abstracts, 1982, p. 311.

It can be discerned from this that the Palestinian communities in Kuwait have a greater feeling of solidarity with other Palestinians than with immigrants of other nationalities, a fact noted in a 1978 study of Palestinians in Kuwait(52), which surveyed 300 Palestinian families. Of those asked 87 per cent said that they felt more comfortable working with their own ethnic group(53).

As in the case of other communities in Kuwait, such as the Egyptian, the most important feature of the Palestinian community was their wide range of social class. On a general level, Qutub says of migration in the Arab World that it is the class background of migrants that determines the degree of their assimilation in the host society. Migrants from a middle class background are likely to assimilate more easily with the host society than migrants from a lower class background. This is because of a number of factors relating to occupation and education. Middle class occupations tend to put the immigrants into much more favourable positions where they can interact more freely with people of the host society, whereas the lower classes have occupations where they tend to be socially isolated and are least likely to meet such people. This was shown earlier; a large number of expatriates were concentrated in jobs in the private sector where they were less likely to meet indigenous workers.

Aruri and Farsoun argue that the Palestinian community in Kuwait is very much divided by class, with 5 per cent being entrepreneurs( upper middle class), 35 per cent the middle class, and 60 per cent composed of skilled and unskilled workers(54). The majority of the last category of Palestinians lived in

what came to be seen as working class districts like Hawalli, Nugra, Farwaniya and Kheitan. The rest of the Palestinians, composed of the upper and middle classes, tended to be found mostly in al-Salmiya and, increasingly, though still on a limited scale, in Kuwaiti residential districts. The Egyptian community in Kuwait, as we shall see, shows a similar pattern.

#### 9.4 The Egyptian Community

Egyptians, as shown in earlier chapters, first came to Kuwait during the late 1930s. After the Second World War their presence increased in Kuwait and became vital to the establishment of a modern bureaucratic system, (as noted in chapter 8). As well as providing people with administrative and professional expertise, Egypt became, in the 1950's, a major supplier of female teachers. In the 1970's many unskilled workers, especially in the construction industry, came from Egypt. Like the Palestinian community, the Egyptians in Kuwait thus comprised workers from different social classes. However, the nature of their presence in Kuwait depended on the type of occupation of the migrant. Whereas unskilled workers tended to stay for short periods, professional workers were more likely to stay for longer periods because of the nature of their jobs.

Like the Palestinians, the majority of Egyptians were concentrated in four districts, Kuwait Town, Salmiya, Hawalli, and Midan Hawalli, forming 21.5, 25.4, 18.9. and 6.0. per cent respectively of the total population of these districts. Kuwait Town includes areas like al-Sharq, Murqab and Qibla(55). These are the remnants of the old town of Kuwait which used to be inhabited by the Kuwaiti population. As these moved out from the old town, new migrants flocking into Kuwait came to occupy it. These were mostly single males and, in the case of Egyptians, they tended to be employed as construction workers. Areas like Salmiya tend to be occupied by professional Egyptians, such as teachers, doctors, lawyers, and administrators in government services.

Like the Palestinians and the Egyptians, other migrant groups tend also to live in residential segregation. Thus, the Lebanese and the Syrians are concentrated in Hawalli, Kuwait Town, Kheitan and Salmiya. Unlike the Palestinians and Egyptians, the Syrian and Lebanese groups are much smaller but still form an important component of the expatriate population. The composition of the Lebanese group is complicated by the fact that it contains a number of Palestinians who have come to Kuwait from Lebanon. There are also Iraqis, Iranians, Indians and Pakistanis. (These groups are distinctive, not only because they are Kuwait's oldest migrants, but because three of them are linguistically and culturally distinct from all others and each other. Furthermore these four groups tend to be predominantly male, although among Indians, the female ratio tends to higher than for the other three. The majority live in



Kuwait Town. Here again, the ethnic, cultural and linguistic diversity of migrant groups is mirrored in their residential segregation from each other and from Kuwaiti citizens.

## 9.5 Conclusion

The purpose of this chapter has been to provide a brief outline of the society that has come to exist in Kuwait. Such a society contains numerous contradictions. These can be summarised as follows: firstly, Kuwaiti society was itself heterogeneous; seeing that Kuwaitis come from different tribes; secondly, this diversity has been complicated by the fact that Kuwaiti society is stratified by class and wealth; thirdly, superimposed on this society is a large migrant population which is itself culturally and ethnically diverse. This diversity came to be exacerbated and emphasised by government policy, which favoured the indigenous population to the detriment of the expatriates. The effect of these state policies, has been further to rigidify the divisions within society, in particular those between Kuwaitis and expatriates. We have shown how the policies, laws and regulations have resulted in lack of social interaction between different national groups.

The social divisions cemented the lack of social interaction and by residential segregation has meant that society not only became fragmented socially but also politically. This fragmentation is of paramount interest to the traditional rulers of Kuwait. It means that the immigrant majority poses no real threat to state power. And it serves state power too in that it unites Kuwaitis across class and ethnic boundaries in a common antipathy to the migrant communities among whom they live.

## ENDNOTES CHAPTER NINE

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- (5) Saad al-Din and Abd al-Fadeel, (1983), p. 142; al-Jardawi, (1984), p. 152-153.
- (6) Al-Salem and Al-Daher p. 37.
- (7) see chapter 6.
- (8) Moawd (1987), p. 203; Saad al-Din and Abd al-Fadeel (1983), p. 144.
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- (25) Al-Nafisi, (1977).
- (26) Al-Nafisi, (1977), pp. 87-88.
- (27) Daher and Al-Salem, (1984), p. 87.
- (28) Dahr and al-Salem, (1984), p. 87.
- (29) Al-Nafisi, (1977), pp. 81-82.
- (30) Al-Nafisi, (1977), p. 83.
- (31) Al-Nafisi, (1977), pp. 83-85.
- (32) Al-Nafisi, (1977), p. 85.
- (33) Al-Nafisi, (1977), p. 86.
- (34) Al-Nafisi, (1977), pp. 86-87.
- (35) Dahr and al-Salem, (1984), p. 89.
- (36) Dahr and al-Salem, (1984), p. 89.
- (37) In 1981 there was boundary change which created 25 constituencies, and 2 Deputies for each constituency. It is these changes which may have caused al-Khateeb and al-Munis to lose their seats.
- (38) Daher and al-Salem, (1984), p. 89.
- (39) Daher and al-Salem, (1984), p. 89.
- (40) Abu-Lughod, (1981), p.29.
- (41) Al-Jardawi, (1984), p. 147.
- (42) Al-Jardawi, (1984), p. 148.
- (43) Banning expatriates by law from owning property, encouraged some low-income Kuwaitis to rent their own residential property to expatriates, despite the fact that it was itself rented from the government a point that was highlighted by Deputy, Essa Bahman during an Assembly Sitting, Assembly Proceedings, no A. 395, 19, June, 1975, pp. 34 38.
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## CONCLUSION

The development of an oil industry has had a profound effect on the nature of state, society and economy in Kuwait. Its control of oil revenues made the state the leading force in society and consequently helped it to entrench the traditional source of its rule. The state was forced in to the forefront of economic modernisation precisely because of the oil revenues at its disposal. Hence modernisation programmes were undertaken, on an unprecedented scale to transform a previously pre-industrial society based on fishing and long-distance trade. For society in general the development of oil represented a change from one mode of production, which can be aptly described as "tribal" to another, that of oil. In the thirties and forties Kuwait's maritime activities were in decline and many mariners had become unemployed. Today many of its citizens have become government employees enjoying the highest per capita income in the world guaranteed employment, social welfare and protracted access to property. Kuwaitis increasingly comprise a salaried class in government employment, shunning the hard, tedious manual work which they had been forced to accept before the development of the oil production. Such work has come to be regarded as demeaning and best left to the new proletarians, the migrant workers.

From the 1950's Kuwait embarked on modernisation programmes for which its indigenous population was little equipped. The economic modernisation which the development of oil necessitated came at a time when Kuwaitis were firmly rooted in tribalism and pre-capitalist relations of production. This created a need to import outside labour to supply the modern sectors of the economy. The initial need to import migrant labour developed into a structural feature and necessity as time went by, central not only to economic life but the social and political character of Kuwait. Hence, the importance of migrant labour came to be of a long-term (if not permanent) kind, in that it tended to recreate and reinforce the prevailing economic and political structures of power, reordering and redistributing the existing social forces in society to suit these structures.

One of the ways migrant labour performed this purpose was through the labour market. The increased dependency on imported labour came at precisely the same time as the detachment of the indigenous labour force from its traditional economic activities which had been rendered increasingly redundant as a result of oil development. Migrants precluded Kuwaitis from the need to undergo proletarianisation; oil provided the revenues to concentrate them in public employment. Whereas the Kuwaiti labour force, in the traditional period, dominated every major productive sector of the economy, in the

oil period it became superfluous to most productive activity, occupying instead non-productive, non-manual tertiary employment in the public sector. By the same token it was migrant labour that was found in the productive sectors of the economy. As the dependency on migrant labour became more entrenched, so the marginalisation of indigenous labour in public sector employment became more emphatic.

At the heart of the structure of dependence on migrant labour, developed a dichotomy of integration and exclusion. The indigenous population was not only guaranteed employment by the state but was given a whole host of other privileges and benefits. The migrant population, in contrast, suffered from a variety of laws and regulations instituted by the state to exclude them from basic political, social and economic rights. This ranged from the (obvious) institutional mechanisms to regulate the entry and stay of migrants in the country through the renewal of residency and work permits on a regular basis to ensure that the state kept a constant check on them, through controls on their ability to change their employment and denial of any right to organise collectively (only Kuwaitis have that right), to prohibitions on the acquisitions of private property.

Such prohibitions brought for the state and civil society alike, a range of benefits derived from the existence of migrant labour. The structure of exclusion created a process of accumulation built around the existence of a system of migration that included short-term and long-term settled workers. Thus their existence came to benefit the merchant class by creating numerous avenues for accumulation: migrants came to be used as cheap labour and as a consumer market. The indigenous population as a whole also benefited in a number of ways from migration, for instance through the development of sheltered employment and through the operation of the system of sponsorship.

Sponsorship served as avenue of accumulation for the indigenous population as a whole (including the merchant class). It also gave Kuwaiti sponsors legal responsibility for and power over the immigrants vis-a-vis the state and the legal structure. Sponsors often served as the employers of immigrants, though this was by no means always the case; many ordinary Kuwaitis could and did become sponsors. The state thus gave its indigenous population a stake in the power relations over migrant labour. The indigenous population played an active part in regulating migrant labour for the powers of sponsors including the power to deport immigrants from the country by revoking their sponsorship. Such powers ensured "obedience" or at least quiescence, including often the acceptance of harsh working conditions.

This had far-reaching consequences for the social relations between the migrant and the indigenous population, producing a lack of social contact and a hardening of prejudices on both sides. This has perpetuated old stereotypes, with immigrants seeing Kuwaitis as nomads suddenly having more money than

they know what to do with, and Kuwaitis seeing immigrants as “money grabbers” who have come to “rob” the country and thus need to be controlled. Because sponsorship and because citizenship rights are denied to immigrants, Kuwaitis have developed a feeling of superiority over immigrants which they are happy to express.

The development and nature of this singular social formation raises questions about how we should understand such a society. It has become increasingly dependent on migrant labour, which it excludes from most political rights, while at the same time diverting its own indigenous population (through a system of incentives) away from productive work into non-productive, non-manual public employment. It might be argued that this is no more than a conjectural outcome, a “historical accident”, and that it is only natural for a state endowed with oil wealth to look after its own population while excluding other, outside groups from this national wealth. It could further be argued that what is happening in Kuwait is no more than a transitional phase in a longer process where the demand for migrant labour is no more than a relatively short-term feature lasting as long as the oil does.

Both of these arguments have some validity but little utility. One could argue that any historical moment is an “accident” and we have argued against Kuwait’s present system being the result of a grand plan or a conspiracy. But if it is no more than “accidental”, if outcomes are simply random and do not represent responses to constraints and structures, there would be little need to analyse them. And if Kuwait, like any other society, is in transition, we still need to know how this “transition” is proceeding and how any given moment of its trajectory was reached.

Instead we have argued through out the thesis that the development of migrant labour has permitted the process of economic transformation to strengthen and perpetuate a state governed by a traditional ruling class, rather to <sup>than</sup> undermine it as one might otherwise expect. It has done so because migrant labour and oil revenues have allowed the state to structure proletarianisation and industrialisation separately from issues from political rights and democratic pressures. It has been able to restructure internal class forces by coopting Kuwaitis to the nature of state power through a process of embourgeoisement for citizens. At the same time, the migrant population has permitted class formation without the need to concede civil and political rights to it. And the system has unified Kuwaitis and their state in regulating and perpetuating the exploitation and subordination of expatriates.

Stable power has been legitimated through the avenues for accumulation which we have provided. It has also been legitimated by the creation of a large bureaucratic sector in which the indigenous labour force came to be concentrated. Such a development could not have been realised without the availability

of a large body of migrants, both skilled workers and professionals, for the rest of the economy. The creation of such a large bureaucratic sector must not only be seen a generous "gesture" on the part of the state (to share the fruits of the oil wealth with its population) but also as part of political and strategic moves on the part of the state designed to safeguard and perpetuate traditional rule. Such moves have involved, as we have seen, the creation of an indigenous labour force that is marginalised from productive industry and concentrated in the public sector, thus deliberately avoiding the creation of a working class which might eventually challenge the traditional ruling order. Instead such a class has been largely confined to the ranks of migrant labour, its acquiescence ensured by exclusion from civil society and maintained by a comprehensive legal structure of exclusion.

In other cases, like South Africa, migrant labour was also necessary for the reproduction of capital accumulation; the state through its legal apparatus was similarly necessary to ensure that such a migrant labour force was a "captive" one, denied basic human rights. This was essential both to maintain high profit levels and to perpetuate white privilege. It has also permitted the creation of a privileged and protected white population (not least a white working class) coopted into the defence of state power by the privileges produced by racism and migrant labour. Yet despite these parallels, we would suggest that the Kuwaiti case remains unique in at least two other respects. Firstly, the concentration of citizens in unproductive unemployment is not replicated even in the state sponsored systems of exclusion of South Africa. And secondly, the use of capitalist development and migrant labour to perpetuate the state power of a pre-capitalist oligarchy is not replicated in the African case.

This thesis also raised a number of issues where further research is needed but which are outside the scope of the present work. We will mention two basic ones: there is a need for more detailed analysis of the legal framework of the state and far more research on questions relating to consciousness and ideology. Much more knowledge is required about the degree of influence of certain expatriates, especially senior Egyptian professionals, in the development of laws and statutes and in the basic system of exclusion of migrants that has been analysed. On the development of a consciousness of "exclusion", more research needs to be done (especially in the early 1950's) about the feelings of the indigenous population towards the incoming migrants, with their different cultures and skills. It would be useful to understand the extent to which this was later manipulated by the state.

One final point needs to be made. Despite the way in which the system has seemingly entrenched the Kuwaiti state and the ruling family, the future may well reveal its seeming stability to be fragile, perhaps even illusory. The very modernisation programmes which the state undertook together with the implementation of social welfare schemes for Kuwaitis has created a potential for change among certain



sectors of the population. In the long-run such programmes may serve to emphasise the very instability of the system which the state has sought to contain, by creating pressures for greater political pluralism. Already some elements of Kuwaiti society are becoming increasingly vocal and critical (not least in the Assembly) and a few question the migrant system's efficacy and justice. It is an unlikely possibility that economic transformation and political modernisation can be hermetically sealed off, one from another, indefinitely.

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