

Temporary Migrant Labour and the Spatial Structuring of Class in the Gulf Cooperation Council¹

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1. Introduction

In the concluding pages to his *Limits to Capital*, David Harvey makes a powerful argument that the configuration of space needs to be understood as an 'active constitutive moment in the dynamics of accumulation'.² By this, Harvey means that the configuration of space both enables and expresses the form taken by capitalist accumulation, while simultaneously acting as a possible mechanism of crisis resolution – a process that Harvey described as a 'spatial fix'. Capitalism is continually precipitating shifts in the relationships between different spaces – the movement of capital and labour across countries and regions, devaluation of existing fixed capital complexes in specific spaces, the creation of new class fractions and alliances across geographical zones and so forth. Through this incessant reworking of its own spatiality, capitalism lays the basis for new and expanded possibilities of accumulation. Simultaneously, contradictions begin to grow within these spatial relations – over time developing into fetters on accumulation that inevitably end in a sharp break and transition to a new configuration of space.

One illustration of capitalism's changing spatiality is the increasing significance of flows of temporary migrant labour within the world market. These flows are not a new phenomenon but, in recent decades, they have become a defining characteristic of many countries in the South (as labour-exporters) as well as the advanced capitalist economies (as labour-receivers). In 2007, migrant workers sent US\$265 billion to the South through remittances, surpassing official global development aid by 60

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² David Harvey, *The Limits to Capital* (London: Verso, 1999), p. 440.

percent.³ Many countries have become heavily reliant on these remittances. In some cases – such as Honduras, Haiti, and Guyana – they account for more than 20% of GDP.

This essay employs a Marxist framework to examine the relationship between these temporary migrant labour flows and class formation in the six states of the Gulf Cooperation Council (Saudi Arabia, Kuwait, Bahrain, United Arab Emirates, Qatar and Oman). It is argued that temporary labour flows intertwine geographical spaces (underpinned by the institutional mechanisms that make these flows functional) within a single process of accumulation. They reflect the interlocking of sets of social relations across different zones of the world market. As such, these flows represent a particular spatial structuring, or *spatialization*, of class. Class formation needs to be located and historicized within these spatial structures, which then become critical to interpreting the nature of crises and their possible resolution.

The GCC states possess perhaps the most extreme illustration of temporary labour flows of any region in the global economy (with the possible exception of coastal China). In all of these states the majority of the working population are temporary, migrant workers with no citizenship rights. In some GCC countries, migrant workers exceed 80% of the labour force. These workers perform virtually all of the productive labour in the Gulf economies in addition to service, clerical, retail and domestic work. Neighbouring South Asian countries such as Pakistan, India, Bangladesh, and Sri Lanka are almost fully dependent on the labour markets of the Gulf for their overseas workforce, and remittances from these workers are critical to the survival of millions of people throughout the region.

Most analysis of these workers tends to be sociological in approach – focusing either on the extreme deprivation and exploitation to which workers are subject in the host economies, or the impact of remittance flows on community, village and other social structures in the source countries. This literature contains a wide range of useful and perceptive analysis, and is drawn upon where appropriate below. But the aim of this paper is not to present a comprehensive analysis of these workers or their labour conditions. Rather, it is to suggest how a focus on the spatial structuring of class formation can deepen an understanding of Gulf capitalism and its mediation of crisis.

The first section of this essay presents a short outline of Marxist

³ World Bank, *Migration and Development Brief No.8*, November 11 2008, www.worldbank.org.

perspectives on space and accumulation, drawing on the work of Harvey and other radical geographers. The paper then turns to the development of class structure in the GCC states and elaborates a theoretical interpretation of temporary migrant labour flows in this context. From the outset, flows of migrant labour have been embedded as a constitutive element of Gulf capitalism. The spatialization of class has acted to mediate patterns of accumulation and avert crisis – a ‘spatial fix’. Following an examination of the region’s structural reliance on migrant labour and the implications of this for surrounding countries, the essay then explores the current global crisis from the perspective of this class structure. It is argued that while Gulf capitalism may face pressure and strain due to the crisis – the spatial displacement of crisis means that the real impact has been shifted to surrounding regions.

2. Marxist Approaches to Space and Accumulation

Over the last few decades, a rich theoretical discussion has developed over the relationship between the different forms of spatiality of capitalism and processes of accumulation. Much of this literature draws upon a particular strand of radical geography that conceives space not as a static ‘thing’ or ‘empty vessel’, but rather a product and expression of capitalist social relations that develops through a process of continual contestation and transformation.⁴ This understanding of the *spatiality of capitalist social relations* can be found throughout Marx’s writings, which frequently link forms of spatial organization to the nature of the social relations (and hence class formation) that characterize different societies. Speaking of the British countryside, for example, Marx argued that the growth of industrial and commercial labour accompanying emerging capitalist social relations was spatially reflected in the separation of town and country.⁵ In other words, the changing spatial characteristics of human geography were a reflection of an alteration in the country’s social relations and the development of new class structures. In later writings, Marx traced the development of colonialism – i.e. the spatial division of the world market into dominated and dominating countries – to the ‘general conditions of existence of the

⁴ Neil Brenner, *New State Spaces: Urban Governance and the Rescaling of Statehood* (New York: Oxford University Press, 2004), p.32.

⁵ “The division of labour inside a nation leads at first to the separation of industrial and commercial from agricultural labour, and hence to the separation of town and country and to the conflict of their interests... At the same time through the division of labour inside these various branches there develop various divisions among the individuals co-operating in definite kinds of labour... These same conditions are to be seen (given a more developed intercourse) in the relations of different nations to one another” (Karl Marx and Friedrich Engels, *The German Ideology* (New York: International Publishers Co, 1970), p.43.

manufacturing period'.⁶ In comments such as these, Marx consciously stressed the patterning of space as a *form of appearance* taken by a particular set of capitalist social relations.

This understanding of space as a reflection of capitalist social relations was further extended by Henri Lefebvre, a French sociologist who was one of the first to draw out the spatial thematic of Marxism. Lefebvre pointed out the reflexive manner in which spatial forms could act upon and shape social relations, thereby emphasizing space as a social product that could be used as a means of maintaining control and hegemony. Every society produced a certain spatial arrangement and practice, which served to reproduce its own existence. He asked: 'What exactly is the mode of existence of social relationships? ... The study of space offers an answer according to which the social relations of production have a social existence to the extent that they have a spatial existence; they project themselves into a space, becoming inscribed there, and in the process producing that space itself'.⁷ One of the major challenges facing the radical movement, according to Lefebvre, was to demystify the relationship between the structuring of space and the nature of capitalist rule. Contemporaneous with capital's production of space, he argued, social struggles would inevitably emerge against this spatial alienation, attempting to reclaim the urban and the 'right to the city'.

Lefebvre's writing on the 'production of space' sparked a subsequent range of valuable theoretical discussion.⁸ A representative example can be found in the work of Doreen Massey, who stressed the importance of analysing how different types of labour are spatially organized. The spatial placement of controlling, managerial and administrative functions exist in a mutually defining relationship with other controlled areas.⁹ Massey describes this mutually defining tension across a geographic space as a 'spatial structure', and stressed that any regional analysis must theorize the functional division of labour at a regional level as well as its place within a

⁶ Karl Marx, *Capital: Volume 1* (London: Penguin Classics, 1992), p.474.

⁷ Henri Lefebvre, *The Production of Space* (Oxford: Basil Blackwell, 1991 [1974]), p. 129.

⁸ See John Carney, Ray Hudson and Jim Lewis, (Eds.), *Regions in Crisis* (London: Croom Helm 1980); Doreen Massey, *Spatial Divisions of Labour: Social Structures and the Geography of Production* (London: MacMillan Education, 1984); *Global Restructuring, Local Responses* (Worcester, Mass.: Graduate School of Geography, Clark University, 1988); Edward Soja, *Postmodern Geographies* (London: Verso, 1989); Neil Smith, *Uneven Development: Nature, Capital and the Production of Space* (Oxford: Basil Blackwell, 1990); David Harvey, "The Geopolitics of Capitalism", in Gregory, D., & Urry, J. (Eds.). *Social Relations and Spatial Structures* (London: Macmillan, 1985), pp.128-163; *Spaces of Capital: Towards a Critical Geography* (Edinburgh: Edinburgh University Press, 2001).

⁹ Massey 1984, op.cit. in note 8, p.112.

wider system of relations of production.¹⁰ Her empirical work attempted to examine the ways in which the British economy could be mapped through changes in production and the way that the structuring of space became an active strategy of accumulation by British capital. She argued that uneven spatial development arose as a consequence of the spatial structuring of relations of production based upon dominance and exploitation.¹¹

These themes were further developed in the work of David Harvey, who linked the 'production of space' to its role in mediating and shaping capitalist crisis. Harvey, following Lefebvre, agreed that the spatiality of capitalism is a product of tendencies and counter-tendencies within the capitalist mode of production. Capitalism depends upon the production of territorial complexes such as factories, transport routes, urban environments, communications networks and regulatory institutions in order to expand and circulate capital. These socially produced spatial forms are necessary in order 'to overcome space'.¹² Harvey's key contribution, however, lay in his argument that capitalism could switch between different forms of 'spatiality' or 'spatial structures' as a means of averting, displacing, and overcoming, crisis tendencies.¹³ He called this crisis-averting utilization of space a 'spatial fix', which could occur at the level of the individual capital or industry and (most typically) involves the mediation of the state.

The production of space and spatial fixes, Harvey pointed out, is a contradictory process, and inevitably reappears as barriers to the future expansion and development of capitalist social relations. In other words, forms of spatialization are always in the process of being overcome, as they turn from a spatial fix into a fetter on further accumulation possibilities. At these points, capitalism faces a 'switching crisis' as the old spatial structures undergo a devaluation crisis, capital seeks new areas for investment, and new forms of spatiality arise to underpin its flows. A switching crisis can be seen, for example, in the collapse of the steel industry and other manufacturing activity in North-Eastern USA during the 1980-90s as capital relocated to other areas in the US and internationally (leading to the emergence of the so-called 'Rust Belt'). Rather than conceiving space-time as a fixed constant, Harvey's approach affirms that the way human beings

¹⁰ Massey 1988, op.cit. in note 8, p. 252.

¹¹ 'Different classes in society are defined in relation to each other and, in economic terms, to the overall division of labour. It is the overall structure of those sets of relationships which defines the structure of the economic aspect of society. One important element which any concept of uneven development must relate to, therefore, is the spatial structuring of those relationships – the relations of production – which are unequal relationships and which imply positions of dominance and subordination' (Massey 1984, op.cit. in note 125, p.87).

¹² Harvey 1985, op.cit. in note 8, p.145.

¹³ Harvey, op.cit. in note 2.

conceive of, utilize and structure space is a product of struggles shaped by capitalist social relations. The production of space then acts reflexively on these social relations by placing limitations and shaping the process of capitalist accumulation itself.¹⁴

3. Temporary Migrant Labour Flows in the GCC

These perspectives on the nature of space provide a useful framework for understanding class formation and temporary migrant labour flows within the six states of the GCC. Temporary migrant labour flows are more central to these states than any other country or zone in the world economy.¹⁵ They differ from the permanent migration flows seen in other areas of the world because they are short-term in nature, lack associated citizenship rights, and are focused on maximizing remittance flows back to the country of origin. In all of the GCC states, temporary migrant workers represent more than 50% of the entire labour force and in four of these states (Kuwait, Qatar, Oman and the UAE) the proportion is greater than 80% (see below). A majority reliance on temporary labour flows is unique to the Gulf states, and closely ties the key labour exporting regions (the Middle East and South Asia) to accumulation patterns in the GCC.

The origins of this class structure can be traced back to state formation in the decades from 1930 to 1970.¹⁶ With the slow decline of the

¹⁴ Soja has described this tension as the socio-spatial dialect (Soja, op.cit. in note 125). Lipietz has expressed a similar concept through the Althusserian notion of social formation as an articulation of different modes of production dominated by the capitalist (Alain Lipietz, 'The Structuration of Space, the Problem of Land and Spatial Policy,' in Carney et al, op.cit. in note 125). He stresses that the concrete space of socio-economic relations is both a reflection of the particular articulation of modes of production under the dominance of the dominant capitalist mode, as well as an 'objective constraint' on the way in which those social relations are redeployed (p.61). Space is always provided by history, and the way in which it is recreated is fettered by that history.

¹⁵ The magnitude of flows of temporary migrant labour in other countries certainly exceeds that of the GCC but, as a proportion of the domestic labour force, the GCC countries are qualitatively different from any other comparable case. In many countries, however, the weight of these flows is becoming increasingly significant. Singapore, for example, has around 33% of its labour force composed of migrant workers. In certain economic sectors these flows of temporary migrant labour have become predominant (examples include Mexican agricultural workers in Canada, Filipino women employed as nurses, teachers and domestic workers in Asia and the Middle East, and undocumented North Africans working in marginal service jobs in Europe).

¹⁶ See Kiren Chaudry, *The Price of Wealth: Economies and Institutions in the Middle East*, (New York: Cornell University Press, 1997); Jill Crystal, *Oil and Politics in the Gulf: Rulers and Merchants in Kuwait and Qatar*, (Glasgow: Cambridge University Press, 1995); Rosemary Said-Zahlan, *The Making of the Modern Gulf States*. (Reading: Garnet Publishing, 1998); Alexei Vassiliev, *The History of Saudi Arabia* (London: Saqi Books, 1998); Aqil Kazim, *The United Arab Emirates AD 600 to the Present: A Socio-Discursive Transformation in the Arabian Gulf* (Dubai: Gulf Book Centre, 2000); Daryl Champion, *The Paradoxical Kingdom: Saudi Arabia and the*

British Empire through this period – hastened by India’s independence in 1947 – the Gulf sheikhdoms (Kuwait, Bahrain, Oman, Qatar and the seven ‘Trucial States’ that became the future UAE) transitioned away from the direct control of British colonialism to gain their independence. This period also coincided with the beginnings of oil production and the ensuing struggle between Britain and the United States for regional influence.¹⁷ The revenues that began to accrue from oil, and the arrival of British and American oil companies from the 1930s onwards, acted to sharpen contradictions between various social forces in the Gulf states – different factions in the ruling family, the ruling family and the merchants, nomadic tribes and urbanized settlements, oil workers and the ruling elite, and so forth. At the same time, the immediate over-riding goal of both Britain and the US was to ensure that these states remained stable and amenable to foreign control of their oil resources as they gained independence.

Initially, the ruling families of the former British dependencies (and Saudi Arabia, which was closer to the US) attempted to ameliorate their own internal divisions through the judicious use of oil revenues. Of particular significance – most notably in Kuwait, Bahrain, and Dubai where merchant classes were strongest and had a history of protest – was the use of oil revenues to consolidate the support of these classes for the ruling regime. There were various mechanisms through which this occurred: granting the largest merchant families contracts for infrastructure, security, and other oil-related activities (although, importantly, never ownership of oil production itself); awarding the merchant class control over import activities through exclusive licensing, agency and distribution rights for foreign produced goods; and giving cheap (and, in some cases, free) land to merchants from which they benefited handsomely following the rise in price as urbanization and infrastructure proceeded. These same policies were also adopted towards different factions within the ruling family (Qatar, where the internal divisions of the ruling al Thani family were particularly acute, stands out in this respect).¹⁸

Momentum of Reform, (New York: Columbia University Press, 2003) for surveys of individual GCC states.

¹⁷ The US entry into the Gulf initially occurred through Saudi Arabia, which, as a remote and inhospitable area surrounded by desert, had managed to retain a relative independence from British control. During the early 20th century, Britain’s firm hold in the Gulf coastal areas precluded any US penetration. Saudi Arabia’s ruling al-Saud monarchy, however, was increasingly in need of external support as a result of the economic crises of the 1920s and 1930s – particularly the collapse of religious tourism that followed in the wake of the Great Depression and the outbreak of World War II. Utilizing these fiscal crises, the US moved to cement its alliance with Saudi Arabia in return for control over the country’s oil production (see Vassiliev, op.cit. in note 133, for a history of this period).

¹⁸ Crystal, op.cit. in note 133.

But, perhaps more significant than the challenge posed by the merchant classes, was the growing anti-colonial sentiment across the Middle East. This became particularly clear during the 1950s, with the emergence of powerful mass struggles in Iran, Egypt, Iraq and elsewhere. Many of these movements were closely tied to large communist parties, operating in an uneasy relationship with military officers and more conservative nationalist forces. In 1951, a significant blow to Western interests occurred with the nationalization of the British-owned and operated Anglo-Iranian Oil Company (AIOC) in Iran by the newly-appointed Prime Minister, Mohammed Mossadegh. Mossadegh, pushed by mass mobilizations across the country, expelled AIOC and took Iranian oil into state hands. Another major turning point was the overthrow of Egypt's King Farouk in 1952, led by the popular military officer Gamal Abdel Nasser. In July 1956, the Egyptian government moved to nationalize the British/French-controlled Suez Canal, a stark confirmation of the growing anti-colonial sentiment within the Middle East.

Even though it has been largely erased from the official state histories of the region these anti-colonial and left-wing impulses found strong echo within the Gulf states. In Qatar, Kuwait and Bahrain a series of widespread strikes occurred through the 1950s – fusing anti-British sentiment, solidarity with movements in neighbouring countries (Palestine and Egypt in particular), and a yearning for a greater control over oil resources. In Saudi Arabia, strikes and demonstrations rocked the oil fields from 1962 to 1966, led in part by Saudi workers with strong leftist leaning or inspired by nationalist movements in Egypt, Iraq and Yemen.¹⁹ Underground opposition groups were established – the Union of the People of the Arabian Peninsula, the National Liberation Front, the Revolutionary Najdi Party, and the People's Liberation Front of Saudi Arabia – all of which expressed anti-US/British sentiments and directly challenged the Saudi monarchy.

Each of the Gulf states responded to these movements with a wave of repression – overseen and advised by Britain and the United States. The opposition movements were reinforced by the overlapping of class divisions and ethnic-religious distinctions: Kuwait, which had a sizeable Shia minority; Saudi Arabia, where the oil fields were mostly located in the Shia-populated Eastern Provinces; Bahrain, where a Shia majority had long-held grievances against the Sunni Al Khalifa rulers; and Oman, where leftist movements during the 1960s and 70s emerged through a guerrilla struggle based in the Dhofar region. In each of these states, leaders of the strikes and other political movements were arrested, exiled and – in some cases – killed.

¹⁹ See Vassiliev, op.cit. in note 16; Robert Vitalis, *America's Kingdom: Mythmaking on the Saudi Oil Frontier* (California: Stanford University Press, 2007).

Spatial Structuring of Class in the GCC

It was during this period that the incipient capitalism in the Gulf states underwent a 'spatial fix', reconstituting class through a process of spatialization. Key to this was an extremely narrow definition of 'citizenship' that came to overlay the spatial structuring of class. In each of the GCC states, citizenship was restricted to a tiny proportion of the population who were provided with varying levels of access to the benefits accruing from oil revenues. These ranged from cheap housing, education and other state benefits for the average citizen, to massive economic grants, contracts, and 'sustainers' for members of the ruling elite and wealthiest merchant families. The nature of the working class was transformed in this process. Rather than native workers, those who did most of the work in the Gulf states were brought from outside the country as temporary migrant labour. Citizens moved up the ladder – taking jobs in higher-level managerial positions and the government sector. The formation of class through this spatial process enabled Gulf regimes to construct a powerful system of control over the vast majority of the resident population, while consolidating and binding citizen support behind the ruling monarch.

Typically, explanations for the Gulf's heavy reliance on flows of migrant workers are found in reasons such as 'population pressures in the areas of origin and of opportunities in the host areas'²⁰ or a 'lack of a local, well-educated and adequately experienced workforce'²¹ in the Gulf countries. While these factors are clearly proximate causes of labour flows they obscure key questions – why are these workers systematically denied any possibility of becoming permanent citizens of the GCC states and how does this exclusion facilitate capital accumulation in the Gulf? Citizenship and its attendant rights cannot be understood separate from the spatial structuring of class that came to characterize Gulf capitalism. This was not an accidental or haphazard outcome. Rather, it was embedded within the process of state formation itself, with early Gulf states each promulgating a series of laws that defined citizenship and nationality rights while circumscribing those of migrant labour.

In the case of Saudi Arabia, the American political scientist Robert Vitalis has written a fascinating account of the early labour relations in the work camps of the US oil company, Aramco, which controlled Saudi oil

²⁰ Basheer Nijim, "Spatial Aspects of Demographic Change in the Arab World", in *The Middle East: from transition to development*, ed. Sami G. Hajjar, (Leiden: EJ Brill 1985), p.50.

²¹ Andrzej Kapiszewski, "Arab labour migration to the GCC States", in *Arab Migration in a Globalized World* (Geneva: International Organization for Migration, 2004), pp. 115.

production up until the early 1970s. Aramco initially relied heavily on a Saudi workforce, organized in a highly racialized fashion that, to a very considerable extent, resembled the institutions of South African Apartheid. This was the context in which leftist movements emerged in the country advocating nationalization and the removal of US oil companies from Saudi soil. As Aramco was taken over by the Saudi state, however, the Saudi government was 'free to rebuild hierarchy anew ... [with] migrant laborers from Yemen, Egypt and elsewhere'.²² In the early 1960s, over 90% of the workforce were Saudi nationals according to figures from the Central Planning Association.²³ By 1980, migrant labour constituted a majority of the workforce (50.7%), with the actual size of the civilian workforce almost tripling between 1970 and 1980.²⁴

In Kuwait, Jill Crystal has carefully documented the process through which the ruling al-Sabah family moved to demarcate citizenship through a set of laws in the 1950s and 1960s that institutionalized preferential treatment and privileges on the basis of nationality. Crystal notes how this separation of migrant workers from Kuwaiti citizens through specific labour laws was a deliberate policy designed to 'differentiate and differentially control Kuwaiti and expatriate labor'.²⁵ She describes how the mechanism of control was perceived by the US consul in Kuwait who, in 1959, wrote, 'whenever a temporary labor surplus develops or whenever Kuwaiti authorities become disturbed at the size of the foreign community, the illegal workers are rounded up and shipped to Iran or Iraq'.²⁶ The granting of citizenship rights was later utilized by the al-Sabah family to co-opt and win the allegiance of many Bedouin families to the Kuwaiti monarchy.²⁷

In the sheikhdoms of the Southern Gulf, a longer experience with British colonialism had linked the region earlier and more directly to labour flows from areas tied to British control (India and Pakistan in particular). British companies dominated development contracts in the area and brought labour to work in construction, wholesale trade and retail, and other service sectors. In late 1960s Dubai, for example, the two largest construction companies were the British Costain Construction Company and Taylor Woodrow International, both of which employed this foreign labour

²² Vitalis, op.cit. in note 19, p. 272.

²³ Tim Niblock, *The Political Economy of Saudi Arabia* (London and New York: Routledge, 2007), p.51.

²⁴ Niblock, op.cit. in note 23, p. 91.

²⁵ Crystal, op.cit. in note 16, p. 80.

²⁶ Ibid.

²⁷ In Kuwait today, the term bidoun (those without) is used to describe the large numbers of Kuwaiti residents who have long been present in the country but lack citizenship rights. The issue of bidoun is a central question of Kuwaiti politics.

extensively. Foreign workers constituted around half of Dubai's population by 1968.²⁸ In Abu Dhabi, where oil exports began in 1962 under the control of British oil companies, migrant workers were an even more important source of labour for the area's development (again dominated by British companies). It is estimated that around 56 percent of Abu Dhabi's population was foreign in 1968.²⁹ With the formation of the UAE in 1971, the privileging of citizenship and reliance on temporary migrant labour was institutionalized in a manner similar to that which had occurred in Saudi Arabia and Kuwait. UAE citizens were allowed to own property (denied to migrant workers) and were given free education, health care, cheap land and free housing under the "peoples' houses" scheme.³⁰ Nationals further benefitted from the ability to rent out property that they had received for free or very cheaply from the ruler to the rapidly growing migrant population.

From the 1970s onwards, the temporary migrant worker population grew to a remarkable 50-60 percent of the labour force in Saudi Arabia and Bahrain, and to 80-90 percent in the remaining GCC states.³¹ In the private sector, the concentration was even greater, with migrant workers constituting close to 100 percent of the private sector workforce in the UAE and Saudi Arabia (see Table 1).³² Most of these migrants were young males (ranging between 70 to 80 percent), although female migrant labour came to be heavily concentrated in some sectors such as domestic work and the service sector. Of course, this particular class structure showed wide differentiation across the Gulf states. The actual proportion of the population that held citizenship varied from 10-20 percent in places such as Kuwait and Dubai, to closer to 50 percent in Saudi Arabia and Bahrain. Poverty did

²⁸ Kazim, op.cit. in note 16, p.247.

²⁹ Ibid. p. 271.

³⁰ Frauke Heard-Bey, *From Trucial States to United Arab Emirates* (Abu Dhabi: Motivate Publishing, 1982), pp. 403-406. Heard-Bey notes that these schemes also differentiated rights according to tribal background and relationship to the ruler.

³¹ Maitha Shamsi, *Ta'qiyim siyassay al hijra fil dawla majlis attawan alkhaleeji*, [Evaluation of Labour Policies in the GCC] prepared for "United Nations Expert Group Meeting on International Migration and Development in the Arab Region" (Beirut: Department of Economic and Social Affairs United Nations Secretariat 5 May, 2006), pp. 61-63.

³² It should be noted that figures likely underestimate the number of temporary migrant workers throughout the GCC. If the numbers of workers who are living and working illegally are included, this figure would rise considerably. In the mid-2000s, Saudi Arabia was deporting around 700,000 'illegal' workers on an annual basis; more than 10% of the total number officially recorded as present in the country. In 2003, around 100,000 non-status workers left the UAE voluntarily as part of one of the regular amnesty programs offered by the government (Nasrah Shah, "Restrictive Labour Immigration Policies in the Oil-Rich Gulf: Effectiveness and Implications for Sending Asian Countries" paper presented to "United Nations Expert Group Meeting on Social and Economic Implications of Changing Population Age Structure", Mexico City, 31 August – 2 September 2005, p. 6).

persist within the citizen population – particularly when measured relatively – and was largely refracted through the pre-existing ethno-religious and geographic divisions (e.g. Shia within Bahrain, Saudi Arabia and Kuwait; the northern Emirates vis-a-vis Abu Dhabi and Dubai in the UAE). Despite these provisos, however, the central point remains: class congealed spatially around temporary migrant labour flows and was demarcated through the institution of citizenship.

Table 1: Migrant Population in the GCC.

Country	Migrant Worker population	Migrant Worker Population as % of Total Population		Proportion of Migrant Worker Population Female	Migrant Workers as % of Total Labour Force	Migrant Workers as % of Public Sector Workforce	Migrant Workers as % of Private Sector Workforce
		1995	2005				
Year	2005	1995	2005	2005	2005	2001	Various
Saudi Arabia	6,360,730	24.7	25.9	30.1	50.2	11.2	95 (2004)
Kuwait	1,668,991	58.7	62.1	31.0	80.3	24	78 (2005)
UAE	3,211,749	70.5	71.4	27.8	91.3	55.5	98 (2004)
Bahrain	295,461	37.5	40.7	30.9	58.8	9.3	79
Qatar	636,751	77.2	78.3	25.8	85.9	33.9	83
Oman	627,571	26.3	24.4	20.9	79	21.9	n.a.

Source: Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat; Shamsi, op.cit. in note 148; Shah, op.cit. in note 149.

Initially this spatial structuring of class depended upon Arab labour such as Palestinian, Lebanese, Egyptian and Yemeni workers. During the 1970s and early 1980s, however, many of these workers – increasingly sympathetic to Arab and Palestinian nationalism, and other leftist movements – began to challenge the Gulf regimes and their perceived ties with US imperialism. They also began to settle in a more permanent sense, bringing their families, and demanding parity with 'locals' and rights associated with citizenship (particularly in education and housing). In some cases, these movements connected with Gulf citizens themselves – particularly Shia communities in Bahrain, Kuwait and the UAE. The 1979 Iranian revolution acted to further radicalise the large Shia populations throughout the Gulf, with demonstrations, bombings and the formation of various political organizations a frequent occurrence throughout the 1970s

and 1980s.³³

By the mid-1980s, partially in response to the potential radicalisation of Arab non-citizen residents, GCC states had begun to shift these migrant labour flows away from Arab countries towards the Indian sub-continent. Laws were instituted that made it more difficult for Arab families to settle for long periods in the GCC countries (in the UAE, for example, it was made illegal for Arab non-citizen children to attend public schools). In the wake of the 1990-1991 Gulf War, Arab residents were expelled en masse under the pretext that the Palestine Liberation Organization and Yemen had supported Iraq's invasion of Kuwait. In Kuwait, the number of Palestinians fell from 400,000 in 1990 to about 50,000 by the mid-1990s.³⁴ By 2002, the Arab proportion of migrant workers in the GCC had fallen from 72 percent in 1975 to around 25-29 percent, replaced with cheaper labour from South Asia.³⁵ The spatial structuring of class enabled the GCC states to deepen exploitation and ameliorate any potential threats to the status quo through a 'spatial fix'. In turn, Asian countries became firmly embedded in the reproduction of GCC capitalism (see Table 2).

Table 2: The GCC and Key Labour Supplying Zones in South Asia

Country	Proportion of Workforce in the GCC	Type of Work	Further Comments
Bangladesh	In the mid-1990s, around 60-70% of Bangladeshi overseas workers could be found in the Gulf. By 2002, this proportion had risen to 95%. ¹ Most of these workers were located in Saudi Arabia, followed by the UAE and Kuwait.	Mostly unskilled and semi-skilled work in construction, agriculture and cleaning. Many of these jobs are dangerous: from January 2004 – August 2008, 6,547 Bangladeshis died on the job while overseas. ²	Total remittance flows to Bangladesh correlate very closely to the employment of workers in the Gulf – reaching a peak of over US\$9 billion in 2008.

³³ Christin Marschall, *Iran's Persian Gulf Policy: From Khomeini to Khatami* (London: Routledge, 2003).

³⁴ Nader Fergany, "Aspects of Labor Migration and Unemployment in the Arab Region" (Egypt: Almishkat Center for Research, 2001), p.7.

³⁵ Kapiszewski, op.cit. in note 21, p. 123. This shift should not be interpreted as diminishing the importance of the Gulf region for Arab workers. Many Egyptian, Lebanese, Yemeni and Jordanian families are still reliant upon remittance flows from the Gulf region. It was estimated, for example, that in 2007, 30% of Lebanon's labour force resides in the Gulf and the country obtains 24% of GDP from remittance flows.

Sri Lanka	From 2003-2007, 83-86% of all Sri Lankans departing overseas for work each year went to the GCC countries. Saudi Arabia is the primary destination – nearly one-third of Sri Lanka's 1.6 million overseas workers can be found in the Kingdom. Significant numbers can also be found in Kuwait and the UAE.	The workforce is highly feminized. In 2007, 62% of all Sri Lankan overseas workers were female with around 50% of the entire expatriate workforce employed as domestic workers. ³	Sri Lanka is a country that relies heavily on remittance flows – around 7.8% of GDP in 2007. ⁴
Philippines	At end-2007, more than two-fifths of the total deployed Overseas Foreign Workers (OFWs) were located in the Middle East (43.3 percent), the majority of which were in Saudi Arabia (21.2 percent of total deployed) and the United Arab Emirates (10.5 percent of total deployed). ⁵ In 2008, more than 50% of new hires and re-hires of Filipino workers were in GCC countries.	Many of these Filipino workers in the Gulf are females who work in sectors such as nursing, teaching, services and domestic work. Seventy-four percent of all new hires of Filipino overseas nurses in 2007 went to Saudi Arabia. Over 54% of new hires of domestic workers went to the GCC states.	The Philippines is heavily dependent upon the export of labour and is consistently within the top four recipients of overseas remittances in the South. The country received US\$16.4 billion in 2008 from remittances – equivalent to almost 10 percent of GDP. ⁶
India	In 2006, about 4 million Indian workers were estimated to be in the Gulf, mostly in the UAE (2.17 million) and Saudi Arabia (1.26 million, UN 2006) and in 2007, 95% of all labour outflows from India were destined for GCC countries. ⁷	Indian workers perform a wide variety of tasks, ranging from skilled engineering, managerial and financial work to construction labour and taxi driving.	In 2007, India was the largest recipient of remittances in the world (\$27 billion) and 40% of this total came from workers in the Gulf. Remittances made up 3.3% of Indian GDP in 2007. ⁸
Pakistan	In 2003, 97 percent of Pakistanis working overseas were employed in the GCC, mostly in Saudi Arabia and the UAE (59% and 29% of Pakistani overseas workers respectively).	Many of these workers are employed in low-wage construction jobs; Pakistani construction workers have underpinned the rapid expansion of Dubai's real estate sector in recent years.	The country is heavily reliant upon remittance flows (in 2007, the US\$5 billion flow of remittances was equivalent to around 4.2% of GDP) ⁹ and these figures are believed to be significantly understated due to the use of undocumented means of remittance transfer (see below).

4. The GCC's Spatial Fix

This spatial configuration of class serves as a 'fix' for Gulf capitalism in a number of ways. First, the structural reliance on temporary migrant labour acts to increase the amount of surplus value extracted within the Gulf circuit of capital. This is because the value of the migrant labour commodity – the socially necessary labour time required to reproduce the migrant worker and their family – is generally measured relative to the social conditions extant in the worker's home country rather than the country in which they perform their labour.³⁶ These workers lack any legal parity with citizen labour, and

³⁶ This is reflected through the considerable differences in pay between citizen and non-citizen labour that exists within each sector across the GCC. In Saudi Arabia, for example, a Saudi

send most of their wages back home in the form of remittances. Both they and their employer determine the cost of reproduction relative to the conditions of labour in their home country. Moreover, the size of the Gulf reserve army of labour – one of the key factors, as Marx noted, in determining the price of labour power – is not constituted internal to the nation state but rather across these new spatial structures. Temporary migrant workers find themselves competing with hundreds of millions of fellow workers dispersed across the Middle East and South Asia. For these reasons, the spatialization of class – the fact that class is formed through a relationship established between spatially distinct sets of social relations – acts to depress the price of labour power and magnify the amount of value appropriated in the course of accumulation.³⁷

Moreover, this spatialization of class acts as a powerful mechanism of social control. Because the spatial location of temporary labour in the Gulf is constituted through the social relations established in the course of the reproduction of capital – and not through birth or citizenship rights – this

manufacturing worker was compensated, on average, three times more than a non-Saudi worker in the year 2000. In the transport and communication sector, the difference was four times as great (Saudi Arabia Ministry of Economy and Planning, *Employment and Wages Survey 1996 and 2000*, <<http://www.mep.gov.sa>>). A foreign manufacturing worker in Qatar received one-sixth the average compensation of a Qatari worker in 2003 (State of Qatar, *Al Nashra Sanawiyya Al Ihsayah Al Taq'a wa al San'aeya* [Annual Statistical Bulletin on Energy and Industry]. Vol 23. (Doha: General Secretariat for Development Planning, 2004), p.127). In Bahrain, according to the General Organization for Social Insurance, the general average wage for 2006 in the private sector was BD377 for Bahraini workers and BD170 for foreign labourers (<http://www.bahrainrights.org>). These differences would widen even further if non-wage costs were included (housing, education and health rights for citizens). The two sectors where these wage differentials do not exist, petroleum and banking/insurance, are populated with migrant labour of a qualitatively different sort – that originating from the advanced capitalist countries.

³⁷ The rate of exploitation is indicated by the conditions in which many workers live, often barely exceeding the minimum necessary for physical survival. Human Rights Watch reports that the labour camps in Dubai housing construction workers were typically 'a small room (12 feet by 9 feet) in which as many as eight workers lived together. Three or four double bunk beds represented the only furniture in each room. The workers used communal bathrooms and showers outside their rooms' (Human Rights Watch, 2006, 'Building Towers, Cheating Workers' <<http://www.hrw.org/en/reports/2006/11/11/building-towers-cheating-workers-0>> p.23). In 2006, the Dubai government had only 140 government inspectors responsible for overseeing the labour practices of more than 240,000 businesses employing migrant workers. In Bahrain, a Reuters news report described the situation as follows: 'Wooden boards demarcate rooms, bunk beds are stacked from floor to ceiling, corrugated iron covers the roof, and clothes and other personal effects take up every inch of space. Ramusamy [an Indian worker], and others nearby, explained that they had paid up to 1,000 dinars (\$2,650), to Indian or Bahraini recruiters who had promised them a monthly salary of about 100 dinars. Most workers, including Ramusamy, borrowed heavily to pay the fee, using their land in India as collateral. Once in Bahrain, they found the average unskilled wage was about 55 dinars. Ramusamy's loan payments are 37.5 dinars, he said. One person at the house had committed suicide, Ramusamy said, and he knew of workers elsewhere who had considered it. (Mohammed Abbas, "Poverty Drives Migrant Indian Workers in Bahrain to Suicide", Reuters, 17 June 2007).

labour lacks any permanent *right to space*. As soon as these social relations are severed through the termination of employment, these workers become 'illegal' and are forced to return to their country of origin. Labour laws appear to be designed more for cosmetic purposes rather than the worker's wellbeing.³⁸ Unions and collective action are banned or severely curtailed in most Gulf states.³⁹ As a result, the development of class solidarity is virtually impossible because labour can be simply (and legally) threatened with deportation at the slightest evidence of discontent. Not only is the ability to discipline labour greatly increased through this process, but, for the worker to struggle against a spatial identity that is solely constituted through their relationship with capital means, in a very real sense, to struggle against oneself. It thus represents an acute form of alienated labour.

Overall, the temporary and spatially dispersed nature of working class identity hinders the development of class consciousness or, more precisely, a shift from a class 'in-itself' to one 'for-itself'.⁴⁰ Each individual has only a temporary existence within the social relations that constitute class. These social relations are continually being dissolved as workers return home or shift countries to look for new employment. In most cities of the GCC, it is unusual to see an elderly migrant – spatial location is dependent on employment and so the ability to grow old in the Gulf is a rare occurrence. Moreover, this process of spatialization inevitably striates the class with ethnic, national and religious differences. Particular ethnic groups drawn from different geographical spaces tend to concentrate in certain occupations or layers within the class. In practice, this reinforces segregation or partitioning of the class – there is little internal class mobility, almost insurmountable barriers in communication between workers and, in some cases, long-standing ethnic or religious tensions between different layers.⁴¹ In many GCC states, these divisions are reflected by the highly

³⁸ One example of this was the practice in Dubai of transporting construction workers to their work site in cattle trucks. This practice was discontinued with large fan-fare in 2004 because it was felt that it gave the emirate a poor image at odds with its self-perception as a modern, globalized city. Rather than leading to a qualitative improvement, however, workers are now typically transported in old buses that lack effective air-conditioning.

³⁹ Unions are banned in Saudi Arabia and the UAE. In Kuwait, a national trade union federation exists but for workers to form a union there must be at least fifteen Kuwaiti nationals in the workplace. This effectively prevents unions from forming in the private sector as most workers are migrant workers. In Qatar, non-Qataris are not permitted to form a union. While unions are permitted in Bahrain, strikes are banned in the hydrocarbon, health, education, pharmacy, security, civil defence, airport, port and transport sectors.

⁴⁰ The distinction comes from Karl Marx, *The Poverty of Philosophy* (Moscow: Progress Publishers, 1955), p.150.

⁴¹ In the case of women domestic workers these barriers are even more accentuated. Michele Gamburd's fieldwork with Sri Lankan women workers in the UAE indicates that nearly half of these women never left the houses of their employees in the two years that they spent working in the Gulf (Michele Gamburd, 'Advocating for Sri Lankan Migrant Workers', *Critical Asian*

segregated distribution of communities throughout urban areas. In this manner, the process of spatialization – overlaid with and consolidating other differences in identity – acts to impede possibilities of class solidarity. The class itself is constantly being remade anew, foreclosing possibilities of developing generational continuity, any working-class culture and collective memory of struggle, or stable political organizations.

The Spatial Displacement of Crisis

One final indication of how this class structure has acted as a spatial fix for capitalism in the GCC has been shown during the recent global economic crisis. In the wake of the crisis, the GCC was strongly affected by the drop in the price of oil to a low of around US\$30 in December 2008 from a peak of \$147.27 in July 2008 (by January 2010 it had rebounded and was fluctuating between \$70-80). Estimates in early 2010 put the value of combined oil exports of GCC states in 2009 at \$302 billion, a 42 percent drop from the 2008 figure of \$522 billion. GCC GDP fell from \$1.073 trillion in 2008 to \$887 billion in 2009, with GDP per capita dropping nearly 18 percent to \$23,000 in 2009. The drop in oil revenues significantly reduced budget surpluses, which had risen to record levels in the years preceding the crisis.⁴²

The paralysis of global capital markets and bank lending severely restricted funds for projects in the region, with the GCC real estate sector particularly hard hit due to its reliance on foreign capital and speculative inflows. In the UAE, for example, where a pronounced real estate bubble had developed in the years leading up to the crisis, the value of construction and infrastructure projects plunged from \$60 billion in 2008 to just over \$10 billion in 2009. By early 2010, 92 percent of all real estate projects that had been put on hold in the GCC were located in the UAE emirate of Dubai, and the US property company, Jones Lang LaSalle, estimated that more than half of all projects in the emirate had stopped.⁴³ By some estimates, property prices in Dubai dropped by as much as 70 percent and commercial rents by 60 percent.⁴⁴ Dubai was perhaps the most extreme example but other Gulf states also felt the effects of the project slowdown. In Saudi

Studies, (Vol 41, Issue 1, 2009), p.66). In the UAE, labour laws do not apply to work that takes place in private homes and therefore the majority of Sri Lankan workers in the country are not covered by the (limited) labour rights of the country.

⁴² From 2007-2008, GCC current account surpluses had reached US\$400 billion, equivalent to over 30% of GCC GDP. By 2009, these surpluses had halved and, in the cases of the UAE and Oman, had turned negative.

⁴³ Bernadette Redfern, "Debt Stalls Hopes of Recovery", *Middle East Economic Digest* (Vol 54, No. 5, 29 January – 4 February 2010), p.30.

⁴⁴ *Khaleej Times*, "Dubai Property Prices Plunge Up to 70pc", 30 March 2009.

Arabia, for example, 54 major projects were put on hold, including delays in the construction of the massive King Abdullah Economic City – a US\$27 billion investment planned to house 2 million people by the time of its completion in 2016. In Kuwait, real estate sales dropped by 60 percent to January 2009, according to leaked government data, and major projects in other GCC states were also delayed or cancelled.

The impact of this crisis, however, needs to be understood through the spatial structuring of class outlined above. As the crisis unfolded, two specific trends were noticeable. First, GCC states moved to redirect accumulated surpluses from a decade of high oil prices to private companies, banks and state firms under strain. Saudi Arabia injected around \$10 billion into the banking system and provided US\$2.7 billion in credit to low income citizens having difficult accessing loans. In the UAE, US\$19 billion was placed in local banks in the form of long-term deposits and the Dubai government set up a US\$20 billion emergency fund, the Dubai Financial Support Fund (DFSF), to cover any losses from large infrastructure and real estate projects that were overleveraged. In Saudi Arabia, Kuwait and the UAE all bank deposits were guaranteed by the government. Interest rates were cut in each country and reserve requirements for banks were lowered in an attempt to encourage lending. In Qatar, the leading banks received a US\$4.12 billion injection of funds aimed at buying real estate investments that had soured during the downturn.

Secondly, concurrent with this extension of state support, large state and private companies repatriated temporary migrant workers as projects were postponed or cancelled. This trend was particularly notable in Dubai as the epicentre of the collapse of the region's project market. This repatriation could be done legally and with relatively little protest and, in this manner, GCC states avoided any of the potential social dislocation that unemployment produced in other countries. In essence, the spatial fix structurally embedded at the core of Gulf capitalism permitted the spatial displacement of crisis onto the surrounding peripheries of Asia and the Arab world.

Although an exact accounting of job losses is not readily available, media reports throughout 2009 confirm this process. The Indian consulate in Dubai, for example, stated in March 2009 that UAE construction companies had removed 20,000 workers home through block-booking entire planes.⁴⁵ The Dubai Roads and Transports Authority announced in mid-2009 that it was revising its spending plans to take into account an anticipated one-fifth drop in population levels over 2009-2010 as migrant workers were

⁴⁵ *Arabian Business*, "News in Numbers", (Vol. 10, Issue 10, 2009), p.13.

repatriated.⁴⁶ The Minister for Overseas Indian Affairs, Vayalar Ravi, told the Indian parliament on July 8 2009 that up to 150,000 Indian workers from the Gulf countries had probably returned to the country due to the global economic slowdown. The Indian state of Kerala was planning for around 200,000 workers to return from the UAE by the end of summer 2009.⁴⁷ The number of Bangladeshi workers in GCC countries declined by 58 percent from January 2008 – May 2009, largely as a result of the virtually complete cessation of hiring in Saudi Arabia and Kuwait, which had stopped issuing new work permits and deported thousands of Bangladeshi workers in 2008. These two countries alone had previously accounted for nearly 40 percent of total migrant workers from Bangladesh. The massive plunge in employment was reflected in figures for air travel from Bangladesh to the Gulf – with industry spokespeople claiming a drop from 26,000 travelers per week in 2007 to 12,000 in mid-2009.⁴⁸

As these job losses took place they led to a rapid slow-down in remittance transfers, particularly from the second half of 2008. World Bank figures showed the annual growth in remittance flows dropped from 45 percent in August 2008 to 10 percent in April 2009 for Bangladesh, and from 20 percent to 3 percent in the Philippines over the same time period.⁴⁹ In Sri Lanka, official net remittances inflows declined around 2 percent from 2008-2009. This should be compared to a rate of increase of between 10-16 percent each preceding year since 2001.⁵⁰ The impact of this decline is potentially devastating – particularly when coupled with the slowdown in Sri Lankan export markets. It is estimated that around 20% of Sri Lanka's population is dependent on remittance flows and 60% of these flows come from the Middle East region.

It should be noted, however, that short-term official remittance figures are a partially unreliable indicator of the spatial displacement of crisis. Much of the remittance flows to South Asia from the GCC do not show up in official figures because they happen through informal channels rather than licensed money exchanges or the banking system. This is particularly pertinent in the case of Pakistan where the informal Hawala

⁴⁶ Middle East Economic Digest, "Dubai Reviews Plans as Population Falls" (Vol 53, No. 12, 20-26 March 2009), p.19.

⁴⁷ Mustapha Karkouti, "Workers Go Home", *The Middle East*, (No. 43, August/September 2009), p.25.

⁴⁸ *Financial Express*, "Travel Trade In Jeopardy as Manpower Export Falls", April 21, 2009.

⁴⁹ Dilip Ratha, Sanket Mohapatra, and Ani Silwal, "Migration and Remittance Trends 2009: A better-than-expected outcome so far, but significant risks ahead", (Washington: World Bank, November 3, 2009), p.2. The figures are based on the three-month moving average of year-on-year remittance flows.

⁵⁰ World Bank, *Migration and Development Brief No. 11*, November 3, 2009. www.worldbank.org.

money transfer system is highly popular and almost impossible to track.⁵¹ With the onset of a severe crisis it is not unexpected to see a temporary rise in remittance flows as long-term migrant workers repatriate significant levels of accumulated savings in preparation for a return home. This appears to be the case in both India and Pakistan, where remittance levels from the Gulf sharply increased in 2008 and 2009, despite the slow-down in employment.⁵² Bangladeshi human rights workers noted in December 2009 that this was a likely explanation for an increase in remittance flows from the Middle East over the preceding year – workers lost their jobs and sent all their savings home while they attempted to work illegally for as long as possible without getting caught.⁵³ Moreover, much of the geographic specificity of remittance data can be misleading as it is common for various cities to route remittances through correspondent banks in the US. Since banks attribute the origin of funds to the most immediate source, the US appears to be a larger source of remittance flows than it actually is. Finally, for an accurate appraisal of their impact on specific communities, remittance figures need to be differentiated on a sub-national basis, as labour flows to the Gulf tend to be drawn from specific regions within countries. Remittances to the Indian state of Kerala, for example, represented over 30 percent of its net state domestic product in 2008, whereas they only represented around 2 percent of total Indian GDP.⁵⁴

Nevertheless, it is not so much a quantitative assessment of redundancies and remittances that matters – but rather the *possibility* of such an outcome. Indeed, leading GCC economic analysts acknowledge precisely this potential of spatial displacement as uniquely available to the Gulf region. An analyst for the Saudi National Commercial Bank, for example, noted in rather oblique language that the ability of the GCC to send workers home in times of crisis and return them when growth

⁵¹ In the hawala system, a customer approaches a broker in one city and gives a sum of money to be transferred to a recipient in another city. The hawala broker calls another hawala broker in the recipient's city and gives instructions for the funds (usually minus a small commission). No actual transfer of money takes place but net debts are then settled at a later date. The entire process takes place on trust and no records of the person sending the money are kept.

⁵² World Bank figures for India show remittance flows nearly doubled during 2008 (US\$51 billion compared to \$27 billion in 2007). In Pakistan, remittances sent home by overseas Pakistanis jumped by 20 per cent in the first 11 months of the 2009 fiscal year as compared to the corresponding period last year.

⁵³ Jyoti Rahman and Naeem Mohaiemen, "Remittances: Behind the Shiny Statistics", *The Daily Star*, December 27, 2009. Rahman and Mohaiemen also note that there are no timely official Bangladeshi statistics on the number of workers losing their jobs and returning home (only outgoing migrant numbers). They argue that anecdotal observations from low-cost carriers confirm a large number of Bangladeshi workers returning home after being deported.

⁵⁴ Kunniparampil Zachariah and Irudaya Rajan, "A Decade of Kerala's Gulf Connection", *Migration Monitoring Study*, Center for Development Studies, 2008, p.13.

resumed, was indicative of 'a positive externality of labor market flexibility'.⁵⁵ It is very difficult for workers in the Gulf to protest or prevent this from occurring. Because of their temporary nature, contracts can be simply terminated or not renewed. Workers are put on a plane and sent home – perhaps following a stint in prison if they are caught attempting to work illegally. Once a work visa is terminated, it is not possible to remain in the country to look for alternative work. For all of these reasons, it was possible for Gulf states to displace the worst impacts of the crisis onto migrant workers and – by extension – the surrounding region, without regard for its social consequences.

5. Conclusion

This paper has argued that processes of class formation need to be understood through a spatial lens. Class, as a set of social relations, is located in concrete spatial configurations – it is spatialized through the relationships that are established between distinct geographical zones in the course of its formation. In the GCC, this spatial structuring of class has been constituted through the flows of temporary migrant labour between the region, South Asia and the rest of the Arab world. This has provided a spatial fix for Gulf capitalism – enabling an increased appropriation of value arising from spatial differences in the costs of the reproduction of labour power, establishing a powerful means of social control, and allowing Gulf capitalism to displace crisis.

This perspective can deeply enrich an understanding of how capitalism in the Gulf region has formed and continues to evolve. It is not possible, for example, to fully understand the stability and adaptability of Gulf capitalism and its ruling elites without an appreciation of the spatialization of class. Political conflicts have generally originated in inter-elite discord (such as between different branches of the ruling family, and the conflict between religious scholars and the monarchy) or Islamist movements based upon the *petit-bourgeoisie* – not from any popular protest. This relative political quiescence can be contrasted with the situation in two oil-rich neighbouring countries, Iraq and Iran, where the working class has a long history of mobilization and persistent opposition to Western policies in the Gulf and wider Middle East. In the wake of economic collapse, the Gulf states have seen very little popular protest or anger. It is certainly true that many high-profile projects have been halted, consumer demand has plummeted and businesses have shut their doors – but the citizen population has emerged almost unscathed as Gulf capitalism's spatial

⁵⁵ Jarmo Kotilaine, "Rebalancing via deleveraging", *NCB Capital GCC Economic Monthly*, October 2009, p.21.

fix meant that the real pain of the crisis was felt by the swelling numbers of unemployed across the Gulf's surrounding regions.

This analysis should not be interpreted, however, as implying the continued long-term stability and permanence of the Gulf's spatial structuring of class. Within many GCC states, growing unemployment levels in the citizen population – most particularly among youth – are a noticeable trend. This does not necessarily translate into poverty due to state support of citizenry – but a pronounced demographic bias towards youth and the cost of maintaining the current structure will place exponentially greater demands on state revenues. Finding ways to absorb new generations into the workforce whilst retaining the specific characteristics of the spatial fix of the last decades may prove to be an untenable contradiction in the long run.⁵⁶ But any significant shift in labour market composition carries with it deep political implications precisely because of the role that the spatial structuring of class has played in the development of Gulf capitalism. To reverse this structure in any real way, implies significant social dislocation and brings with it the potential development of domestic social movements that have largely been absent from the GCC over the last few decades. For these reasons, the spatial fix of Gulf capitalism – amply demonstrated in this particular crisis – may precipitate its own 'switching crisis' in the medium-term future.

At a broader level, the relationship between crisis, accumulation and space can deepen analyses of the current economic crisis. During this most recent crisis radical commentators frequently cited Lenin's dictum that there is 'no such thing [for capitalism] as an absolutely hopeless situation' – an important reminder that capitalist crises are inevitably resolved in some manner.⁵⁷ The question remains, however, of the means by which this resolution takes place. One answer can be found in the relationship between spatiality and the patterns of class formation. The continually evolving process of class formation acts to shape the way that crisis is both mediated and resolved. The spatiality of capitalism is more than an accidental or contingent outcome of accumulation; it is actually constitutive of accumulation itself. In order to understand capitalism and its crises, it is necessary to grasp this spatialization in its entirety.

⁵⁶ To date, most Gulf states have responded to this tension with 'Gulf-ization' programs that offer incentives or set quotas for businesses in the hiring of Gulf citizens. These programs, however, have had little real efficacy and have not substantially altered the structure of the labour force.

⁵⁷ Vladimir Lenin, "Report On The International Situation And The Fundamental Tasks Of The Communist International July 19, 1920", *Collected Works*, 4th English Edition, Vol. 31, (Progress Publishers, Moscow, 1965 [1920]) pp. 213-263.