



### **Renegotiating the Social Contract in the GCC: Lessons from the Rousseau Playbook** *by Zaid Belbagi*

**I**t is an academic rule of thumb that lower international oil prices prompt analyses into the long-term viability of the oil-exporting Gulf Cooperation Council (GCC) states. Such a rudimentary analysis fails to appreciate the complex nature of what is a multi-dimensional problem. Similar to any government, the leaderships of the GCC states have long-developed social contracts, outlining the relationship between the rulers and the ruled.

This contract, reviewed in close comparison with Rousseau's original 1762 treatise<sup>1</sup> should be closely analyzed at a time of falling energy prices. Leaner times provide the opportunity for governments to revisit inefficiencies in their systems and to develop a more sophisticated and effective political relationship with their citizens. Given the increasingly young and informed public, building and maintaining a strong national identity must be encouraged to create active citizens who produce more than they consume. The channeling of this popular will for the benefit of the whole, described by Rousseau as the "Volonté générale,"<sup>2</sup> should underscore government efforts.

### Changing social contracts

The most significant challenge shaping arguments for a review of how governments relate to the public are sharp demographic increases. Essentially, societies have expanded, making relationships between governments and society more diffuse. This is referred to as an “evolution in state-society relations.”<sup>3</sup> This affects the traditional premise that GCC governments share an intimate relationship with society and can count on support through “traditional patron–client”<sup>4</sup> networks.

The driver of this is what is often referred to as the *youth bulge*, “a demographically historic moment” characterized by one-third to one-half of the population being under the age of 25 across the GCC.<sup>5</sup> Though this is not news to policymakers, recent discussions framing it as a potentially destabilizing force have renewed arguments of its importance. The “productive participation” of these “untapped resources”<sup>6</sup> is a critical economic and political challenge. With Rousseau’s *Social Contract* in mind, it must be noted that major disturbances in history, the French Revolution and the Iranian Revolution were brought about, in part, by demographic increases. This enormous demographic bulge will continue to move into the workforce and thereby accelerate the need for governments to revisit policies to accommodate it.

### Nurturing ownership

Governments should manage these changes wisely, to avoid creating strains on the existing system. Traditional relationships will need to be replaced by newer relationships based on “education, occupation and professional interests.”<sup>7</sup> This highlights the issues of ownership in the region. Economic integration through ownership for ordinary people should be sought. People require a larger stake in society, making them wary of any potential upheaval that might affect their interests. Private ownership must be fostered throughout the GCC to complement the growth of the middle classes.<sup>8</sup> The benefits of this are outlined in *The Social Contract*: “to the possessors of property...their resources become guarantors of their fidelity.”<sup>9</sup>

The rocketing population growth highlights this concern, in countries where subjects “can no longer meet their rulers every Friday,”<sup>10</sup> they instead need to be active economic stakeholders in the success of society. Nurturing ownership will help offset the risk of potential political problems as a result of declining resources,<sup>11</sup> and is an important facet of redrawing existing social contracts.

In the rush to modernize, the growth of civic life has not kept up with economic development. The force holding the social contract together in Rousseau’s argument is the idea of the good citizen. Fundamentally, when “citizens love their duty” and difficulties in governing cease, “administration becomes so easy.”<sup>12</sup> This is often overlooked though it is a critical component of the social contract. Through encouraging public engagement and civic duty, GCC states can support the role of an overall society to which citizens may subscribe. This would encourage prosperity alongside increasing domestic cohesiveness. This is not an insurmountable challenge, the “broadly good” relationship between the authorities and citizens provides an opportunity to build a contract where “co-existence can flourish.”<sup>13</sup> Efforts to positively inculcate a responsible citizenry has the added effect of reducing the state’s burden of managing society. Put in the GCC context, integrating “youth into nation-building” has been considered an “immediate priority”<sup>14</sup> and central to building cohesive societies outlined by Rousseau.<sup>15</sup>

## II. Analysis

### The private sector in the decision-making process

GCC economies have followed the “central political tenet of rentier state theory” in that the citizenry accept state authority, which in return provides security and distribution of rent (oil income).<sup>16</sup> To this end, governments have been conscious of preserving large public sectors to provide employment.

This has political implications as the integration of locals into the private sector will require a “negotiation of the social contract” that increases the private sector’s political power.

Supporting bloated public sector entities is inefficient and counters Rousseau’s political guidelines on the importance of government administering the economy responsibly, for the “good of the whole.”<sup>17</sup> There are increased calls for GCC governments to develop the relatively small private sector to provide jobs.<sup>18</sup>

This has political implications as the integration of locals into the private sector will require a “negotiation of the social contract” that increases the private sector’s political power.<sup>19</sup> Government performance on the economy will grow in importance as the onus will be to create the right “structural and policy”<sup>20</sup> conditions to create private sector jobs. As the private sector grows and generates more wealth and invests in national infrastructure, it will require a “greater role in the decision making process.”<sup>21</sup> Modern economies thrive on “highly skilled human capital” and GCC governments must ensure jobs which nourish such capital.<sup>22</sup> This “evolution”<sup>23</sup> requires governments to support economic reforms to maintain the political support of private sector entities and the increasing number of people employed in them. This development is crucial as the vulnerability of budgets to volatile energy prices has illustrated the need for long-term private sector involvement.

In the coming decade, social trends focused on demographic, economic and political issues have the potential to be destabilizing without adequate government efforts to seek a more engaging social contract. Falling energy prices affect the severity of these trends and the speed at which they may have an adverse impact on the viability of the GCC states in their current form. Given the challenges of youth and the need to create meaningful employment, the focus of governments must be the economic well-being of nationals.

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<sup>1</sup> Jean-Jacques Rousseau, introduction to *The Social Contract*, trans. Christopher Betts (Oxford World’s Classics, 2008).

<sup>2</sup> Rousseau, *The Social Contract*, XXII.

<sup>3</sup> Tarik Yousef, “Unlocking Labor Markets in the Gulf Cooperation Council,” in *Challenges of Economic Development for the GCC Countries*, eds. Mohammed Hajeesh, Zafar Mahmood and Mohammed Ramadhan (Kuwait Institute for Scientific Research: 2005) 163.

<sup>4</sup> F. Gregory Gause III and Jill Crystal, “The Arab Gulf: Will Autocracy Define the Social Contract in 2015?,” in *The Middle East in 2015: The Impact of Regional Trends on U.S. Strategic Planning*, ed. Judith S. Yaphe (Institute for National Strategic Studies: 2002), 165.

<sup>5</sup> Mona Al Munajjed and Karim Sabbagh, *Youth in GCC Countries: Meeting the Challenge* (Booz & Company: 2011), 4

<sup>6</sup> *Ibid.*, 49.

- <sup>7</sup> J.E. Peterson, *The GCC States: Participation, Opposition, and the Fraying of the Social Contract* (Kuwait Programme on Development, Governance and Globalization in the Gulf States, LSE: 2013), 4.
- <sup>8</sup> Gareth Stansfield, *Arabian Gulf Security: Internal and External Challenges* (Emirates Center for Strategic Studies & Research: 2008), 202.
- <sup>9</sup> Rousseau, *The Social Contract*, 61.
- <sup>10</sup> Christopher Davidson, “After the Arab Spring: the Gulf monarchies in an age of uncertainty” (lecture, Kuwait Programme on Development, Governance and Globalisation in the Gulf States, LSE, London, October 24, 2012).
- <sup>11</sup> Martin Hvidt, *Economic Diversification in GCC Countries: Past Record and Future Trends* (Kuwait Programme on Development, Governance and Globalization in the Gulf States, LSE: 2013), 5.
- <sup>12</sup> Rousseau, *The Social Contract*, 16.
- <sup>13</sup> Abdellatif Al-Duaij, “Are we Different?,” *Kuwait Times*, March 17, 2015.
- <sup>14</sup> AlMunajjed and Sabbagh, *Youth in GCC Countries*, 64
- <sup>15</sup> Rousseau, *The Social Contract*, 17. Rousseau warned “it is not enough to say to the citizens: ‘Be good’. They must be taught.”
- <sup>16</sup> Peterson, *The GCC States*, 3.
- <sup>17</sup> Rousseau, *The Social Contract*, 3. Rousseau traces the origin of the word economy as coming from “the Greek *oikos*, ‘house’, and *nomos*, ‘law’, and originally meant only the wise and lawful government of a household for the common good of the whole family. The meaning of the term has since been extended to cover the government of the greater family, which is the state.” 3.
- <sup>18</sup> Hvidt, *Economic Diversification in GCC Countries*, 6.
- <sup>19</sup> Gause III and Crystal, “The Arab Gulf,” 165.
- <sup>20</sup> Yousef, “Unlocking Labor Markets in the Gulf Cooperation Council,” 162.
- <sup>21</sup> Gause III and Crystal, “The Arab Gulf,” 168.
- <sup>22</sup> Martin E. Spencer, “Weber on Legitimate Norms and Authority,” *The British Journal of Sociology* 21, no. 2 (1970): 124.
- <sup>23</sup> Yousef, “Unlocking Labor Markets in the Gulf Cooperation Council,” 163.