

Chapter 5: Chapter exercises

The Arab Spring, increasing oil prices, and the theory of the rentier state

The notion of a 'rentier state' implies that a government/state hierarchy is dependent upon the accumulation of predominantly natural resource (in this case oil) derived revenue in order to sustain itself. This is particularly true in the case of many of the more democratic deficient states in the Middle East as it is the generosity of the ruler that holds him accountable. Not all Arab states are rentier states. Because non-rentier states need to rely on the generation of revenue through taxing its citizens, they experience acute pressure from below for democratic representation. The government's response to this pressure has been repression, as it seeks to buttress its control over the population

Rentier states are either not taxed at all or are taxed very lightly as the rent derived from the production of oil provides enough. Due to the fact that it is essentially a financially independent society, it is autonomous and does not seek legitimacy through democratic representation.

The existing literature tends to oversimplify the relationship between oil and authoritarianism. Saying that oil money allows the ruler to 'buy off' the opposition and acquires consensus through government expenditure neglects that fact that it is a power strategy that is common in all polities, including democracies, and not exclusive to oil producers.

In looking at the causes and roots of the Arab Spring, it can be observed that the Arab countries had been experiencing a decade of rapid growth before 2010. The rapid increase in oil prices worsened the economic distances between oil and non-oil Arab economies, thus creating a situation in which tactical positioning and political connectedness became much more important than productive investment. The regionalization of the media, especially with the establishment of al-Jazeera, **meant that** images of extravagant Gulf consumer habits and construction were broadcast into the homes of the marginalized in Egypt, Tunisia, Yemen, and Syria. The publication of the acute disparity between non-oil and oil states has had a massive impact on the happiness of those non-oil populations. As such, it can be surmised that high oil prices are a corrosive factor for regional relations and domestic stability in each of the region's states.

Apart from Tunisia, it can be argued that the Arab Spring, despite all its early promise, has yielded new authoritarian regimes, civil wars, and failing states. Surrounding the Gulf, this has resulted in a direct threat to the stability of the Gulf Cooperation Council (GCC) rentier-based regimes.

The rise of Gulf rentier states in the 1970s seemed to occur suddenly. Thanks to the rapid development of their domestic economy, they found themselves in a favourable position from which they could afford to be generous with the rest of the region. The beneficiaries were Jordan, Syria, the Palestine Liberation Organization, and Egypt (until it made peace in the region). In a way, this was a reintroduction of pan-Arab ideals under the economic leadership of the relatively new players of the Arab world.

This more optimistic outlook, however, seems not to have lasted. In the aftermath of the Arab Spring, tensions between rentier and non-rentier states have returned and the Gulf is enmeshed in a crisis which may spell the end of the GCC as a functioning regional organization.

Elaborate on the effects of rising oil prices on rentier and non-rentier states. How can this explain the Arab Spring? Has oil price fluctuation been a cause or consequence of current geopolitical patterns in the Gulf?

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