THE RENTIER STATE AND THE SURVIVAL OF ARAB ABSOLUTE MONARCHIES

Charlotte M. Levins¹

I. Introduction

The Arab Spring has captured Western attention. News stories declare, "People all over the Arab world feel a sense of pride in shaking off decades of cowed passivity under dictatorships that ruled with no deference to popular wishes . . . Egypt is now thought of as an exciting and progressive place."2 However, despite optimism for an Arab call to democracy, the rentier system poses a tremendous challenge to oil-wealthy Arab nations. In a rentier state, the government collects oil revenues and distributes the proceeds to the population. The population relies on their government for food, shelter, income, and job opportunities. Because the government in a rentier state plays the role of benefactor, citizens will not rush to demand an entirely new system - even one with increased representation. Thus, Arab absolute monarchies in a rentier state, which today include Bahrain, Oman, Qatar, Jordan, Kuwait, and Saudi Arabia, will likely continue to enjoy relatively unchallenged support, at least while oil revenues sustain the states. Nevertheless, the rentier system is finite, and because large government welfare packages are unsustainable in the long term, monarchies must consider reform.

This Article will discuss how the rentier state contributes to the survival of Arab absolute monarchies despite the various challenges to their rule. Part II illustrates the theory of the rentier state, and in particular, how the rentier system affects the economics of the state and work mentality. Part III discusses the monarchical quest for legitimacy and how Islam and tribal networks are used for support in the face of challenges to their rule. Finally, Part IV declares that the rentier system is unsustainable in the long term, although monarchies will likely remain in power until the system is dismantled. This section also discusses the recent

^{1.} Lead Notes Editor, Rutgers Journal of Law and Religion; J.D. Candidate May 2013, Rutgers School of Law—Camden.

^{2.} Rashid Khalidi, *The Arab Spring*, NATION, Mar. 3, 2011, http://www.thenation.com/article/158991/arab-spring.

"Arab Spring" and whether populations in rentier states really desire reform or prefer the status quo.

II. THE THEORY OF THE RENTIER STATE

John Locke famously illustrated how man acquires property through the labor of his person:

Though the earth, and all inferior creatures, be common to all men, yet every man has a property in his own person: this no body has any right to but himself. The labour of his body, and the work of his hands, we may say, are properly his. Whatsoever then he removes out of the state that nature hath provided, and left it in, he hath mixed his labour with, and joined to it something that is his own, and thereby makes it his property.³

The rentier system, however, declines to factor this Lockean notion of "work" into the equation of property acquisition. Rather, citizens rely on their respective governments to distribute income accrued from oil revenue in the form of food subsidies, employment opportunities, health care, and all the basic necessities of living. But the luxury of not working does not come without costs: a complacent population with little representation, a lack of government accountability, mediocre performance, and little trust between the "haves" and the "have-nots."

A. Economics of the Rentier System

In classic economic theory, rent was defined as "the surplus left over after all the costs of production had been met, and was paid to the owner of the land for use of its natural resources." Essentially, rent is nature's reward for ownership of resources, and it exists in all economies in varying degrees. The concept of rentierism is simply defined as the percentage of rents in government revenues. 6

The notion of a "rentier state" was first proposed in respect to pre-revolutionary Iran in the 1970s and is most widely used in ref-

^{3.} JOHN LOCKE, TWO TREATISES OF GOVERNMENT 137-39 (Peter Laslett ed., Cambridge Univ. Press 1988) (1690).

^{4.} DOUGLAS A. YATES, THE RENTIER STATE IN AFRICA: OIL RENT DEPENDENCY & NEOCOLONIALISM IN THE REPUBLIC OF GABON 15-16 (1996).

^{5.} See id. at 16.

^{6.} Michael Herb, No Representation without Taxation? Rents, Development, and Technology, 37 Comp. Pol. 297, 298 (2005).

erence to Arab states.⁷ In order for a particular economy or state to qualify as "rentier," rent should predominate its sources of income and should be externally derived.⁸ Internal rent essentially represents merely a situation of domestic payment transfers.⁹ Furthermore, in a rentier state, only a few groups are engaged in the generation of rent; the majority merely distributes or receives it.¹⁰ Therefore, a small portion of society generates the majority of the wealth; the remainder being only engaged in the distribution and utilization of the wealth created.

While the concept of a rentier state is not exclusive to the Middle East, it is mainly associated with Arab oil-exporting states, which have larger shares of economic rents due to their booming petroleum industries. ¹¹ Oil revenue accounts for the majority of state revenue. Thus, any disruption to the oil industry can be catastrophic to the Arab rentier state. The Middle East's "windfall wealth" derived from the oil industry revived the idea of unearned income. ¹² Between 1951 and 1956, particularly, massive amounts of foreign currency inundated the Middle East due to the heightened demand for oil, and turned at least some oil-producing nations into rentier states. ¹³

Few parts of the world have been so reliant on income derived from rent as the Middle East. Every state in the region depends to some extent on rent from oil sales, though Saudi Arabia and Kuwait are the most dependent. Interestingly, this oil dependency is relatively recent; oil was not really an important commodity anywhere in the world until the end of the nineteenth century, an era considered the "second" industrial revolution. And even when the necessity for oil arose, there were sources closer to North America and Europe than the Middle East that the Western world utilized. Most historians trace the history of oil exploitation in the

- 7. YATES, *supra* note 4, at 11.
- 8. NAZIH N. AYUBI, Over-stating the Arab State: Politics and Society in the Middle East 227 (1996).
 - 9. *Id*.
 - 10. The Rentier State 51 (Hazem Beblawi & Giacomo Luciani eds., 1987).
 - 11. YATES, supra note 4, at 12.
 - 12. The Rentier State, *supra* note 10, at 50.
 - 13. *Id*.
- 14. James L. Gelvin, The Modern Middle East: A History 247 (2d. ed. 2008). In the 1990s, around 98 percent of Kuwait's government expenditures came from rent, and the majority of rent came from oil sales. For the sake of comparison, France derives less than 10 percent of its revenues from rent. *Id.*
 - 15. *Id.* at 248.
 - 16. *Id*.

Middle East to the d'Arcy concession of 1901.¹⁷ The d'Arcy concession occurred in May of 1901, when Mozafar'od - Din Shah (of the Iranian Qajar dynasty) awarded British William K. D'Arcy a sixty-year oil allowance on all areas of the country excepting the five northern provinces.¹⁸ The concession granted the exclusive privilege to "explore, exploit and export petroleum" and also required a 16% royalty of the net profits on all operations to the Iranian government.¹⁹ The d'Arcy concession emphasized the importance of risk sharing, but because the business requires a huge outlay of assets, d'Arcy ran out of resources before he could draw a profit.²⁰ As a result, he was forced to sell his rights to the British government, which henceforth established the Anglo-Persian Oil Compa-

Concessions in the beginning of the twentieth century were similar to the original d'Arcy concession. Subsequent concessions were of equally long duration and covered extensive landmasses.²² Companies banded together to explore, produce, refine, transport, and market the oil. In return, companies paid the concession-granting governments a share of their profits.²³ For most of the twentieth century, the West was able to enjoy little interference from the Middle East, while exploiting their oil resources.²⁴

The oil revolution of the 1970s was essentially a breakdown of the West's privileges.²⁵ Oil-producing countries won the right to set oil prices and the terms of concessions. Essentially, nations wanted "100 percent participation" in the concessions operating in their countries.²⁶ Over time, countries assumed greater control over their resources, mainly because they acted in concert.²⁷ Many his-

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^{17.} *Id*.

^{18.} Dr. Mohammad Malek, Oil in Iran between the Two World Wars, IRAN CHAMBER Soc'y, http://www.iranchamber.com/history/articles/oil_iran_between_world_wars.php (last visited Mar. 27, 2013).

^{19.} *Id*.

^{20.} GELVIN, supra note 14, at 248.

^{21.} Id. at 249.

^{22.} *Id*.

^{23.} *Id*.

^{24.} Id.

^{25.} GELVIN, supra note 14, at 249.

^{26.} Id.

^{27.} *Id.* at 250. Several Arab states, Bahrain, Kuwait, Qatar, Oman, Saudi Arabia, and United Arab Emirates are members of the Gulf Cooperation Council ("GCC"), a regional common market with a defense planning council formed in 1981. *Gulf Corporation Council*, GLOBALSECURITY.ORG, http://www.globalsecurity.org/military/world/gulf/gcc.htm (last visited Mar. 30, 2013). The GCC was establed.

torians thought the 1970s marked a new era for the Middle East and the West. French historian Fernand Braudel thought that it might reverse the centuries-long flow of wealth from the East to the West.²⁸ While the oil revolution did not bring such dramatic changes between the West and the East, as Braudel predicted, it did cause sweeping political, economic, and social changes in the region.²⁹

Among these sweeping changes is the rentier system itself. Because governments—rather than private companies or individuals—control the revenue accumulated through the oil industry, they benefit from unrivaled economic power. And with unrivaled economic power comes vast political power. Governments have the sole responsibility of distributing revenue and providing benefits; the governments, through the provision of benefits, buy loyalty.³⁰

lished in view of the special relationships between them, their similar political systems based on Islam, and common objectives. *Id.* The GCC has recently accepted Jordan as a member, and encourages Morocco to now join. *A Club Fit for Kings: A Gulf Club is Set to Beef Itself Up*, Economist, May 19, 2011, http://www.economist.com/node/18713680. The reason is economic: Jordan and Morocco are relatively poor and lack oil, while the rich oil-producing states have supported them with billions of dollars in aid. *Id.* For Moroccans and Jordanians, many of whom work in the Gulf, the open borders and labor markets enjoyed by the GCC's current members are a particular lure. *Id.*

28. GELVIN, *supra* note 14, at 251. Braudel explained that from the Middle Ages through the eighteenth century, wealth flowed from the West to the East, as the items Europeans brought back from the East, such as spices and silks, exceeded the value of goods bought from Eastern peoples from Europeans. *Id.* However, in the eighteenth century, the value of goods that Easterners bought from the West – finished products – exceeded the value of goods that Westerners bought from the East. *Id.* Braudel thought the 1970s would reverse the flow of wealth once again. *Id.*

29. *Id*.

30. Arab governments are essentially doing just that. An article in ECONOMIST illustrates:

IF YOU don't own your citizens' loyalty, perhaps you can rent it for a while. That seems to be the mantra of Arab regimes at the moment. Throughout the Middle East and north Africa, they are showering their citizens with money and gifts, like Hosni Mubarak's policemen hosing down protesters with water cannon in Tahrir Square.

Throwing Money at the Street, ECONOMIST, Mar. 10, 2011, http://www.economist.com/node/18332638. The article explains that in order to "buy off" economic discontent, governments are introducing new handouts, mainly in the form of old-fashioned wage increases. *Id.*

Saudi Arabia is boosting public-sector pay by 15% as part of a \$36 billion spending splurge. Egypt, Jordan, Libya, Oman and Syria are all raising wages or benefits for public employees . . . In addition Muammar Qaddafi of Libya, the king of Bahrain and the emir of Kuwait are offering one-off

The Arab states have a long tribal tradition of buying the loyal-ty of their populace by distributing benefits. In Syria and Iraq, for example, the French and British granted plots of land to tribal leaders during the "mandate period" in order to gain loyalty and support.³¹ A modern rentier system reflects these tribal origins because the government is the prime mover and shaker of economic activity.³² The government receives the economy's external rent and distributes the rents according to a hierarchy of beneficiaries—a hierarchy that maintains the government's dominant position.³³

B. The Rentier Mentality

Because income is distributed, rather than earned, individuals develop a rentier mentality. This mentality, in which income and wealth are not related to work, but rather to chance or situation, is distinguished from standard economic behavior by essentially breaking the work-reward causation.³⁴ Society has often suspected a difference between earned income and accrued rent. Capitalist instinct and religious morals compel individuals to work for one's money, which results in feelings of hostility to those who do not "earn" their income. The rentier mentality directly contradicts the Lockean ideal of property in which an individual acquires private property through the application of his labor. Essentially, the rentier removes the "work" element from the Lockean equation.

A *rentier* is thus a member of that special group who receives a share of the economy's yields, despite not actively participating in

handouts to stop people demonstrating. These are princely, worth \$4,000 per person in Kuwait and \$2,500 per family in Bahrain . . . Some governments have added shiny new subsidies. Kuwait, for example, is offering free food to everyone for 14 months. Bahrain says it will dish out up to \$100m to help families hit by food inflation.

Id.

31. Mike Shuster, *The Middle East and the West: WWI and Beyond*, NPR (Aug. 20, 2004, 12:00 AM), http://www.npr.org/templates/story/story.php?story Id=3860950. With the start of World War I, the French and the British sent armies and agents into the Middle East, to provoke revolts in the Middle East and to seize Iraq, Syria, and Palestine. *Id.* In 1916, French and British diplomats secretly reached the Sykes-Picot agreement, which carved the Middle East into "spheres of influence" for their particular countries. *Id.* Another followed that agreement, and a mandate system of French and British control was established and sanctioned by the new League of Nations. *Id.*

- 32. THE RENTIER STATE, supra note 10, at 53.
- 33. *Id*.
- 34. *Id.* at 52.

economic production.³⁵ Accordingly, there is a glaring contrast between production ethics, in which sacrifice and effort is involved, and rentier ethics, in which a person gets a piece of the pie without doing anything for it.³⁶ There are two components to this inertia: the first is that the current wealth of natural resources deceives the rentier into an expectation that revenues will ever-increase; the second is that rentier elites become satisfied with their condition.³⁷ Most of their time and efforts are devoted to maintaining the status quo. The lack of necessity to do anything negates the drive for invention, so there is little desire to industrialize.³⁸

C. Modes of Production

Given that there is little desire to industrialize in the rentier Arab states, what exactly are their modes of production? Although their economies are members of the world capitalist system, the Arab states do not really produce anything worthy of note (even oil is not really "produced" – it is merely extracted and exported).

In the rentier state, there are two primary divisions of labor: national citizens and expatriates.³⁹ Expatriates basically exist to fill in the manpower gap in oil states.⁴⁰ The rent economy is limited to nationals, and its privileges do not extend to expatriates.⁴¹ Beyond distribution of rent, expatriates are likewise precluded from the practice of most trades and professions—areas that are exclusively restricted to nationals.⁴² These limitations were imposed to counter the shortage of skilled labor.⁴³

^{35.} YATES, supra note 4, at 18.

^{36.} *Id*.

^{37.} *Id*.

^{38.} *Id.* at 31. There have been some efforts to industrialize the manufacturing of some products, such as steel, cement and fertilizers. But these attempts are limited in number and fail to connect with the economy at large. AYUBI, *supra* note 8, at 225.

^{39.} The Rentier State, *supra* note 10, at 59.

^{40.} Id. at 58.

^{41.} *Id*.

^{42.} *Id.* at 56. The expatriate labor force is not free-floating and is subject to various restrictions. They cannot enter the country without proof of a native sponsor, who is responsible for the foreigner's conduct. Upon entry, the foreigner's passport is usually taken away, and the sponsor is required to report the foreigner to authorities when his or her services are no longer required. AYUBI, *supra* note 8, at 226-227.

^{43.} The Rentier State, *supra* note 10, at 56.

In contrast to nationals, expatriates earn their income according to the work they complete.⁴⁴ In a booming economy, migrant workers flood into the rentier economy in search of jobs typically considered demeaning by rentier society.⁴⁵ When the economy suffers, however, expatriates become a threat to the labor force and suffer hostility and, frequently, expulsion.⁴⁶ Although they work for their income, expatriates do not escape the effects of the rentier system; work ethics are hardly embraced, and expatriates are not considered part of "society"—despite their ostensible contributions.⁴⁷

The shortage of skilled labor is one of the consequences of relying on external rent. Because of the large amounts of external rent, the state relaxes controls on foreign exchange, so the cost of exchange decreases. As a result, imported goods begin to replace domestic goods because the price of imported goods is low enough to disadvantage domestic workers. This occurs most notably in agriculture and manufacturing, since Arab states cannot compete with other large-scale economies that use advanced production techniques. This disparity results in a decrease in local production and fewer opportunities for the poorer groups left outside of the oil economy.

The rentier state is based on a circulation or allocation-type economy, where "the state is the main engine of this circulation or allocation function vis-à-vis the various economic sectors and social groups." The government in the rentier state is also the ultimate employer, and citizens aspire to work for their governments, as government jobs are the most widely respected. Therefore, the best and the brightest are rewarded with government jobs, and "demeaning" occupations such as those requiring manual labor are dolled out to foreign workers. Thus, the rentier mentality is a serious blow to work ethics. Laboring for one's income is considered shameful, so nationals of the state have little motive to produce.

^{44.} Id. at 59.

^{45.} YATES, supra note 4, at 30.

^{46.} *Id*.

^{47.} See id.

^{48.} *Id.* at 24.

^{49.} Id. at 26.

^{50.} YATES, supra note 4, at 27.

^{51.} AYUBI, supra note 8, at 228.

^{52.} The Rentier State, *supra* note 10, at 55.

D. The State as a Public Provider

The conventional role of the state is also unique in the rentier system. There are virtually no taxes, so citizens make fewer political demands.⁵³ This is mainly due to the oil industry, which allowed governments to build large government coffers without imposing significant tax burdens on their citizens.⁵⁴ Given the lack of taxation and the abundance of welfare services, citizens become disinclined to act on their own behalf to promote their interests.⁵⁵ Challenges and criticisms of the state are unacceptable. Citizens depend on the state's distribution of income, which can be a healthy sum, provided the economy remains strong.

The diminished need of the state to tax its citizens hinders the development of a strong state that legitimately represents its citizens. Thus, many historians and economists believe that nations of the Middle East have characteristics of a "weak state." Weak states are generally those that do not have the ability to actively infiltrate society, control societal relationships, and extract human and financial resources.⁵⁶ "Where capacities are high, states possess infrastructural power. Where states are weak, they lack infrastructural power."⁵⁷ Rentierism is linked to the emergence of a weak state in several ways. It impedes democratic rule, prevents the state from adequately representing its citizens, and substitutes political rights for state-provided welfare.⁵⁸ In a way, the exploitation of natural resources can itself be a curse that results in poor growth and increased conflict.

^{53.} *Id.* at 53.

^{54.} YATES, *supra* note 4, at 15. There are no income taxes for individuals on salaries, wages and pensions in Saudi Arabia. 1-SAU FOREIGN TAX & TRADE BRIEFS I (2013). Additionally, Saudi and GCC nationals are not subject to individual taxation. *Id.* However, all Saudi and GCC nationals who conduct business in Saudi Arabia are required to pay a direct Islamic tax on income and property, or the *Zakat*, the rate of which is 2.5% of the taxpayer's capital resources and income not held in fixed assets. *Id.* Furthermore, a resident non-Saudi individual is taxed only on business income derived from the country, the rate of which is 20% of all business income. *Id.*

^{55.} AYUBI, supra note 8, at 228.

^{56.} Rolf Schwarz, Rentier States and International Relations Theory, GRADUATE INST. OF INT'L STUD., GENEVA 1, 5 (2007), http://turin.sgir.eu/uploads/Schwarz-Rentier%20States%20and%20International%20Relations%20Theory.pdf.

^{57.} Id.

^{58.} *Id.* Essentially it is believed that "development" in the rentier state has a weaker effect on democracy than development resulting from other sources of wealth. Herb, *supra* note 6, at 300.

Some disagree, however, with the proposition that a reduced necessity to tax citizens encourages governments to be less accountable to individuals and groups within society.⁵⁹ This argument, as conveyed by commentators, relies too heavily on assumptions. 60 One assumption is that there are no societal actors that impose domestic conditions on how the ruling elite exercises its power; the second assumption is that leaders are assumed to have predatory rather than developmental aims. 61 Rather, critics claim that even a dictator who does not tax citizens to maintain power can still have developmental as opposed to predatory motivations. 62 Predation will only occur as a result of a failure to adopt more lucrative developmental aims. 63 Essentially, critics believe that there is insufficient evidence that taxation has evoked demands that governments account for their use of tax monies in the Middle East. While "predatory taxation" has created revolts, there has been no translation of tax burden into pressures for democratization.64

Because of the heightened discussion of the rentier theory, there has been a recent test, performed by Michael Lewin Ross, confirming that the rentier theory is valid. His results demonstrate that (1) oil hurts democracy, particularly in poorer states, (2) that oil's harmful effects on democracy is not limited to the Middle East, but is also found in the oil-rich states of Central Asia and Central America, and (3) that non-oil, mineral wealth also inhibits democracy. Some critics believe his findings to be flawed due to assumptions relied on in the experiment. Nevertheless,

^{59.} Jonathan DiJohn, Mineral Resource Abundance and Violent Political Conflict: A Critical Assessment of the Rentier State Model 4 (Dev. Research. Centre LSE, Working Paper No. 20, 2002), available at http://eprints.lse.ac.uk/28271/1/WP20JDJ.pdf.

^{60.} *Id*.

^{61.} *Id*.

^{62.} $\it Id.$ Predatory motivation means making money out of perpetuating civil war. $\it Id.$

^{63.} Id.

^{64.} Michael L. Ross, *Does Oil Hinder Democracy?*, 53 WORLD POL. 325, 332 (2001).

^{65.} *Id.* at 356.

^{66.} Michael Herb points out that Ross's experiment may be flawed:

Ross assumes that oil wealth has the same positive effect on democracy as other sorts of wealth. For example, oil wealth has the same positive impact on democracy in Kuwait that other sorts of wealth have on democracy in Canada. Kuwait is authoritarian because other factors, including the separate negative effects of rentierism, hammer Kuwait's democracy scores back down. He measures the two countervailing effects

one historian points out that "only so far as [wealth] brings appropriate changes in social structure and political culture does it enhance the viability of democratic institutions [S]uch nations as Saudi Arabia, Kuwait and [Libya] are quite wealthy, but neither their social structure nor their political cultures seem favorable to democracy."

Whether or not the lack of taxation negatively affects representation, governments in a rentier state enjoy a high level of autonomy and are not necessarily kept in check. Given the state's financial independence, citizens pose few demands. The little discourse of the citizenry enables the ruling class to amend and reverse public policies when needed, choose their allies, and change their political loyalties with a high degree of flexibility.⁶⁸ The high degree of autonomy also allows the state to create new classes and dismantle existing ones, often granting extra favors to those who can provide support and taking away privileges from those who pose a threat.⁶⁹

The state is able to shape the class system through three devices in particular: (1) general public expenditure, (2) employment, and (3) public policies, especially those relating to economic subsidies and land allocation. Although land ownership is a relatively new practice in the region, land allocation policies allow land to be distributed, or "sold," at a symbolic price to desired citizens, only then to be repurchased by the state for public works, at a highly elevated price. This policy, initiated by Kuwait in the 1950s, unifies the princely family, and allows its members to thrive in the business sector. Lalso expands the merchant class and creates a sense of pride in citizenship because citizens all hope to own a piece of land. Most importantly, however, this practice blends public duties with business interests.

and concludes that the negative effect dominates. Yet, if oil wealth does not push Kuwait's democracy scores up so far, then perhaps rentierism does not have such a large effect in pushing democracy scores back down. In the real world, Kuwait's wealth should be compared to that of Canada only if Kuwait's wealth has the same effect on the likelihood that it will be democratic. If Kuwait's wealth is less potent in this regard, Kuwait should be compared (in terms of wealth) to Jordan, Yemen, or Djibouti.

HERB, supra note 6, at 300.

- 67. *Id*.
- 68. AYUBI, supra note 8, at 228.
- 69. Id.
- 70. *Id.* at 228-229.
- 71. Id. at 229.
- 72. *Id*.

The line between public service and private interest is often vague. There is no conflict of interest between holding public office and simultaneously running a private business, and it is acceptable to use one to promote the other. "The prince's purse and the principality's purse [are] one in the same thing."73 During the oil industry boom, the ruling family and the network of families connected to it greatly expanded. Billion dollar contracts allow those in public office to use their situations for private gain.74 In Saudi Arabia, for example, contracts are bestowed to display royal gratitude, and to lobby the royal Arab family. 75 The permissive attitude towards "commissions" results in the frequent commission of white-collar crimes such as financial fraud, customs dodging, and false registration of land and buildings. 76 Thus, the government relationship with its constituents in a rentier state is one of a public benefactor. Citizens rely on government welfare for food, shelter, education, and occupation – nearly all fundamentals of day-today life.

Despite the vast powers enjoyed by Arab absolute monarchies, monarchs face constant challenges to their rule, in multiple forms. One particular challenge is the fixed amount of oil lying under their land. Monarchies are uncertain about how much longer oil will continue to fuel the rentier system. Secondly, monarchies face threats to their legitimacy, which is mainly founded on Islam and tribal support. Between the finite amount of oil and challenges to their legitimacy, Arab monarchies struggle to ensure long-term stability.

III. ARAB MONARCHIES AND THE SEARCH FOR LEGITIMACY

Max Weber once explained the ideal basis for a stable government system:

Without legitimacy...a ruler, regime or governmental system is hard-pressed to attain the conflict management capability essential for long-run stability and good government. While the stability of an order may be maintained for a time through fear or expediency or custom, the optimal or most harmonious relationship

^{73.} AYUBI, supra note 8, at 229.

^{74.} THE RENTIER STATE, supra note 10, at 55.

^{75.} *Id*

^{76.} AYUBI, supra note 8, at 229.

between the rulers and the ruled is that in which the ruled accept the rightness of the ruler's superior power.⁷⁷

Arab monarchies continually face challenges to their rule, which in turn makes long-run stability difficult to predict and attain. Besides facing uncertainty regarding the future supply of oil and the revenue it produces, the "legitimacy" of the monarch's rule is often questioned. Thus, ruling families seek to solidify their power mainly through Islam and tribal support. But by using religious justifications to gain power, they put religion into controversy and are confronted with Islamic groups who disagree with their interpretation of Islam.

A. Islam as a Tool to Legitimize Absolute Power

Throughout history, the successful development of Arab states depended upon the royal families' ability to mobilize military, gain political support from Arabian tribes, and use Islamic political ideologies to link various tribes in a larger political movement. Thus, the concepts of tribalism and Islam are essential to understanding the history of these regimes, particularly in light of the ruling elites' reliance on religion and tribalism to legitimize their right to rule. However, the relationships between tribalism, religion, and government have changed dramatically since the boom of the oil industry in the 1970s. Today, Arab politicians operate in an environment in which the legitimacy of rulers and state institutions is sporadic. So

Arab monarchies have created an ideology of Islam and tribalism, based on their own interpretations, in order to legitimize their rule both domestically and internationally.⁸¹ Historically, ruling families have based their legitimacy in being linked to a particular Islamic "grouping," which is a loose confederation of political and religious notables.⁸² But once decolonalization began, these Islamic

^{77.} MICHAEL C. HUDSON, ARAB POLITICS: THE SEARCH FOR LEGITIMACY 1 (1977).

^{78.} F. Gregory Gause III, Oil Monarchies 10 (1994).

^{79.} *Id.* at 10-11.

⁸⁰. To be legitimate requires a sense of political community that does not conflict with other subnational or supranational communal identifications. HUDSON, supra note 77, at 4.

^{81.} GAUSE, *supra* note 78, at 10-11.

^{82.} Arab Society: Class, Gender, Power & Development 53 (Nicholas S. Hopkins & Saad Eddin Ibrahim eds., 1998) [hereinafter Arab Society].

groupings shrank to religious communities.83 Today, the basis of power sides with the government, rather than with tribes and religious groups.84 Islamic institutions are now much more dependent on the state than in the past. Each monarchical regime has worked feverishly to make tribal and Islamic structures subordinate parts of their political systems. Governments have absorbed Islamic mosques, schools, courts, scholarly organizations, and religious trusts into the state in order to control them.85

One consequence of such forced subordination, however, is to encourage political opposition to organize on tribal and religious bases. 86 Because monarchies have no monopoly on the political interpretation of Islam and tribal values, opponents frequently charge them for failing to uphold the standards they posses.87 In addition, there are other activists who agree with the official interpretations of Islam but do not consider them fulfilled by the rulers.88 Furthermore, public space is mostly limited to tribal and Islamic institutions, so political opposition tends to unite around the tribe, the mosque, or the religious schools.89 These rivals secretly form underground and have provided monarchical institutions with their most serious challenges. 90 Both the elites and the middle classes view the rise of Islamism as a serious threat to their status and way of life.91 Sunni Islamic movements in Kuwait and Bahrain advocate making sharia law the sole basis of law in their countries, rather than just one of many.92 Although now viewed as a threat, the irony of such movements is that they were first encouraged by the governments in the 1980s as a reaction to the Iranian revolution and to offset Shia organizations.93

While all Gulf Arab monarchies use Islam to justify their rule, only Saudi Arabia claims an explicitly religious justification. 94 The

Id. Abdallah Laroui, a Moroccan historian, explains that the state organization is merely "the transitional instrument that has to be used to bring into being a human type that alone is judged to be worthy of the legitimate ambition of the Arabs." Id.

^{84.} See id.

GAUSE, supra note 78, at 11. 85.

^{86.} Id.

^{87.} Id.

^{88.} See id.

^{89.}

^{90.} GAUSE, supra note 78, at 11.

ARAB SOCIETY, supra note 82, at 63. 91.

GAUSE, supra note 78, at 32. 92.

Id. at 32-33. 93.

^{94.} Id. at 12.

origin of this validation dates back to 1745, when Muhammad ibn Saud, ruler of a small oasis town, formed an alliance with a scholar who was preaching religious practice and advocating for a return to the strictest, most unspoilt interpretation of Islam.95 The alliance was cemented through generations of inter-marriage between the families. 96 They based the agreement upon the promise that the Saudi ruler would accept the preacher's religious interpretation as the basis for the state, and in return, the preacher would recognize the Al Saud as the religious-political leader of his movement.97 This puritanical "Wahhabi" interpretation of Islam remains in present thought, though the fortunes of the Al Saud have dwindled through the centuries. Saudi Arabia continues to use the Koran as its constitution and reaffirms that theirs is the model of the ultimate "Islamic state." 98 Today, Saudi Arabia is also the only Arab state with extensive practice of sharia law. 99 Nevertheless, religious institutions remain subordinate to the government even in Saudi Arabia.

In all Arab monarchies, religious court systems have been placed under the control of ministries of justice, with judges appointed by state authorities from among religious scholars. ¹⁰⁰ Secular legal institutions have been established, most notably in business and economic jurisdictions, thus reducing the authority of religious courts. ¹⁰¹ Furthermore, governments have control over financial and administrative responsibilities for religious schools and training institutions. ¹⁰² High-ranking Sunni religious functionaries are appointed by the state, while leadership of Shia communities remain more independent. ¹⁰³ As a result, most of the *ulama*, whether they are judges, teachers, scholars, or preachers, are employees of the state. ¹⁰⁴

^{95.} *Id*.

^{96.} *Id*.

^{97.} GAUSE, supra note 78, at 12.

^{98.} See SAUDI ARABIA CONST., available at http://www.servat.unibe.ch/icl/sa00000_.html.

^{99.} HUDSON, *supra* note 77, at 49. However, in many other Arab countries, *Sharia* and Muslim judges preside over matters of personal status, such as marriage. *Id*.

^{100.} GAUSE, supra note 78, at 14.

^{101.} *Id*.

^{102.} Id.

^{103.} *Id*.

^{104.} Id. at 15.

Saudi Arabia has undertaken the most extensive bureaucratization of religious institutions. As in other Arab monarchies, Saudi Arabia has a complex system of religious courts for arbitrating personal issues such as marriage, inheritance, and divorce. The government has also established Islamic universities in cities such as Mecca, Medina, and Riyad for the training of religious scholars. Members of the *ulama* also benefit from enormous influence over the content of nonreligious publications and programming communications within the state, though their economic and financial power is limited. Members of the ulama also benefit from enormous influence

Because Saudi Arabia contains the holy cities of Mecca and Medina and has vast amounts of oil wealth at its disposal, the state has created a religious bureaucracy of far greater size and power than those of the other monarchies. For example, an entire ministry of the Saudi government is responsible for managing the annual pilgrimage to Mecca, during which the nation hosts over one million visitors. The state also supports the Committees for Enjoining Good and Forbidding Evil, whose members enforce the strictest form of Islam. The Committees ensure that commercial establishments close for prayer times, prohibit malefemale interaction in public, restrict the consumption of alcohol, and observe female dress to ensure adherence to the appropriate standard of modesty. The consumption of modesty.

B. Subordination of Islam

If Islamic institutions are generally subordinate to the state, why do Westerners believe that Islam and politics are so inextricably intertwined? Throughout centuries, Western views of the Arab world have been riddled with misperception. The Crusades and the Ottoman domination of the Balkans solidified the West in adversarial views and intimidating images of Islam. Yet, through periods of hostility, there remained a degree of equality in

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105. GAUSE, supra note 78, at 15.
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^{106.} *Id.* at 15-16.

^{107.} Id. at 16.

^{108.} *Id*.

^{109.} Id.

^{110.} GAUSE, supra note 78, at 16.

^{111.} Id.

^{112.} THE SELECTED WRITINGS OF EQBAL AHMAD 161 (Carollee Benbelsdorf et al. eds., 2006) [hereinafter WRITINGS OF AHMAD].

the exchange of ideas and products, as well as shared class interests, between the West and non-West.¹¹³

However, the mutual exchange, which founded a basis of acceptance and "antagonistic symmetry" between the two worlds, has been erased in modern times. 114 Nothing in the past was so devastating to Islamic-Western understanding as the encounter of the diametrically opposed traditional, agrarian Islamic societies and the capitalist and industrialized West. 115 This arguably began with the dehumanizing and alienating invasion of Napoleon Bonaparte in Egypt in 1798, and was exacerbated during the Cold War and Arab-Israeli conflict. 116 Such discourse often went beyond mere criticisms and embraced distortions, libels, and misrepresentations. 117 Those in power have drawn the most prevalent images of Islam, and the image is frequently one of "accumulated frustrations." 118

Indeed, Islam is central to Arab identity. Arabs, who arose from a group of tribes, claim prophetic ancestry. However, an understanding of Islamic politics has arguably slipped beyond the grasp of most "experts." Thus, a historically manipulated intellectual tradition continues to dominate Western perceptions of Islam. This has affected Muslims too; it suppresses creative growth

- 113. *Id*.
- 114. *Id*.
- 115. *Id*.
- 116. *Id*.
- 117. Writings of Ahmed, supra note 112, at 162-63.
- 118. Arab Society, supra note 82, at 61.
- 119. HUDSON, supra note 77, at 40.
- 120. Writings of Ahmed, *supra* note 112, at 163. For example, Ahmed writes:

In 1978, big men in the United States, from Jimmy Carter to Walter Cronkite, were surprised by the failure of the experts to perceive the revolutionary process in Iran, which had been long in the making. The failure, nevertheless, was as predictable as the Iranian Revolution. The shah was deemed a friend of the United States as well as of Israel; he was "modern," anti-Islam, and generous to the experts. Foremost Iranian experts explained the Shah by distorting Iran and its history. Thus Professor Leonard Binder . . . wrote, "Here is a nation, Iran, that has not ruled itself in historical times, that has had an alien religion (Islam) imposed upon it, that has twisted that religion (Shi'ism) to cheat its Arab tormentors, that can boost of no military hero . . . that has been deprived by its poets and mystics, of all will to change its fate."

by activating their defensive instincts, and educated Muslims neglect Western contributions to scholarship and theological ideas. 121

It is frequently asserted that in Islam, unlike in Christianity and other religions, no separation of religion and state exists. It is true that Allah's precepts are applicable to all spheres of life, and it is obligatory for Muslims to observe them in the community. 122 Moreover, in Islam, there is no distinction between the worldly and the divine. 123 Nevertheless, these connections are not helpful in understanding Muslim politics, for there has been little separation of politics and religion anywhere. For example, Hinduism played an important role in the Indian national movement. 124 In the United States, Christian churches have emerged as the primary platforms of political discourse. Finally, with respect to Judaism, Israel has been successfully claiming Palestine on religious authority to justify expansion of Israel into "Judea and Samaria." 125 When phenomena are misidentified, it makes appropriate responses all the more difficult, if not impossible." 126

Islam is often considered "rhetoric of resistance." ¹²⁷ Members of the religious establishment seek power and form an entity of political Islam, which has little to do with religion. ¹²⁸ Rather, it is a legitimization tool comprised of symbolism and Islamic rhetoric. ¹²⁹ Relative separation between state and religion has existed in the Muslim world for at least eleven of Islam's fourteen centuries. ¹³⁰ The links between religion and state power ended in 945 A.D. when a prince, Muiz al-Dawla Ahmad, marched into Baghdad and ceased the Abbasid caliph's dual role as the temporal and spiritual leader of the Islamic nation. ¹³¹ For a time afterwards, the caliph served as a legitimizing symbol in various parts of the Muslim

- 121. *Id.* at 164.
- 122. HUDSON, supra note 77, at 47.
- 123. *Id.* Interestingly, the word *islam* means "submission." *Id.*
- 124. Writings of Ahmed, supra note 112, at 164-65.

- 127. Id. at 105.
- 128. *Id*.
- 129. Id.
- 130. Writings of Ahmed, supra note 112, at 165.
- 131. Id. at 166.

^{125.} *Id.* at 165. It should be noted that there are only two truly theocratic states in the Middle East: Israel and Saudi Arabia. One is an Islamic monarchy, while the other is a sectarian "democracy" whose Christian and Muslim subjects are treated as second-class citizens under law. *Id.*

^{126.} Aliya Haider, The Rhetoric of Resistance: Islamism, Modernity, and Globalization, 18 HARV. BLACKLETTER J. 91, 106 (2002).

world. ¹³² However, it never mustered the allegiance of a majority of Muslims, and so power remained for the most part secularized, although tension remains between the moral demands of Muslim culture and holders of power. ¹³³ Throughout time, Islamic theologians have developed large bodies of work to explain and justify the Islamic ideal and political realities.

Despite the vast differences among Arab ruling elites, there are deeply entrenched similarities in rule, which have existed through Islamic history and can be traced to the Prophet Muhammad. 134 Because Muslims seek to pattern their lives according to his, it is hardly surprising that rulers also implement his strategies. However, in many aspects, modern Arab monarchs are more similar to European nation builders than Middle Eastern prophets. For example, their governments, like European governments, resulted largely from extraction and coercion. 135

As in all religious communities, there is a repository of Islamic traditions that surface most powerfully in times of crisis, and times have rarely been as stressful for Muslim people as they are today. 136 All the characteristics associated with political crises — heightened religious fundamentalism, revolutionary and radical mobilization — characterize Muslim politics today. 137 French scholar Remy Leveau suggests a parallel between the role played by Arab Islamists and the role of the communist parties in 1930s Europe. 138 Both movements successfully offer those who have been disappointed by economic growth and modernization a "somewhere else." 139

As with state power, Islam has played a large role in the legitimization of revolt. For example, if the state *ulama* cited religious injunctions against disobedience, rebels also invoked the Koran and the Prophet's teachings, calling upon Muslims to jihad against tyranny and oppression. ¹⁴⁰ In many regions of the globe, such as North Africa and Central Asia, the spread of Islam was linked to

^{132.} *Id*.

^{133.} Id. at 168.

^{134.} Lisa Anderson, Absolutism and the Resilience of Monarchy in the Middle East, 106 Pol. Sci. Q. 1, 12 (1991).

^{135.} *Id*.

^{136.} Writings of Ahmed, supra note 112, at 167

^{137.} Id

^{138.} Arab Society, supra note 82, at 62

^{139.} *Id*.

^{140.} Writings of Ahmed, supra note 112, at 170.

social revolt.¹⁴¹ In other places, such as the Indian subcontinent, Islam's egalitarian precepts and stress on social justice offered an escape from oppression. 142 Islam is, in a sense, a religion of the oppressed; even today it remains most appealing to poorer populations and is presently the most rapidly expanding religion in Africa and the East Indies. 143 In addition, Islam has a compelling presence in black communities and prisons in the United States. "The religious and cultural force of Islam continues to outpace its political capabilities."144

The legitimization processes utilized by monarchical regimes have been considerably successful. 145 Their interpretations of Islam have been accepted by large numbers of citizens, although others continue to pose challenges. The ruling families in Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates have held power, for the most part unchallenged, for decades if not centuries, although stability in these countries has hardly been perfect. 146 Furthermore, ruling elites can rely on support from other monarchies if a situation becomes too difficult to manage; if one ruling tribe were overthrown, this would foster political activism in the remaining monarchies.¹⁴⁷ Essentially, the survival of each nation is interlinked.

Id.141.

^{142.} Id. at 170-71.

^{143.} Id. at 171.

^{144.}

However, the Maghrebi states (Islamic states in Northern Africa) have faced few direct challenges to their nation-states. ARAB SOCIETY, supra note 82, at 55. This is likely due to the relatively powerful political structures, the fact that the Maghreb was Islamized but not Arabized, as well as its geographical location. Id. In these states, the Islamic connotation is more likely to prevail over "militant" Arabism. Id.

Daniel L. Byman & Jerrold D. Green, The Enigma of Political Stability in the Persian Gulf Monarchies, 3 MIDDLE E. REV. OF INT'L AFF. 20 (1999). For example, terrorism, often directed at the United States, has led to many deaths since the 1980s. Id. Coup attempts occurred in Saudi Arabia in the 1960s and in Bahrain in 1981. Id. In 1994-1996, Bahrain endured protests and riots leading to dozens of deaths and hundreds of arrests. Id. Anti-government religious militancy has also increased. Id. at 21. Nevertheless, these governments have held firmly onto power and have generally maintained social peace. Id.

Anoushiravan Ehteshami & Steven Wright, Political Change in the Arab Oil Monarchies: From Liberalisation to Enfranchisement, 83 INT'L AFF. 913, 915 (2007).

C. Tribal Support

The pattern that evolved during the twentieth century between state authorities and religious institutions is mirrored in the evolution of relations between states and the tribes. Historically, ruling tribal elites have held a monopoly of power in these states, "a position buttressed by the availability of effective and loyal armed forces and internal security apparatus to quash any domestic challenge." 149

Every Gulf monarchy relied on tribal connections and military strength to obtain power and asserted their right to rule based on their tribal heritage. ¹⁵⁰ However, tribalism, unlike Islam, does not provide a set of unifying symbols around which nation-wide opposition movements can unite. ¹⁵¹ To the contrary, tribal loyalties tend to separate political movements in the monarchies. ¹⁵² In Saudi Arabia and Oman, for example, where certain surroundings encouraged tribal autonomy, tribes frequently rose in armed opposition. ¹⁵³ Rulers were forced to seek local allies and international support to balance the tribes. From 1820 to 1971, Great Britain was the major foreign presence in the Gulf. ¹⁵⁴ Under the guise of maritime trade with India, Britain increasingly poked its nose into Gulf politics. In return for ceding foreign and defense policy to Britain, the *sheikh* obtained commitments of British defense against regional rivals, arms, and financial subsidies. ¹⁵⁵

British support diminished the rulers' reliance on tribal backing, as Britain provided military and police support if rulers were threatened. British subsidies also lessened rulers' need for tax revenue and gave them the ability to offer the tribes financial inducements for loyalty. But while the British presence decreased reliance on the tribes, the infusion of oil revenue ultimately shifted the balance of power away from religion and tribes and toward the

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148. GAUSE, supra note 78, at 17.
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^{149.} Ehteshami & Wright, supra note 147, at 914.

^{150.} GAUSE, supra note 78, at 17.

^{151.} Id. at 18.

^{152.} *Id*.

^{153.} Id. at 19.

^{154.} Id.

^{155.} Gause, supra note 78, at 19. A sheikh is a leader or governor of a tribe. Id.

^{156.} *Id*.

^{157.} Id. at 20.

state. 158 Governments now had money to give away, and ability to garner loyalty through calculated distribution. Tribal leaders were put on state payrolls and were granted generous salaries. 159 Tribal sheikhs now depend on the state to provide for their tribesman, instead of their own resources. 160 To gain a sense of the changes that the oil industry has brought, one must only compare oil monarchy nations to Yemen, which only recently began exporting oil in limited quantities. 161 In comparison to oil monarchy nations, Yemen's government still does not have the financial ability to entice tribes into subordinate positions within the state system. 162

D. Drafting "Constitutions"

In addition to state capability and seeking religious and tribal support, 163 Arab monarchies have also used their nations' constitutions as tools to legitimize their rule. Middle Eastern states desperately experimented with constitutional texts in the nineteenth century, when confronted with international and domestic challenges. 164 Constitutions were rarely forced on Arab kings; instead, Arab kings enacted them freely. They were often issued in the waning days of colonial influence, and the monarchies enacting them were extremely suspicious of popular forces and elected assemblies.165 The first wave of constitution writing came in the wake of nominal independence: Egypt, Iraq, and Jordan all issued constitutions under British oversight. 166 The second wave began in the 1960s and 1970s, when Morocco, Kuwait, Bahrain, Qatar, and the United Arab Emirates issued constitutions. 167 Oman and Saudi Arabia followed suit in the 1990s.

Arab constitutions serve to define political structures without limiting the power of rulers. 168 Thus, it is not surprising that one of the strongest criticisms citizens cast against their government is

Id. at 23. 158.

^{159.}

^{160.} GAUSE, supra note 78, at 23.

^{161.} *Id.* at 24.

^{162.}

^{163.} The state's ability to carry out expected duties and services affects its legitimacy, just as will Islam and tribal support.

NATHAN J. BROWN, CONSTITUTIONS IN A NONCONSTITUTIONAL WORLD: ARAB Basic Laws and the Prospects for Accountable Government 35 (2002).

^{165.} Id.

^{166.} Id.

^{167.} Id.

^{168.} Id. at 34.

the lack of accountability, which promotes abuse of power and rampant corruption. Decision-making is the responsibility of a few privileged by birth, not by merit. Morocco's constitution, typical in the Arab world, merely describes the monarch's authority rather than limits it. Although elected parliaments are permissible, constitutional provisions still allow the king to ignore them on almost all occasions. The constitution of Kuwait is an exception, as it has survived several decades and was written with popular participation and has emerged at the center of debates regarding the nation's political system. Saudi Arabia, Oman, the United Arab Emirates, Bahrain, and Qatar share similar constitutional features, though their texts vary in wording.

All documents offer assemblies with highly limited roles. Assemblies are also issued by monarchs and do little to limit the monarch's authority. They essentially offer monarchies some clear lines of authority and smooth succession, and they have numerous escape hatches for when their terms become inconvenient. ¹⁷⁴ In sum, Arab monarchies enjoy vast amounts of unrestricted power, yet by using Islam and tribalism as tools for legitimacy, they develop their strongest bases of support as well as their most severe challenges.

Corruption and unaccounted for government spending levels are quite high. Money derived from the sale of oil noted in balance of payment statements often fails to appear in oil revenues reported in the state budget. In recent years, from 18 to 30 percent of the revenue from petroleum exports was not reported in budgets in the northern Gulf states. This missing money -- billions of dollars a year -- enriches the royal families.

Id.

171. Brown, *supra* note 164, at 54.

172. Id.

173. Saudi Arabia's constitution begins, for example, "The Kingdom of Saudi Arabia is a sovereign Arab Islamic state with Islam as its religion; God's Book and the Sunnah of His Prophet, God's prayers and peace be upon him, are its constitution" SAUDI ARABIA CONST. art. 1. Royal Order No.A/90, of 1 March 1992, to promulgate the Constitution, codifies the King's power: he acts as prime minister and appoints prime ministers and cabinet ministers. SAUDI ARABIA CONST. art. 56. The King also chooses his Crown Prince from among a broader pool of relatives than before and may remove the Crown Prince if deemed necessary. See id.

174. See generally id.

^{169.} Byman & Green, supra note 146, at 21.

^{170.} Byman writes of the prevalent corruption:

IV. THE SHAKY NATURE OF THE RENTIER SYSTEM AND CALLS TO REFORM

Irish Republican politician Gerry Adams once said, "It will always be a battle a day between those who want maximum change and those who want to maintain the status quo." Although he was referring to Ireland, the same message rings true in the Middle East. Recent events in Egypt, Syria, and Libya have Westerners wondering if populations of the Middle East are finally standing up to their rulers and demanding democracy. In reality, Arab democracy, if it is considered one at all, is unlikely to mirror democracies of the West. Nevertheless, monarchies are facing increased pressures to reform, and if the Arab monarchies are to survive in the long-term, the rentier system must be dismantled.

A. Disillusioned Calls for Democracy and Liberalization

During the 1970s, economists began commenting on what they considered a global trend toward greater liberalization and privatization, or a deliberate attempt to reduce the proportion of national resources managed by the state. ¹⁷⁶ Not surprisingly, the same interests began to attract the attention of Middle East analysts, although initially the Egyptian policy of *infitah*, or "liberalization," announced by President Sadat in 1974 consumed most of the focus. ¹⁷⁷ However, signs of privatization and liberalization turned up elsewhere, in countries such as Turkey, Israel, and Algeria - Turkey, in particular, being one of the most liberal and Westernized Middle Eastern nations. ¹⁷⁸ Cries for liberalization are no less clear today, after the year 2011 saw radical changes to rule in Egypt, Libya, and Syria.

Despite optimism for similar continued movements, privatization of resources remains a long way away for nations ruled by Arab monarchies. As far as rulers in the Middle East are concerned, the benefits derived from the high price of oil in many Arab states mean that changes can be postponed much longer than in Turkey and Israel, for example, which lack booming, profitable

^{175.} Gerry Adams Quotes (About War & Peace), INSPIRATIONAL, http://www.inspirationalstories.com/quotes/gerry-adams-it-will-always-be-a-battle-a/ (last visited Mar. 31, 2013).

 $^{176. \}quad$ Roger Owen, State, Power and Politics in the Making of the Modern Middle East 113 (3d ed. 2004).

^{177.} *Id*.

^{178.} *Id.* at 114.

oil industries.¹⁷⁹ Furthermore, shifting toward open economies in Arab nations ruled by absolute monarchies is bound to be different from those implemented elsewhere on the globe. So far, political openness in monarchical states has only arisen through the initiative of the rulers, in an effort to balance economic changes with their political systems.¹⁸⁰ That is, the public has not initiated greater political participation through mass opposition movements against the royal families.¹⁸¹ Accordingly, many believe that these nations cannot carry out necessary reforms:

Such power allows them to manipulate the political as well as economic decisions of their countries. The ruling families regard the citizens as subjects, and some of them even believe that it is within their rights to control their livelihood. They regard talk of sharing power as heresy and even when others do accept to share power they endorse constitutions that allow them to have their way. 182

Since the beginning of the oil era, ruling families have enjoyed near absolute control of revenues and the ability to distribute these revenues to assure maximum public support. 183 As a result, few taxes have been imposed and populations benefit from free health services and subsidized food. The fact that there are few taxes keeps demand for representation at a minimum. In addition, rulers protect local businesses from foreign competition by designing a host of rules to ensure local businesses receive a large share of oil wealth. 184

Despite the power of ruling monarchies, however, one may argue that their existence will be limited. Recent events in Tunisia, Libya, and Egypt have demonstrated the power of technology, globalization, and Islamic opposition. Despite the fact that monar-

^{179.} *Id*.

 $^{180.\,\,}$ Political Liberalization in the Persian Gulf 84 (Joshua Teitelbaum ed., 2009).

^{181.} *Id.* Interestingly, the most liberal political system among monarchical nations is in Qatar, with virtually no public opposition. *Id.* In contrast, political opposition in Saudi Arabia is continually on the rise, but political openness has hardly been achieved within the political system. *Id.* at 85.

^{182.} REFORM IN THE MIDDLE EAST OIL MONARCHIES 219 (Anoushiravan Ehteshami & Steven Wright eds., 2008).

^{183.} OWEN, supra note 176, at 122. This is essentially the opposite of the situation in North America and Europe, where there has been a historical correlation between taxation and representation. Id.

^{184.} *Id*.

chical states have, so far, maintained an impressive record of repressing major challenges to their rule – notably Islamic opposition challenges—many argue that the time for long-awaited democratic movements has come, and that these will effectively challenge authoritarian governments. It is true that, within the past year, "parties referencing Islam have made great strides, offering an alternative to corrupt, long serving dictators, who have often ruled with close Western support."185 Many believe that several Middle Eastern states are on the cusp of democracy and call this the era the "Arab Awakening" or "Arab Spring." 186

Indeed recent events seem to sparkle with promise. Audiences were astounded when newspapers announced, empowered by Twitter and Facebook, that the youth of Northern Africa and the Middle East took to the streets and demanded freedom and opportunity. 187 A writer for The Times rejoiced:

Across an Arab world that seemed doomed to permanent stagnation, people have risen against ossified, gerontocratic regimes that plundered their countries' wealth, suppressed all opposition and hoodwinked the West into believing they were the only bulwarks against Islamic fundamentalism . . . The seemingly rocksolid dictatorships of Tunisia, Egypt and Libya have been swept away. Syria's President Bashar Assad may cling on for a while, but is assuredly doomed. So is Yemen's President Ali Abdullah Saleh. Elsewhere, the Great Awakening has galvanised longdormant opposition movements and rocked ruling elites. 188

The monarchies of Morocco, Jordan, Bahrain, and Saudi Arabia have also felt the effects of this revolution. As a result, Bahrain cracked down on opposition through brutal methods. While its immediate survival is ensured, the monarchy has shredded its legitimacy. 189 Similarly, the Islamist party of Morocco recently emerged victorious from parliamentary elections. 190 The king also responded to pressures by modifying the constitution to grant the

Paul Schemm, Morocco's Arab Spring Election Won by Islamists, ASSOCIATED PRESS (Nov. 27, 2011), http://cnsnews.com/news/article/moroccosarab-spring-election-won-islamists.

^{186.}

Martin Fletcher, Editorial, The Arab Spring Has Been Astounding. Don't 187. Dismiss It, TIMES (London) http://www.thetimes.co.uk/tto/opinion/columnists/ article3269928.ece (last updated Dec. 28, 2011).

^{188.} Id.

^{189.} Id.

^{190.} Schemm, supra note 185.

next parliament and prime ministers more powers, despite only a 45% turnout at the polls.¹⁹¹

However, the miraculous effects that enthusiasts predict globalization and democracy will have are not likely to be embraced by Arab governments, and many populations remain hesitant about change. One of the reasons populations are electing religious parties, such as the Muslim Brotherhood in Egypt, is because the ruling elite uphold too liberal ideologies. For the most part, recently-elected Islamist religious parties have avoided issues like the sale of alcohol or women's headscarves that have obsessed Islamist parties elsewhere. But when, for example, a newly-appointed Libyan interim leader took control, he legalized polygamy without any democratic consultation and pronounced *sharia* law the law of the state: "We, as an Islamic state, determined that [*sharia*] law is a major source for legislation, and on this basis any law which contradicts the principles of Islam and Islamic law will be considered null and void." 194

Some believe that the changes in Iraq were the most significant in contemporary Arab history, and the effects of the reform in that state could determine the fate of reform efforts elsewhere. 195

The failure of reform in its modern concept, which involves the establishment of a pluralistic and democratic state that respects human rights, would deliver a crucial setback to the idea of a foreign-inspired reform. It would be a long time before the Arab political culture would again accept such an idea. 196

Much to the dismay of Westerners desiring a Western form of democracy, many Arab populations believe that liberalization, globalization, and open economies represent American imperialism and the end of the welfare-oriented state that is still viewed as legitimate. Furthermore, technology enthusiasts, who argue that Facebook and Twitter have contributed to a desire for democratic principals, fail to note that the information gained from the inter-

^{191.} Id.

^{192.} *Id*.

^{193.} Id

^{194.} Paul Koring, Toppling of Arab Regimes Signals New Dawn of American Foreign Policy, GLOBE & MAIL, Nov. 14, 2011, http://www.theglobeandmail.com/news/world/toppling-of-arab-regimes-signals-new-dawn-of-american-foreign-policy/article4183572/.

^{195.} REFORM IN THE MIDDLE EAST OIL MONARCHIES, supra note 182, at 223.

^{196.} Id.

^{197.} GELVIN, *supra* note 14, at 304.

net and satellite television lacks the control of a government monopoly.¹⁹⁸ Rather, during the invasion of Iraq, for example, residents were able to supplement their news sources with others such as the BBC and the American Armed Forces Radio - the same news outlets their parents listened to a generation before. 199 Viewing Western media did not make the operation in Iraq any less difficult. "After all, getting to know one's neighbors and hearing their viewpoints does not necessarily mean accepting those neighbors and adopting those viewpoints."200 Finally, strong states such as Turkey have arisen in the Middle East despite the public's lack of access to alternative news sources. Many believe that modern technology breaks down barriers and creates "long-distance nationalists,"201 but until Westerners adapt their vision of the Arab future and understand the controls of the rentier state, their attempts to bridge the gap through media and technology will continue to be futile.

Similarly, the fact that Arab populations are calling for reform and increased representation does not mean they demand democracy. Enthusiasts assume that a country's failure to embrace democracy is evidence of "political perversity or moral obtuseness on the part of its citizenry."202 James L. Gelvin explains, "Democratization enthusiasts are following in the footsteps of their nineteenth-century predecessors who predicted the inevitable triumph of liberal values or communism or whatever."203 This is wishful thinking. The power of Middle Eastern states is far greater than the power of those seeking increased democratic rights.²⁰⁴ Governments not only heighten their own power, but also succeed in diminishing the powers of those who challenge them. For these reasons, they have succeeded in dividing their citizens into competing groups, pitting ethnic groups against each other, rivaling the cities against the countryside, riling religious groups against religious groups and region against region. 205

In addition to regimes' powers to suppress opposition, many state subjects do not crave democracy. Abdullah al-Athbah, a Qatari columnist, says, "There are not many people who want a real

Id. at 305. 198.

^{199.} Id.

^{200.} Id.

^{201.} Id.

^{202.} GELVIN, supra note 14, at 306.

^{203.} Id.

^{204.} Id.

^{205.} Id.

change of scene. There are intellectuals who do. But ordinary people do not care very much about that."²⁰⁶ According to opinion polls in Qatar, ruled by a monarchy, people care less about democracy now than they did a year ago.²⁰⁷ People also view their government as dragging them through political reform, rather than the other way around. One government adviser says, "In some countries, people fight for [change]. Here you get it for free. The emir has given democracy. It has come from the top."²⁰⁸

As with the success enjoyed in diminishing heightened calls for liberalization, Middle Eastern monarchies have also been largely successful in repressing Islamic opposition, despite the fact that regimes often put Islam into controversy by using it as a tool to legitimize their rule. For example, the Syrian government suppressed an Islamist rebellion in 1982 by destroying the city of Hama at a cost of ten to twenty-thousand lives.²⁰⁹ In addition, Saddam Hussein took an even more brutal stance against the Shia revolts that broke out after the Gulf War.²¹⁰ Egypt is an exception; for decades, many have believed that, of the various religious movements, the ones best placed to overtake their regime were the Egyptian Muslim Brothers.²¹¹ Founded in 1928 by a schoolteacher, the Muslim Brotherhood soon grew far beyond other organizations in scope and membership. Because of the rapid growth in membership, it grew strong enough to come in forceful contact with the monarchy.²¹² In Jordan, the Muslim Brothers also obtained a privileged position during the 1970s and 1980s as a result of their support for the monarchy.²¹³ They soon began to push for the Islamization of Jordanian society, for example by banning alcohol in public and separating males and females in schools.214 But this Islamization soon disturbed the King, who, in 1992, declared Jordan's

^{206.} Michael Peel, Rulers with Time and Money on Their Side, Fin. TIMES, Dec. 16, 2011, http://www.ft.com/intl/cms/s/0/209baef8-2580-11e1-9cb0-00144fea bdc0.html#axzz2DiS78qee.

^{207.} Id.

^{208.} Id.

^{209.} Gelvin, supra note 14, at 297.

^{210.} Id.

^{211.} The Muslim Brothers are now the party in power in Egypt.

^{212.} OWEN, *supra* note 176, at 164. For the first decade of his rule, Hosni Mubarak encouraged the Muslim Brothers to participate in parliament and elections (although not as an official party), while seeking to isolate the more radical members through arrest and imprisonment. *Id.* at 166.

^{213.} *Id.* at 168.

^{214.} *Id*.

Islamists of being "proponents of backwardness and oppression."²¹⁵ The stronghold of the Jordanian Muslim Brothers soon collapsed after further confrontation with the palace.²¹⁶

Indeed, the Muslim Brotherhood has prevailed in the first series of elections in Egypt. But the test now is whether their success will continue. They model their party on the AKL party in Turkey. However, Turkey's aspirations to join the European Union propel its success. Turkey was also founded as a secular state in the 1920s, and few changes occurred there until eighty years after its founding. In reality, Egypt will not blossom into a full-fledged democracy overnight, and nearby countries like Syria are teetering on the brink of civil war. For the most part, populations served by a stable monarchical family will continue to believe that "[u]nless you are in dire circumstances . . . you don't really want to rock the boat and destabilise a regime when there is no viable alternative." 220

Arab monarchies exert the same repressive power as did the governments of Syria and Iraq. Furthermore, too many subjects count on the monarchies for jobs and food to gamble on a new Islamic regime. So far, Islamic movements have largely failed to provide an alternative to the state; they have either been co-opted by the state or so mired with blood that they share responsibility for the state's failings.²²¹

^{215.} *Id*.

^{216.} OWEN, supra note 176, at 168. The Muslim Brothers decided to boycott the elections of 1997 on the grounds that the system was unfairly rigged against them. *Id.*

^{217.} See Abdel Latif El Menawy, Editorial, Egypt is Fractured. Its Army Can Be the Glue, TIMES (London), Jan. 30, 2012, http://www.thetimes.co.uk/tto/opinion/columnists/article3302327.ece.

^{218.} Id.

^{219.} Ruth Pollard, *A Year of Hope and Bloodshed*, SYDNEY MORNING HERALD (Dec. 17, 2011), http://www.smh.com.au/world/a-year-of-hope-and-bloodshed-20111216-1oyvy.html.

^{220.} Id.

^{221.} Roger Owen elaborates, writing, "In spite of the vast amount of religious literature devoted to questions of state power, no Islamic movement has been able to provide a satisfactory alternative to the existing politico-administrative structures made up of bureaucracies, judiciaries, parliaments and parties." OWEN, supra note 176, at 155.

B. The Real Call to Reform

It will not likely be the heightened calls for democracy, an increasingly globalized world, or Islamic radicalism that pose the greatest threats to Arab absolute monarchies. Monarchies will likely survive as long as the rentier system, propelled by oil revenue, survives. The rentier system will continue as long as countries like the United States continue to rely on these oil-producing nations for sustenance; and as long as relations remain friendly, foreign nations are unlikely to interfere with monarchical rule. After all, would the United States rather secure Saudi Arabian oil supplies from a friendly, though absolute, monarchy? Or would it renounce its claim to oil for the sake of democracy and individual freedoms?

Nevertheless, it takes millions of years to create oil, and the current reserves will not last forever. For this reason, the rentier system is unsustainable. Therefore, reforms must be implemented gradually or else chaos will ensue when monarchies can no longer provide for their populations. When oil revenues decline, the rentier system, with the ruling elite at the top, will really be in trouble. "[T]he state's dependency on external forces becomes clear when the oil price declines on the world market and the revenues needed to meet material expectations and ensure social peace dwindle . . . [T]he inherent vulnerabilities of rentier states then become apparent."222 At the first sign of recent discontent with oil profits, Arab governments rushed to provide generous packages to their populations, which included more jobs, increased wages, and higher subsidies. These packages amounted to 5% of gross domestic product in Jordan, 10% in Egypt, and 25% in Saudi Arabia and Algeria.²²³ In the short term, such fiscal policy is necessary to maintain social unity and alleviate the impact of the downturn. However, these policies cannot be sustained. They fuel inflationary pressures, add to budgetary deficits and deepen the rentier economies of the oil-exporting countries.²²⁴

^{222.} L.S., Arab Revolts Blog #1: Notes on Rentier States and the Stalled Libyan Revolt, MUTE (June 21, 2011), http://www.metamute.org/editorial/arab-revolts-blog/arab-revolts-blog-1-notes-rentier-states-and-stalled-libyan-revolt.

^{223.} Henry Azzam, The Risks That Arab Spring Governments Must Manage, Fin. Times, Nov. 16, 2011, http://www.ft.com/intl/cms/s/0/5e9b8640-03c7-11e1-bbc5-00144feabdc0.html#axzz2DiS78qee.

^{224.} Id.

In order to lessen the power of the monarchies and obtain a political system with more choice and liberty, the rentier system must be dismantled and reformed in order for Arab monarchies to survive. The public will eventually demand reform, either when they realize that government handouts are untenable or when they no longer believe that their monarchy is legitimate. Although Arabs are not calling for the Western version of democracy, recent events show that Arabs are increasingly questioning their government's ability to manage political and economic matters. They call for equitable relief and far less corruption. Monarchies must take action to appease this increasingly skeptical public, and they should start by acknowledging this reality and begin drafting reform.

While recent events and the unsustainability of the rentier system require monarchies to reform, dismantling the rentier system will be exceptionally difficult. In resource-rich states, rent is the chief source of enrichment and power; in resource-poor Arab nations, rent is created artificially when nature has given them none.²²⁷ In both types of rentier state, the public relies on the distribution of rent for sustenance. "Monopolies, regulation and bullying all serve to limit access to productive activity[.]"²²⁸ Despite the fact that there is great oppression in both resource-rich and resource-poor states, the population has become accustomed to government handouts. Many are wary of drastic policy changes that could put their welfare in jeopardy.

In addition to the Muslim population's hesitance, reform will be difficult even if attempted through monarchical initiatives. The Arab world suffers a deeply entrenched political elite. King Abdullah of Saudi Arabia himself recognized that the Saudi state has remained static, while its subjects have been dragged into modernity. In response, he launched a "national dialogue" in 2003. This proclaimed the hope of more open government, stricter controls on the royal share of national wealth, and improved rights for

^{225.} See Marwan Muasher, Editorial, Arab Leaders Can No Longer Resist Reform, GUELPH MERCURY, Feb. 3, 2011, http://www.guelphmercury.com/opinion/article/487505--arab-leaders-can-no-longer-resist-reform.

^{226.} Id.

^{227.} The Economics of the Arab Spring, Fin. Times, Apr. 24, 2011, http://www.ft.com/intl/cms/s/0/ea3a4776-6e9a-11e0-a13b-00144feabdc0.html.

^{228.} Id.

^{229.} David Gardner, Citizens Not Serfs Can Save Saudi Arabi, FIN. TIMES, Feb. 27, 2011, http://www.ft.com/intl/cms/s/0/48c1af5c-42a2-11e0-8b34-00144feabdc0.html.

women, as well as the eventual launch of elections.²³⁰ But many did not agree with the need for a more open society. No sooner did the dialogue commence than Prince Nayef, the interior minister, summoned dissidents to his office where they were told, "What we won by the sword, we will keep by the sword."²³¹ Prince Nayef remains the Crown Prince and remains uninterested in reform.

In order for meaningful and gradual changes to occur, resource management must be reorganized. Two ideas that have been gaining traction recently are information disclosure and "trust funds," which "aim to create a transparent and more beneficial process of managing and monitoring oil revenues, a departure from the corrupt and unaccountable arrangements that currently characterize oil and gas development[.]"232 A trust is a legal arrangement in which management and ownership abilities are placed in the hands of persons for the benefit of another person or beneficiary. 233 Accordingly, oil trust funds are assets, consisting of oil revenues, placed under control of a board of trustees on behalf of members of the oil-producing community.²³⁴ Due to the ultimate inadequacy of Arab resource management, the notion of trusts increasingly emerges in petroleum discourse. Trust funds could effectively check rent receipts, improve governance, and possibly end the curse of the rentier state.²³⁵ As illustrated by Stephen Krasner:

The board of directors of such trusts would be composed of national and non-national actors. For instance, national directors could be appointed by the country's parliament or head of state and non-national figures by the World Bank. All oil revenues would be paid into an escrow account in a foreign bank. All transfers from the account would have to be approved by the board of directors of the trust. There might be commitment to using these revenues for specific activities such as health care and education.

^{230.} *Id*.

^{231.} *Id.* A similar response to reform occurred in Jordan, where laws were drawn up to open elections, improve freedom of the press, and reduce prejudice against women. *Id.* However, the political elite, again, shut down these efforts. Marwan Muasher, Editorial, *The Arab Road to Full Democracy*, THE ATLANTA JOURNAL-CONSTITUTION, Feb. 4, 2011, http://www.ajc.com/news/news/opinion/the-arab-road-to-full-democracy/nQqLc/.

^{232.} Emeka Duruigbo, *The World Bank, Multinational Oil Corporations, and the Resource Curse in Africa*, 26 U. PA. J. INT'L ECON. L. 1, 3 (2005).

^{233.} *Id.* at 35.

^{234.} Id.

^{235.} *Id.* at 37.

The trust would monitor the use of the funds after they had been transferred to the national government.²³⁶

Oil trust funds would ultimately monitor use of oil revenues once put into government hands and could significantly limit the amount of money pocketed or distributed as friendly favors.

As well as oil trust funds, a potentially less cumbersome means to achieve policy goals is information disclosure. Throughout time, laws requiring the dissemination of information have promoted public health, environmental protection, and other causes.²³⁷ Disclosure is also a desirable alternative when there is a strong opposition to regulation or where the desire to reform does not exist among the political elite.²³⁸ Information disclosure promotes transparency and culpability; practices performed behind doors are exposed, and society has the ability to react in a matter it deems appropriate. Citizens begin to believe that they have the right to know and be informed of their government's activities.

Ultimately, however, in order to avoid the consequences of a sudden plunge in oil profits, it is necessary to gradually dismantle the rentier system. There must be movement away from sovereign ownership and progress toward private ownership of natural resources. In modern times, the principal justification for public ownership of resources is that minerals have accumulated for billions of years and therefore should be considered public property, managed for the welfare of all citizens. By contrast, private ownership would allow persons to exploit resources according to their own desires. In contrast to the policy of Arab oil monarchies, private ownership of minerals, gas, and oil has long been recognized in the United States, and the state has no rights solely by virtue of being sovereign. Ather, "[t] the extent that there is a notion that society generally should benefit from . . . natural re-

^{236.} Id. at 37-38.

^{237.} *Id.* at 47. Emeka Duruigbo explains, "Information disclosure as a policy tool has been utilized at both domestic and international levels. Companies and governments have been required to report on their emissions, discharges into the oceans or compliance with international regulations, and the composition of their products with particular emphasis on toxicity." *Id.*

^{238.} Id. at 63.

^{239.} Emeka Duruigbo, *The Global Energy Challenge and Nigeria's Emergence as a Major Gas Power: Promise, Peril, or Paradox of Plenty?*, 21 Geo. Int'l Envil. L. Rev. 395, 441 (2009).

^{240.} Id.

^{241.} Id. at 442.

sources, it is expressed by the imposition of *severance* taxes and by constitutional or statutory provisions requiring the state to reserve certain mineral rights upon disposing of public lands."²⁴²

There are downsides to the privatization of mineral rights, however. One such concern is increased environmental pollution, ²⁴³ but the government could mitigate risks by enacting laws for environmental protection and imposing taxes on profits. ²⁴⁴ A more serious concern is that transferring oil ownership to individuals would invest certain persons with vast amounts of wealth, while others who lacked ownership rights in oil would continue to live in extreme poverty. ²⁴⁵ Resentment could then breed in poor areas, sparking a desire to retaliate against the wealthy and upset national unity. ²⁴⁶

In any event, privatization of mineral rights in the Middle East political economy exists in the vastly unforeseeable future. Nevertheless, Arab monarchies should move toward both an equitable and realistic middle position. "[A] good starting point would be a transfer of a portion of the national government's participating interests . . . to communities in which the [natural resources are] produced . . . For future projects, the government should allocate a percentage of participating interests to concerned communities and invite them to invest."²⁴⁷

Other relatively simple transitions could be performed in the meantime, like rules restricting entry into economic activities or access to credit, which would be popular and beneficial to the economy. The educational system could also undergo simple changes. In general, Arab children are not taught to think differently. They are taught that good citizens are those who are loyal to the government and that diversity and critical thinking are treasonous. One way to remedy this closed educational system would be to offer university courses in constitutional review. "[T]he analysis would examine the political institutions of various states, the way elections are carried out, the separation of powers if any, and the division of responsibilities between executive and legislative

^{242.} Id.

^{243.} *Id.* Notably, "[A] private owner is unlikely to take into account the externalities of the development, such as environmental degradation, conversant with the fact that the costs would be shared by the society as a whole." *Id.*

^{244.} Duruigbo, supra note 239, at 442.

^{245.} Id. at 447.

^{246.} Id.

^{247.} Id. at 448.

powers in constitutional texts and in practice."²⁴⁸ Through analyzing executive, judicial, and legislative powers, young Arab scholars would become more interested in the interactions and powers of government, as well as how monarchies are chosen (or not chosen) to rule their nations.

It will not be possible or necessary, however, to make changes overnight. Although generous packages to ensure jobs, pay, and food are unsustainable in the long run, they should be continued until the poor develop greater purchasing power and the effects of gradual reform are realized and accepted.

V. CONCLUSION

Arab absolute monarchies continue to enjoy enormous power due to the rentier tradition. Citizens rely on monarchies as their benefactors. While monarchies are frequently challenged on religious and tribal grounds, the unsustainability of the rentier system imposes the greatest pressure for governments to reform. Recent events demonstrate that Arab citizens want more accountable governments, despite generous welfare packages that their governments provide. While dismantling the rentier system is unlikely to create "democracy" as defined by the West, it will allow citizens to acquire ownership rights, gain a sense of pride in working, create more employment opportunities, and possibly weaken the class divide. Reform is necessary, if Arab monarchies and economies are to emerge triumphant at the end of the oil era.