

Bachelor Project IBO

Human Rights in the Middle East

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In which ways does the oil dependency of the Kingdom of Saudi Arabia explain
the violations of migrant workers' rights?

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The violations of migrant workers' rights in relation to the resource curse in the Kingdom of Saudi Arabia

Abstract

States that rely on natural resources for revenue are more likely to repress their citizens. Oil abundant states with autocratic leaders have increased incentives to repress their subjects, because the costs of repression are lower. Only states that generate income independently from their citizenry through taxation can afford to violate human rights. Whereas most literature on the resource curse and the repression of citizens focuses on the relation between the state and citizens, this study elaborates on the relationship between the state and non-citizens on their soil. This understudied relationship between the state and non-nationals will be assessed on the state of Saudi Arabia and the suppression of migrant workers that generally do not possess citizenship. I argue that migrant workers are granted fewer rights than citizens in Saudi Arabia and that the cost-benefit analysis to repress migrant workers is different than for citizens. Yet, it remains unclear whether increased human rights abuses of migrant workers are a direct consequence of the resource curse. This paper contributes to the understanding of the oil resource curse and its relation to the violations of human rights regarding non-citizens. The scientific contribution of this research is that it explores a new aspect of the resource curse and the violations of human rights, namely the relation between the state and non-citizens. Moreover, exploring the relation between the state and non-citizens is of societal significance in an increasingly globalized world.

Keywords

Human rights, migrant workers, oil, Saudi Arabia, resource curse

Introduction

States convict human rights violations on a large scale. Even the most democratic and prosperous states are occasionally guilty of assaulting the rights of citizens. Although almost no state is human rights violations-free, there are circumstances under which repression is more likely to happen than in other circumstances. Scholars have thoroughly studied the effect of regime type on repression. The conclusions are evident: autocratic regimes repress more frequently and more severely than their democratic counterparts (Davenport & Armstrong, 2004). In addition, DeMeritt & Young (2013) find statistical evidence that states who possess high levels of natural resources tend to repress more as resource abundant regimes rely less on their citizens for state revenue. Therefore, the costs of repressing their citizens decrease. Most scholars that write about the human rights literature assume that leaders constantly make a cost-benefit analysis whether to violate the rights of citizens or not. Leaders of resource-rich regimes obtain more benefits than costs for suppressing their subjects, which makes repression ‘an appealing domestic policy tool, easily implemented and highly effective (DeMeritt & Young, 2013, p. 100).’ Resource abundant autocracies abuse human rights more frequently than their resource scarce counterparts. This negative side-effect of the extraction of oil falls within the scope of the resource curse theory, which accentuates the negative outcomes of owning high levels of natural resources.

This article builds on the theory of DeMeritt & Young (2013) that oil-rich countries tend to repress their citizens more frequently and severely. It will shed light on a group of actors that has been neglected thus far in the literature on repression of oil-rich states, migrant workers without citizenship. Understanding the interaction between the state and non-citizens on their territory becomes of increasing importance in an era in which exchange of information, capital, goods and human beings is omnipresent. Borders are fading and the mobility of human beings continuously improves, and as a result, migration has become a common phenomenon. Therefore, exploring the human rights situation of migrant workers and the connection to the state is of societal significance. The scientific contribution of this research is the exploration of a group of actors that has been subjected to human rights violations but remains understudied in the academic literature.

This case study is of explorative and qualitative nature and investigates the academic literature on human rights violations and the resource curse. I argue that the government of Saudi Arabia considers a different cost-benefit analysis for migrant workers than for citizens

due to political motivations. In the following section I will outline the theoretic foundation for the research question and discuss the accompanying concepts academically. I demonstrate that the actor of non-citizens is under-exposed in the academic debate on human rights and the role of the resource curse in the human rights violations. In the methodology section, I present the main concepts with operationalizations and the selected data to answer the research question. Besides that, I justify the selection of the case study of Saudi Arabia. Thereafter, the empirical results are discussed and the main findings. I conclude that the costs and benefits for violating human rights of non-citizens differ from those of citizens in Saudi Arabia.

Theoretical framework

Autocratic regimes are known to be involved with consistent human rights violations. Autocratic leaders have various incentives to repress their citizens. Repression can be beneficial for autocratic leaders to demobilize opposition groups (Girod et al., 2018) and thus to consolidate political power. Also, politically insecure leaders tend to repress more in a desperate attempt to remain in power (Conrad & Hencken Ritter, 2013). The repression is especially present when law enforcements mechanisms are weak, which makes repression less costly than in states with strong law enforcement. Most theorists assume that leaders constantly make cost-benefit analyses when deciding whether to repress citizens or not. A possible benefit of repressing is to bring down the opposition, on the other hand, repression can be costly if it generates more support for the opposition group because of indignation about the act of repression (Girod et al., 2018). Many scholars argue that repression is less costly in resource abundant states than it is for their resource-poor counterparts.

Empirical studies show that resource-rich countries are involved with all sorts of negative outcomes. This is better known as the ‘resource curse’ in the academic literature. This study falls within this camp and elaborates on the theory that oil-rich states are more frequently engaged in human rights abuses since they derive revenue independently from their citizens. As a result, states experience less costs when abusing rights of citizens which makes repression a quick and effective tool to keep citizens under control. The existing debate analyzes the linkage between the state and its incentives to maltreat citizenship holders, yet most states also cope with individuals without citizenship on their soil. Not owning a citizenship status in the country in which a migrant works and lives can have serious consequences for the rights and privileges an individual is entitled to.

The resource curse

The natural resource curse theory is a thoroughly studied phenomenon in the literature. States that derive most of their revenue from natural resources such as oil or natural gasses suffer from various sorts of negative outcomes.

First, resource abundant states are subjected to slower economic growth than resource-poor states (Sachs & Warner, 1995). Resource-rich country suffer from the Dutch Disease, whereby the national currency appreciates as a result of resource exports. Increased export leads to a worsened competitive position which results in economic downfall. Additionally, an enhanced natural resource sector pushes out other economic sectors and eventually leads to deindustrialization.

Another consequence of the abundance of oil and other natural resources is a greater possibility for an outbreak of civil war (Collier & Hoeffler, 2005). The resource curse leads to low income rates among the population and this makes rebelling less costly. If rebelling or demonstrating is less costly for citizens, then the outbreak of civil war is more likely to happen.

Unsurprisingly, the prominence of oil and natural gas in international affairs have resulted in the study of its effect on politics. Michael Ross (2001) argues in his article *Does Oil Hinder Democracy?* that the possession of oil makes states less democratic. The so-called oil-impedes-democracy hypothesis is tested and especially valid in the Middle Eastern region (Ross, 2001). Ross highlights three causal mechanisms for the link between oil and authoritarianism, or the so-called 'rentier effect'. First, the taxation effect which suggests that rentier states are likely to tax their citizens less heavily or not at all. In return, the population will be less likely to demand accountability of the government. An empirical study by Crystal (1990) about the relation between oil and politics in Kuwait and Qatar found that oil made governments less accountable towards citizens. A second component is the 'spending effect', which suggests that oil wealth results in greater government expenditure on political patronage. A system of political patronage reduces the pressures for democratization. A case study of Entelis (1976) on democratization in Saudi Arabia confirms the links between oil financed spending programs and reduced pressures for democratization. Finally, rentier states often spend their oil revenues on preventing the formation of social groups that might cause domestic revolts. These social groups are vital for a well-functioning democracy and are therefore blocked in autocratic oil-rich states. Additionally, states scale up their expenses on internal security through oil revenue to prevent internal dissent. This is referred to as the

‘repression effect’ of natural resources. Ross (2001) is the first to introduce the authoritarian or anti-democratic component to the resource curse. Additionally, Huntington (1991) explains the slow democratization process in the Middle East by highlighting that oil-revenue is largely spent on the enhancement of control over the state’s bureaucracy.

The resource curse and state incentives to repress citizens

Morrison (2009) researched the impact of non-tax revenues on expenditure of the government in both democracies and dictatorships. The effect of non-tax revenue depends on regime type; oil-rich democracies tend to tax the elite less, whereas dictatorships spend more on social programs. The extraction of oil provides an autocratic regime with budgets to pursue their strategy to stay in power. ‘These revenues enable a regime to stay in power by whatever means are best for the regime (Morrison, 2009, p. 109).’ The means through which a regime consolidates its power varies. Potential ways to strengthen political power are the improvement of security apparatus or political patronage.

The resource curse does not only affect the type of government expenditures but also enhances the possibility of government repression. A recent study of Girod et al. (2018) shows that oil-rich dictators are more successful in quelling protests because they have better capacity to use force effectively against those who revolt. Also, oil-rich governments are better equipped to withstand national and international criticism on the neglect of human rights protection. Resource-scarce autocracies lack such capabilities and therefore protests are more likely to occur and may even result in civil war (Collier & Hoeffler, 2005). Repression in oil-rich autocracies is more effective and less costly than in oil-poor autocracies and therefore more appealing for resource abundant states.

Repression in oil-rich autocracies is more effective than in oil-scarce autocracies for two reasons. First, oil revenues enable autocratic leaders to finance patronage networks and to co-opt possible opponents. Morrison (2009) explains that the redistribution of oil wealth by co-opting the opposition might seem like a costly strategy in the short term but in the long run it might prevent internal dissent. Rulers can bolster the military and security forces, which helps them to remain in power. A well-organized security agency is more successful in monitoring opponents of the regime and has a deterrent effect on citizens. Plus, an extensive patronage network means that citizens rely on the government for income and hence are reluctant to express their criticism towards the government. Second, resource abundant

autocracies often have close ties with powerful external actors for oil sale. Foreign actors tend to support or ignore repression because they rely on oil-rich states for oil flows and benefit from stable leadership. Thus, resource abundant autocracies face fewer national and international constraints in case of protest repression than their oil-poor counterparts (Girod et al., 2018).

Costs and benefits of repression in autocratic resource abundant states

Decisions of leaders to repress their citizens is the outcome of a cost-benefit analysis (DeMeritt & Young, 2013). In case the costs of repression are higher than the benefits, the government incumbents avoid repression. Inversely, government incumbents are inclined to use violence against their citizens when the benefits outweigh the costs of repression.

Naturally, also authoritarian regimes weigh the costs and benefits in their decision to repress. The benefit of repression is that it can strengthen the political power of the regime and opposition groups are eliminated or marginalized. On the other hand, repression can be costly when extreme use of force reinforces the support for the opposition because of national and international condemnation. DeMeritt & Young (2013) support the assumption that leaders constantly make a cost-benefit analysis in deciding to violate personal integrity rights. They define the costs of repression in twofold: first as lost revenue from citizens by losing credibility from citizens and their perception of having a fair deal, and secondly, repression reduces the number of active taxpayers (DeMeritt & Young, 2013). The benefits of repression are the quelling of protests and enlarging political power. Rentier states rely less on their citizens for state revenue, and therefore the costs of repression decrease.

Various benefits of repression are identified in the academic literature. The most common benefit of state repression is the removal of domestic threats for the regime. Repression is a quick and effective manner to eliminate internal dissent (DeMeritt & Young, 2013; Girod et al., 2018). Autocratic leaders often use political violence to secure their position (Conrad & Hencken Ritter, 2013). The relationship between repression and the urge to remove domestic treats is so omnipresent that Davenport (2007) calls it the ‘Law of Coercive Responsiveness.’

Repression might be an effective short-term solution to remove internal dissent, but it brings about several costs. States that rely on citizens for revenue, may encounter loss of revenue due to repression of citizens. Repression directly reduces the number of active taxpayers through imprisonment and killing by the state (DeMeritt & Young, 2013, p. 102).

Another subsequent effect is that citizens perceive the state as less legitimate when the state carries out human rights abuses. According to Bueno de Mesquita & Smith (2009), the legitimacy of the ruler rests on the belief of citizens that the system is fair and the government credible, even in authoritarian states. Governments that carry out actions that harm the population while simultaneously transferring taxes to that same government, will lead to growing aversion of the state. Another factor that raises the costs of repression in states where citizens are obliged to pay taxes is that citizens demand more accountability of the government. The ancient slogan that originated in the democratic revolution in the United States perfectly summarizes this argument; ‘no taxation without representation.’

In short, states that derive a large part of their revenue from natural resources – and thus do not rely on taxation- experience less costs of repression than resource-scarce states. In addition, oil-rich states experience less critique and constraints from the international arena because of the sale of oil. Oil abundant states do not calculate the lost revenue from active taxpayers and the decline of the state’s credibility into their cost-benefit analysis. As a result, the benefits of repression- the effective elimination of opposition- easily outweigh the costs of repression and is therefore inclined to occur more frequently in autocratic resource abundant states.

The literature on the natural resource curse and the incentives of political leaders to repress as discussed above mainly focuses on the relation between the state and their citizens (DeMeritt & Young, 2013) or social groups (Girod et al., 2018). No research has been done about the incentives for states to repress non-citizens –such as migrant workers- on their soil. To analyze the incentives of Saudi Arabia to repress migrant workers, I assume that the government makes cost-benefit analyses for repression. Exploring the incentives for leaders to repress non-citizens is of importance due to the rise in migration flows as a result of fading borders in a globalized context.

Methodology

This study elaborates on the findings of DeMeritt & Young (2013) and applies the theory discussed above to the oil-rich state of Saudi Arabia and the repression of non-nationals on its soil. Specifically, I ask: *In which ways does the oil dependency of the Kingdom of Saudi Arabia explain the violations of migrant workers’ rights?* The following three sub-questions will be addressed to answer this research question. First, is the economy of Saudi Arabia dependent on oil? Second, what is the human rights situation of migrant workers in Saudi

Arabia? Finally, what are the cost and benefits for the Saudi Arabian government to repress migrant workers on their soil? Moreover, in this section the related concepts repression, oil-dependency and the violation of migrant workers' rights are defined and operationalized.

Case selection

The objective of case selection is to find a representative and useful case. Although this research is explorative, it aspires to better understand the dynamics between the state and non-nationals of a larger population. A typical or representative case suits this objective best. A typical case explains an existing phenomenon and explores the causal mechanisms within that representative case (Gerring & Seawright, p. 299). The causal mechanism of this research is that between a state's reliance on oil and the repression of non-nationals. I use a similar causal pathway as the existing theory of DeMeritt and Young (2013) and assess whether the causal mechanism also applies to non-nationals.

A case study that is representative in the scope of human rights abuses and the natural resource curse is that of the Kingdom of Saudi Arabia (KSA). The KSA represents a larger population of the countries of the Gulf Cooperation Council (GCC). The countries of the GCC share similar characteristics that are relevant in the realm of this study; they have the same immigration policy (the sponsorship system) that influences the human rights of the migrant workers, a similar demographic model and also rely heavily on oil for revenue and the overall economy (AlShehabi et al., 2015). Any country of the GCC could be a representative case for that matter but the preference for Saudi Arabia was a pragmatic one. The extensive availability of credible data for Saudi Arabia was a decisive factor.

Repression of migrant workers

The key dependent concept of this research is state repression. Davenport (2007b) defines state repression as 'a mechanism of force wielded by the government- an overtly manifest device, always available to political authorities- that restricts the freedom of and/or inflicts bodily pain/injury on citizens up to and including the destruction of human life itself (Davenport, 2007, p. 35).' Repression includes the following acts: arrests, imprisonment, surveillance, disappearance, political bans, the closing of a newspaper and mass killing (Davenport, 2007, p. 37). Davenport defines repression as a mechanism of force imposed by the government, yet not all freedom restrictions or physical abuse of individuals are executed by the state. Repression of individuals is not only imposed by states but also by other individuals. States can decide to set out policies that do not protect the rights of an individual

or that fail to effectively enforce the protection of individual rights. Some policy measurements indirectly facilitate the abuse of human rights. These abuses may not always be executed by government officials but are committed under the auspices of the state. The exploitation of migrant workers is particularly present in the private sector -where most foreign workers are economically active (ILO, 2017). Exploitative working conditions for migrant workers are hence often imposed by citizens in the private sector and not by the government. However, the government still has a responsibility towards these migrant workers when the government sets out policies that facilitate or enhance the exploitation or when human rights abuses are not actively condemned and acted upon by the government. The abuses of the rights of migrants that occur under the auspices of the government are also counted as repression in this study. Therefore, I broaden the definition of repression by restrictions of freedom and personal integrity imposed by both the state and individuals

Oil dependency

The first central concept of this study is the oil dependency of the economy. Empirical studies show that states who heavily rely on oil for state revenue are more likely to be involved with human rights violations.

Scholars like Ross (2001) refer to the term ‘rentier states’ when discussing states that depend on external rents such as the sale of natural resources for revenue. Ross (2001) defines rentier states as states that ‘derive a large fraction of their revenues from external rents.’

Although many have written about rentier states, few authors use exact measurements to operationalize a state’s reliance on oil. The International Monetary Fund (IMF) makes use of three concrete indicators that signify the oil-dependency of an economy. First, more than half of the total GDP must be generated from hydrocarbon and government activities (which are funded from oil extraction). That means more than 50 percent of the total GDP must be originated from hydrocarbon and government activities. The second indicator of oil-reliance is the composition of the fiscal revenue meaning oil should be the primary source of income for the state. Lastly, the principal export commodity of an oil-dependent state should be the sale of oil. The sale of oil must be at least 50 percent of the total export revenue. I identify these three indicators as accurate measurements for a state’s oil dependency.

Statistical bureaus of Saudi Arabia itself would provide the ideal data for the revenues and export numbers of Saudi Arabia but there is no credible national data about oil rents and the economic status of the country. Accordingly, I will use external data of the IMF. A recent report from the IMF ‘Economic Diversification in Oil-Exporting Arab Countries’ (2016)

outlines and operationalizes the oil-dependency of Saudi Arabia.

Violation of migrant workers' rights

To define the rights of migrant workers the Convention on the Protection of the Rights of All Migrant Workers and Members of their Families (CMW) is a common guideline. The CMW is one of the three core international conventions on the rights of migrant workers. Human rights like those recorded in the CMW derive from the principle of universality. Human rights apply to every individual under any given circumstance, they cannot be denied to any individual. These universal rights are also valid for migrant workers even if they reside illegally in the country of destination. Moreover, the CMW has become a cornerstone in the advocacy scene for international organizations and NGOs that protect and promote the human rights of migrants (Ruhs, 2012, p.1279). Therefore, this treaty is the most prominent in the area of migrant workers' rights. The CMW builds on other two other meaningful conventions on labor migrants' rights from the International Labour Organization (ILO) and so provides an extensive framework for the rights of expatriates. Most importantly, the CMW focuses on equal treatment between migrants and nationals and not so much on the minimum standards for migrants. Hence, the CMW is a useful document to investigate human rights of expatriate workers.

I define the term migrant worker as described in article two of the CMW; 'a migrant worker refers to a person who is to be engaged, is engaged or has been engaged in a remunerated activity in a state of which he or she is not a national.' Ideally, this study investigates article 11 of the CMW, which reads as follows: 'no migrant worker or a member of his family shall be held in slavery or servitude or shall be required to perform forced or compulsory labor.' Nonetheless, article 11 is difficult to monitor considering that compulsory labor or slavery is barely documented. There are only a few estimates carried out on compulsory labor, such as the ILO report (2017) 'Global Estimates of Modern Slavery' but these estimates are not country specific. Therefore, I will use a more workable method to measure the situation of migrant workers' rights.

To measure the occurrence and the severity of the violations of human rights of migrant workers, I use the codification of the Cingranelli and Richards (CIRI) dataset as a guideline. Although the CIRI codebook explicitly describes that it only codes 'government violations of the human rights of its citizens', its values indicate the severity of the abuses workers' rights, which is also applicable to migrant workers (Cingranelli & Richards, 2014). Cingranelli and Richards decompose workers' rights in five different categories; the right of

association, the right to organize and bargain collectively, a prohibition on the use of any form of forced or compulsory labor, a minimum wage for the employment of children, and acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health (Cingranelli & Richards, 2014). A government restricts workers' rights either severely (0), somewhat (1) or fully protects workers' rights (2).

Labour rights are fully protected by the government when they consistently protect the exercise of labor rights and there are no mentions of violations of other employers' rights. Labor rights, according to the CIRI codebook, are somewhat restricted by the government when governments generally protect the rights for association and collective bargaining but there are occasional violations of these rights or there are other significant violations of workers' rights (E.g. prohibition of strikes, compulsory labor, discrimination, no minimum wage). Finally, when workers' rights are systematically violated by the government it signifies that workers' rights are severely repressed. The government does not protect the rights of freedom of association, the right to strike or form labor unions or to engage in political activity for almost all private workers. To examine the severity of the violations of migrant workers' rights, I use the description from the CIRI codebook. The measurements of Cingranelli and Richards (2014) offer a workable method with the available data on the human rights situation of migrant workers in Saudi Arabia. With the help of the country profile reports of the US State Department (USSD), I outline the status of the rights of migrant workers in Saudi Arabia in the next section.

Costs and benefits

The implementation and the enforcement of the protection of human rights is shaped by the costs and benefits of granting human rights to citizens (DeMeritt & Young, 2013; Ruhs, 2012). Possible costs of repression are a decrease in state revenue, growing dissatisfaction of the people and critique from the international community. On the other hand, there are also benefits of violating human rights such as the removal of domestic opposition threats and the expansion of political power.

The costs and benefits of oil-rich states to repress subjects differ from the costs and benefits of oil-scarce states. Oil-rich states define costs and benefits differently because they earn revenue independently from their citizenry. As a result, citizens demand less accountability from the government and the costs of repression decrease. I define the costs and benefits of repression for resource abundant states as identified by DeMeritt and Young

(2013). The benefit of repression for states is the ability to remove threats to the regime. On the other hand, repression is costly when the state experiences an immediate loss of revenue due to decreased taxation from citizens (or in this case migrants). The reliance on subjects for tax revenue influences the incentives of states to repress. These costs and benefits will be applied to the situation of migrants. The cost of the violations of migrant workers' rights is the reduction of active taxpayers. The benefits of repression are to condemn opposition forces and to further consolidate political power.

In short, the costs of repression are the reduction of active taxpayers and the decrease in the credibility of the state and the benefit of repression is the removal of dissent. I will assess whether these costs and benefits also apply for the suppression of migrant workers in Saudi Arabia. I will do so by demonstrating the incentives of the government of Saudi Arabia to repress citizens based on academic literature study.

Validity

The findings of this research are primarily based on theories and results of secondary literature (conventions, reports, existing literature etc.). This is a limitation since there is no empirical data that I have personally collected which means the data to answer the research question does not perfectly suit the research objective. For instance, no exact estimates are accessible on the assaults of migrant workers in Saudi Arabia. However, the repression of individuals is hard to measure in any context and the numerous reports on human rights abuses indicate that all is not well with the protection of migrant workers in the Kingdom. Despite the fact that the available data is not perfect, the used data provides an adequate alternative to answer the main objective of this research that is to explore the relationship between the state and its incentives to repress migrant workers. To reduce this limitation to a minimum, I deploy reliable data from renowned NGOs and other research institutes.

Also, the internal validity -that is the issue of causality- of this study is somewhat flawed. An attempt to prove causality between the possession of oil and the repression of migrant workers is done by identifying the costs and benefits of doing so. However, there are other possible explanations for the incentives to repress non-citizens and this research does not provide a solid causality between oil and the repression of foreign workers. The aim of this research is to explore the relationship between an oil-rich state and human rights offenses of non-nationals. It does so by sketching a profile of the cost-benefit analysis of the Kingdom

of Saudi Arabia to repress migrant works. Therefore, I do not claim to prove causality between the two factors.

Results

In this section I will discuss the results of the literature study and answer the corresponding sub questions. An additional paragraph about the immigration policy of the Kingdom is integrated in the text for a better understanding under which circumstances human rights violations of migrant workers take place.

Oil dependency

Saudi Arabia is known to be the uncrowned leader of the oil-exporting countries in the world. Oil-export accounts for roughly 90 percent of all export revenues and for 45 percent of the national GDP. The World Bank provides good estimates of the percentage of oil rents of the GDP. From 2000 to 2014 the lowest percentage of oil revenue consisted of 32 percent of the total GDP in 2002, and the highest percentage of 54,3 percent was measured in 2008 (World Bank, n.d.). Although oil rents fluctuate from one year to another, the overall dominance of oil in the economy's growth rates remain present. The mean of the oil rents over this fourteen-year period consists of 46,2 percent. The economy of the KSA is dependent on oil for three reasons.

First, hydrocarbon and government activities, which are heavily funded through oil revenues, account for the majority of the total GDP. Economic activities are oil- dependent when more than 50 percent of the total GDP is derived from hydrocarbon and government activities. According to the estimated numbers of the IMF report (2016), more than 50 percent of the economic activities in Saudi Arabia involve natural resources. Government activities that are predominantly funded by oil revenues (12 percent) and the oil sector (43 percent) combined, determine 55 percent of the total GDP (IMF, 2016).

The second indicator is the composition of the fiscal revenue. Oil should be the primary source of government revenue in an oil-dependent economy. Thus, the source of revenue that is the most dominant in the total of government earnings, is the primary source of income. Oil revenue comprised 70 percent of the fiscal revenue of the state in 2014 (IMF, 2016). Saudi Arabia's fiscal revenue is evidently highly dependent on oil.

Finally, oil is the main export commodity in oil-dependent countries. This implies that more than half of the total exports derive from the sale of oil. The statistics of IMF gave an estimate that 80 percent of the total export of Saudi Arabia originates from the sale of oil.

Based on the indicators of oil-dependency, I argue that Saudi Arabia is an oil-dependent economy. Oil is a vital element for the Saudi economy and state revenue.

The sponsorship system

Before diving into the human rights situation of expatriate workers in Saudi Arabia, one must acquaint oneself with the ‘Kafala’ or sponsorship system. The sponsorship system defines the immigration policy of the Kingdom. Under the sponsorship system citizens are responsible for the immigration process of foreign laborers, ranging from the recruitment of the foreign worker and the entry visa to the termination of the labor contract and the exit visa. The autonomy granted to citizens is fruitful for exploitative circumstances in the workplace. Furthermore, the sponsorship system shows why Saudi Arabia has other incentives to repress migrant workers that do not correspond with the cost-benefit analysis defined by DeMeritt and Young (2013).

The origins of the sponsorship system arose in the 1970s when the first oil boom popped up. After the first oil boom in the 1970s, a period of economic and infrastructural development commenced. The national population was unable to meet the demand of labor forces in the rapid growing economies of the Gulf. It is in this context that the government designed an ingenious immigration policy that would tackle the issue of demand for laborers while bolstering political power simultaneously. Migrant workers were brought into the country to fill up the countless jobs that were perceived as dangerous and undesirable by locals (Abdal-Hadi et al., 2015).

The state has played a significant role in the encouragement of migration. The ruling families in the Gulf control the oil rents, which allows them to increase their legitimacy through expanding political patronage. Oil producing states in the Gulf region did not merely justify their labor import policy based on labor demand, also cost effectiveness played a role. Migration policies in Saudi Arabia were mainly driven by political factors and not economic considerations alone. This argument stroke with the three ‘rentier effects’ identified by Ross (2001). Rentier states suffer from the spending effect. Income derived from natural resources is spent on public goods and services and employing citizens in public positions in return for loyalty to the regime. The political patronage and public investments bolster the political

legitimacy of the ruling elite (Abdal-Hadi et al., 2015). Governments deliberately segmented the labor force into separate sectors, migrant workers in the private sector and nationals in the public sector. Thus, most of the economically active population is excluded from citizenship and the attached political and economic rights. Meanwhile, citizens would continue to rely on the ruling family to preserve citizenship privileges such as social welfare services and job guarantee.

Moreover, migrant workers are mainly employed in the private sector which causes that compulsory labor is less visible and harder to monitor. Whereas most citizens occupy a position in the public sector, migrant workers are concentrated in the private sector (see figure 1). The sponsorship system reinforces the already vulnerable position of migrant workers in the KSA.

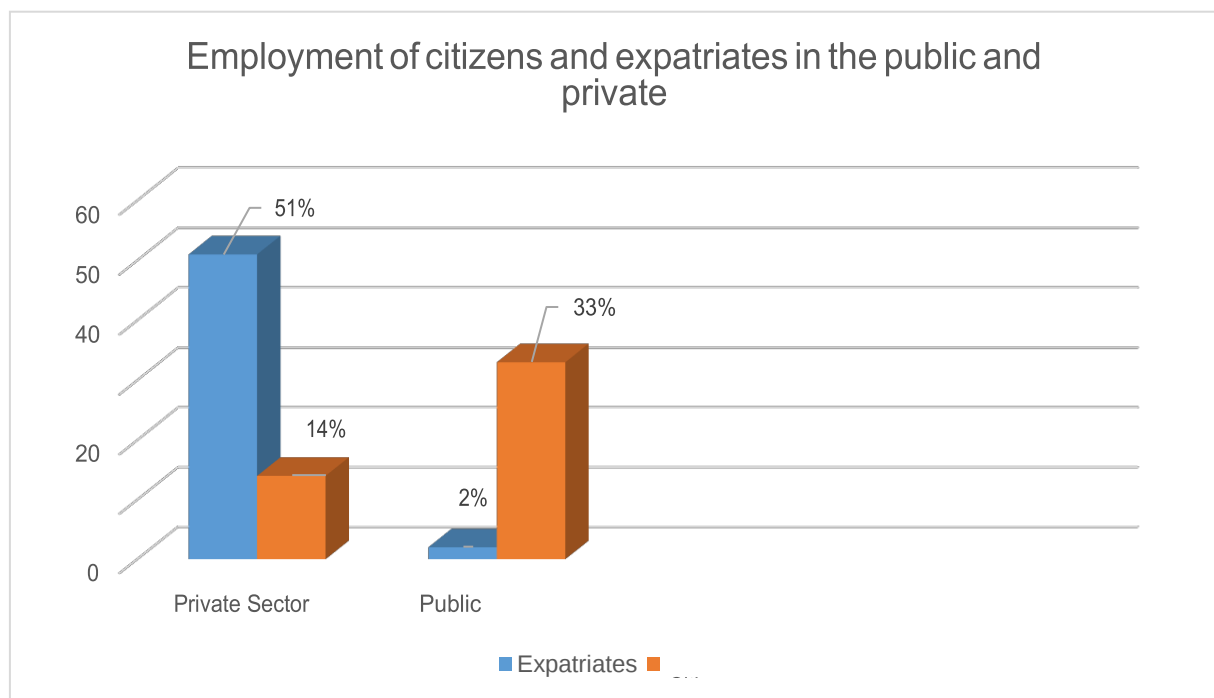


Figure 1: The composition of labor force in the private and public sector in Saudi Arabia (2009)

Source: calculations derived from Gulf Labour Markets and Migration Project (2012).

Human rights abuses of migrant workers

In terms of the status of workers' rights, Saudi Arabia performs substandard. The judiciary does not allow (migrant) workers to form or join a trade union, nor are migrant workers allowed to bargain collectively. There were no labor unions in the country and migrant workers faced deportation for union activities (USSD, 2017). According to the values of the

CIRI codebook, this means that the rights of migrant workers are severely restricted in Saudi Arabia. Besides the lack of workers' rights for migrants in Saudi Arabia, other forms of abuses are not unheard of in the Kingdom.

Law prohibits compulsory or forced labor but nonetheless, it occurs frequently, especially among migrant workers. The lack of effectiveness of the law enforcement is to blame for the relative high numbers of forced labor incidents. Indicators of forced labor among foreign laborers included 'the withholding of passports, nonpayment of wages, restrictions of movement, and verbal, physical and sexual abuse (USSD, 2017).' Migrant workers were faced with such abuses and were not able to carry out their right to finalize their contract. Furthermore, migrants who did dare to take legal proceedings against their sponsor risked not being taken seriously by the court. No legal assistance was granted to the migrant worker and the judges frequently executed sentences based on discriminating motives (Human Rights Watch, 2004). Another aspect of the sponsorship system that facilitates exploitative working conditions for expatriates is that they are not allowed to change sponsor during their stay in the Kingdom without the permission of the sponsor. The asymmetrical relationship between employer and employee and the absence of legal assistance or a fair trial resulted in reluctance among migrant workers to report labor related abuses. Partly because the country of origin does not provide enough assistance for migrants to proclaim their rights or to return to their country of origin. This leaves migrant workers that experience inhumane working conditions helpless.

Minimum wages encoded by law are only applicable to Saudi nationals that work in the public sector. The minimum wage of 3.000 riyals (\$800) was set in the private sector as well but unfortunately, it merely applies to citizens and not to expatriates. This discriminating policy towards migrant workers facilitates and provides the exploitation of migrant workers by their 'sponsor.' Consequently, the retainment of wages and underpayment of expatriates is a common phenomenon in the Kingdom of Saudi Arabia (USSD, 2017).

On top of that, the Saudi government did not effectively enforce the few rights that migrant workers possess. Migrant workers were continuously subjected to unfavorable situations such as delay of payment, confiscations of identity documents, inhumane working hours, and exploitation. The reports highlight an increased vulnerability of foreign domestic workers. In addition, labor law enforcement is ineffective, and the embassy of the migrant worker – depending on the country of origin- is often unable to improve the situation of the

migrant worker. The embassies of the country of origin are often situated elsewhere and escaping the work environment is a risky undertaking due to physical menaces of the employer. Out of fear of consequences at the workplace, migrants have to put up with their degrading situation.

Human Rights Watch (2004) conducted numerous interviews with former migrant workers in the KSA from Bangladesh, India and the Philippines. Interviewees stated that the first deception occurred at arrival in Saudi Arabia where contracts that were signed in the country of origin were confiscated. Afterwards, employers forced migrants to sign a contract in Arabic without knowing the content of the document. Migrant workers later learned that the new contracts offered a much lower salary or prescribed a longer working period than the initial contract signed in the country of origin. Knowing that most migrants had to pay a considerable fee for the visa and the recruitment agency in their country of origin, their financial status was already unsteady causing stress for migrant workers. A cross-sectional survey about depression among migrant workers in the province Al-Qassim, showed that depression is considerably high in this population (Abdullah et al., 2016). The financial stress and the social and legal immobility due to the sponsorship system, result in a situation that migrants undergo these contractual adjustments without any protest. Other migrants got another job than what they agreed on at the recruitment agency in their home country.

In other words, multiple indicators show that migrant workers' rights are severely suppressed in Saudi Arabia. Whereas Saudi nationals have the right to obtain a minimum wage of 3.000 riyals, migrant workers on Saudi Arabia's soil are deprived of this right. The sponsorship system in Saudi Arabia facilitates and enhances the weakened position of foreign workers. Foreign employees lack the rights to switch from sponsor once they enter Saudi Arabia, labor law enforcement is ineffective, migrant workers are unaware of their rights, and often face (physical) threats for standing up for their rights. Based on allegations and statements from the US State Department Reports, I conclude that the rights of migrant workers are severely restricted.

Costs and benefits

It is inevitable to state that migrant workers suffer from severe repression in the KSA, often more severely than nationals. However, that does not necessarily mean that Saudi Arabia's oil-dependency is the direct cause of this revulsion. The causal mechanism in the oil resource theory is that resource abundant states make other cost-benefit analyses than resource scarce states. The costs of repression are lower when the state derives revenue independently from

their citizenry. Citizens who are taxed heavily demand a credible deal with the state and therefore expect that the state performs fewer human rights abuses.

The cost-benefit analysis as defined by DeMeritt & Young (2013) seems to be unfitting for incentives of the KSA to repress non-nationals on their soil. Apart from the fact that Saudi Arabia does not rely on migrants for income through taxation, there are other beneficial incentives for the regime to repress migrants. This leads to increased incentives (or more benefits) to repress migrants as opposed to nationals which is supported by the results discussed earlier on.

As briefly explained in the introduction to the sponsorship system, the immigration policy of Saudi Arabia was shaped by political motivations to prosper political power. The main objective of the sponsorship system was to control the migration flows that were vital to meet the shortages in the labor supply in the private sector. The legislators made sure the massive influx of foreign workers did not override the interests of the citizens. More importantly, the immigration policy enabled the ruling elites to consolidate their power. Migrant workers could take on most of the blue-collar jobs in the private sector and citizens occupied the positions in the public sector. Obtaining a post in the public sector meant amplified dependency on the government for income and other welfare services. The immigration policies are part of a great network of political patronage financed by oil extraction. Oil, indeed, is crucial in the bigger picture of political patronage and the overall immigration laws and policies, but this does not coincide with the cost-benefit analysis of the repression of citizens drawn by DeMeritt and Young (2013).

According to their theory, oil-dependent states repress their citizens more frequently because they accrue revenue apart from their citizens and therefore the costs of repression are lower, which makes repression an appealing strategy. However, the motivations of the ruling family to implement an immigration policy that facilitates exploitative circumstances for foreign workers derives from other benefits. The actual benefit of abusing human rights of expatriates for the Saudi government is to reinforce their own political power and to get a grip on the national population by making them dependent on the government for social welfare services and jobs. Migrants are assigned to the 'dirty' jobs that are essential for the economy and the development of these nations. Therefore, the cost-benefits analysis does not apply to the incentives of the state to repress foreign workers. The motivations for repressing migrant workers are rather political than economic.

Conclusion and reflections

This article attempted to elaborate on the theory of DeMeritt and Young (2013) that explains why states who rely on oil for revenue tend to repress their citizens more often. This study focuses on the relationship between the state and the violations of human rights of individuals that do not own citizenship in Saudi Arabia. Based on the reports of the US State Department, the ILO and Human Rights Watch the conclusions are evident: the rights of migrant workers are severely restricted in Saudi Arabia. Although Saudi Arabia's dependency on oil explains partly why migrant workers' rights are restricted enormously, the evidence of this research is not solid enough to conclude a direct causal relationship between oil dependency and human rights violations of migrants in the KSA. However, this study indicates that the incentives of resource-rich states to repress migrant workers without citizenship on its territory can vary from incentives to repress nationals.

Migrant workers in Saudi Arabia often encounter violations of their rights. The sponsorship system in which the migrant is tied to a national creates an unbalanced relationship between employer and employee. False promises, confiscation of identity documents, underpayment, physical and sexual abuse, and inhumane working conditions are commonplace for migrant workers in Saudi Arabia. In this regard, migrant workers suffer more severely from human rights abuses than Saudi nationals (who obtain citizenship privileges). Migrant workers -contrary to nationals- do not possess a citizenship that gives access to social welfare services and enhanced workers' rights (e.g. minimum wage).

Moreover, the sponsorship system amplifies the already vulnerable position of migrant workers. Sponsors are guaranteed carte blanche for the arrangement of the migration process, and on top of that, the supervising authorities lack effectiveness to enforce the meager rights these expatriates obtain. Other factors that enhance the severe human rights abuses of foreign laborers is that the judiciary is weak and often acts discriminating, the forced relationship to their sponsor and the prohibition to switch sponsors, the unaccountability of the sponsor, the inability to be acquainted with comrades, the lack of capacity to act for the embassy of the country of origin, and the financial fraud at recruitment agencies. Migrant workers possess fewer rights than citizens in Saudi Arabia. Besides, they face exploitation far more frequently than citizens do. The decision to avoid migrants from getting citizenship, and thus better protected rights, does not seem to be a rational cost-benefit analysis of the ruling family but rather a political decision. The sponsorship system was

designed to consolidate political power through tight immigration regulations and political patronage.

Based on this research it is not possible to claim that the cost-benefit analysis of the suppression of non-nationals in resource abundant states has a deviate character. Further research must confirm the external validity of the findings presented in this research. This study merely explores the possible deviant cost-benefit analysis that autocratic leaders of oil-rich states make when repressing non-nationals. In the case of Saudi Arabia, the ‘usual’ cost-benefit analysis of resource-rich states does not apply to the relationship between the state and expatriate workers. The Saudi government considers other political motivations that led to expanded incentives to repress migrant workers. The theoretical implication of this explorative study is that more academic research on the link between oil-rich states and the suppression of migrants must indicate if other costs and benefits of repression go for migrant workers than for nationals. This study is too limited to draw a generalization for a larger population of cases.

The problematical issue of humiliating human rights situations of migrants all over the world becomes increasingly important. Migration flows have become more practical over the years due to globalization. Consequently, migration to any possible place in the world to better your personal situation is a common phenomenon. The push-factors in the country of origin and the pull-factors of the countries of destination makes migration a viable strategy to improve the financial situation. However, migrants that are enticed to a certain country under false pretences are faced with deception and disillusion. Migrants are subjected to inhumane working and living conditions. The already vulnerable position of foreigners makes it worthwhile to study the human rights of foreigners apart from citizens that live on the same territory. As proven in this research, states might have different stimulus to oppress migrant workers. The societal implication of this research is that if oil abundant states indeed have different considerations to repress migrants as opposed to nationals, the comprehension of it is of significance in an increasingly integrated and globalized world.

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