The Composition of the Saudi Middle Class: A Preliminary Study

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The main objective of this study is to understand the status quo of the middle class (henceforth MC) in the Kingdom of Saudi Arabia. In order to do that, it was imperative to construct a preliminary Saudi class pyramid. This study begins by attempting to construct a theoretical framework for understanding the concept of the new middle class (henceforth NMC), its constituents and various categories, as well as its importance within the socio-economic and political structure. Marxist and Weberian methodologies are examined, as each of them comprises several theories that fall within the general framework of the methodology concerned. Yet, theories within each school of thought differ in some important details. It does not seem that Neo-Marxists have managed to extricate themselves from their characteristic position regarding the MC in terms of the criteria of income, status and influence in the sphere of labor. Some deny the existence of a single MC in the precise meaning of the term; instead they conceptualize several sections/classes with different interests and needs.

Having done this, this study explores how the Saudi MC has emerged historically, its size within the Saudi socio-economic structure and delineates its different sections, the upper, basic (middle) and peripheral (marginal). It goes without saying that the

* The present study was done in 2009-2010 using available data at the time. Since then an upsurge in oil prices has led to a gigantic increase in governmental spending, whose main features, as far as this study is concerned, have been a noticeable increase in middle class public job opportunities and immense spending programs, such as housing and real estate interest-free loans. Yet, findings of this study remain, as far as the present writer is concerned, valid.
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Saudi social framework has its distinctive characteristics in terms of the historically-shaped socio-economic structure; on the other hand, the Saudi economy falls within what some social scientists dub the rentier state where state funding is still the prime driving force of the economy.

This study hypothesizes that in Saudi Arabia a NMC has emerged under state patronage, i.e., the state has historically established the MC. The main bloc (about one million members) is in the massive state bureaucracy. Another smaller part of this MC works in the private sector; however, the composition of this part is somewhat different from its counterpart in the public sector. The MC in the public sector is stronger and mainly belongs to the basic section of this class; whereas the MC in the private sector is still fragile. This study notes that the larger bloc of private sector employees fall within the lower section of this class in terms of monthly income, etc. Hence, the basic and, to some extent, the peripheral sections of the MC have a subdued presence in this sector.

Moreover, this study explores a hypothesis that a notable part of the basic section of the MC is sliding into a peripheral status. Notwithstanding the distinctiveness of the MC, there is an obvious distinction, in terms of income, status, and influence criteria between the higher and lower sections of the Saudi MC. On the general level, the pattern of change points to increasingly sharp class distinctions within the Saudi socio-economic structure. It seems that the lower (peripheral) section of the MC is increasing in number and percentage, while its members’ income, status and influence in the sphere of labor are declining. Hence, it will be closer to the extensive lower (poor) class and could eventually merge with it causing it to expand, as this study notes. In other words, there is a high probability that a large fraction of the peripheral MC might slip below the poverty line, causing the lower class to expand. Parallel to this though, the percentage of the higher section of the MC is expected to shrink, as part of this section will increase its income, status and influence in the sphere of labor. Hence, it will be closer in terms of mode of living and expectations to the higher class. Therefore, it is hypothesized that the Saudi MC will contract causing its percentage of Saudi class hierarchy to diminish. In the short and medium runs, the size of the Saudi MC, and its marginal section in particular, might increase incrementally, but insufficiently enough to absorb the high rates of population growth in the kingdom. In other words, most newcomers to the job market are primarily going to feed the base of the hierarchy primarily leading probably to the expansion of the marginal section of the lower class and the lower class.

It is likely that class distinctions will increase mainly owing to the impact of the mode of development of Saudi economy (high-tech and capital-intensive industries
and hence relatively few workforce) and accelerating global integration of this economy. The global financial crisis with its attendant increasing competition between major companies and global redistribution of specialization will increase pressure on the Saudi NMC to adjust to the global mode – the MC is shrinking globally and, most probably, it will shrink in Saudi Arabia. Moreover, section distinctions within the Saudi NMC will probably intensify. All this will have several unfavorable economic and political outcomes. In the realm of economy, administrative corruption and embezzlement of public funds1 might spread and governmental bureaucratic performance might slow down or lag behind the high professionalism and competence of the Saudi private sector. The contraction and pressures will not be similar at the level of districts as evidenced by information obtained from the National Strategy for Combating Poverty (2005, henceforth NSCP), which has affirmed the existence of glaring differences in the distribution of poverty zones across the regions and districts of the Kingdom. This is also true of the MC whose distribution across the kingdom’s map is strikingly disproportionate. Therefore, if the MC shrinks or faces pressures, this will, most probably, affect areas where it is still fragile and small. Most probably, this will have a significant effect on political stability in the kingdom, as it is possible that Saudi patriotism will regress, weakening national unity. This could also provide a favorable environment for the growth of religious extremism and terrorism. The current financial boom in Saudi Arabia, which has generated a generous increase in government spending, might slow down the intensification of class distinctions and polarization in the Kingdom temporarily.

1. A Theoretical Approach

1.1 Previous Studies

There are only a few studies of Saudi class composition, let alone classes’ sections. At the beginning of the 1970s, William Rugh wrote a pioneering article on the Saudi NMC. Rugh explained the origins of this class, indicating rightfully that the members of this class owed their positions to modern education.2 He distinguished between this modern class and its traditional counterpart, which is composed of sections linked to the traditional system of religious education and associated institutions. During the following decade, two studies on Saudi class composition appeared. Mishary Al Nuaim wrote a doctoral thesis on building modern Saudi

1. A classification by Transparency International gave Saudi Arabia the 80th rank among 180 nations with a transparency rating of 3.5 out of 10.
Arabia within a pre-capitalist class structure. This pioneering important study was a methodic attempt to rewrite Saudi socioeconomic history for the last three centuries. Al Nuaim’s study employed the mode of production paradigm, in order to understand the process of building the Saudi state in the context of dialectical relationship between the nomadic (Bedouin) and the tributary (urban) mode of productions. His analysis focused on the role of the urban commercial class in the formation of the modern Saudi state. Shortly afterwards, Ali Sultan wrote an important doctoral thesis in which he incorporated an interesting class categorization of Saudi society. He drew upon a large amount of various government data and statistics. His study delineated the class features of modern Saudi society. Although the data and statistics helped him a great deal in his ambitious endeavor, their rudimentariness, vagueness and generality constricted his conclusion and left several questions unanswered. Furthermore, his simplified conception of the MC compounded his difficulties. For instance, Sultan failed to differentiate between the various sections of the NMC confining himself to the traditional new-old MC dichotomy, following in the tracks of William Rugh. Within the NMC, Sultan considered all state employees a part of the NMC without distinguishing between its varying sections. Moreover, he lumped all private sector employees, including those of giant companies, as workers, although many of them are rightfully a part of the NMC, while some of them fit squarely within the upper class. Recently, Giacomo Luciani wrote the first article on contemporary Saudi bourgeoisie declaring that it has been transformed into an established national bourgeoisie.

1.2 Methodology and Limits of the Study

This study notes a convergence between two analytical paradigms – the Marxist and the Weberian – and adopts the Weberian concept of class and class analysis to understand modern societies. Weberian class analysis acknowledges the importance of wealth, influence and social status to distinguish among classes. Moreover, this study notes that some modern neo-Marxists have deserted the orthodox Marxist concept of class consciousness distinguishing it from class awareness.

In addition to relevant political literature, the analysis and conclusions of this study are based on governmental data on the Saudi workforce in both the public

and private sectors. While those statistics are valuable indeed, they remain mostly incomplete, vague and sometimes obsolete. Moreover, this study has benefited from valuable information on the poverty line and the phenomenon of poverty in the Kingdom thanks to the little-known NSCP. However, the scarcity of sound studies of the Saudi class structure in general and the MC in particular has, so far, left little room for determining demarcation lines separating the lower, middle and higher classes, let alone sections of MC. Hence, this writer used his own discretion to draw these lines of demarcation in order to build a Saudi class pyramid.

In a different vein, the data on Saudi workforce do not provide detailed information on the categories of this heterogeneous bloc. Accordingly, the category of “those who employ others” is a large, indefinite bloc that includes discordant groups irrespective of their differences in terms of income, power and status. In other words, available statistics do not differentiate between the big bourgeoisie, on the one hand, and the petty bourgeoisie, on the other. Moreover, the category of “those who do not employ others,” does not differentiate between those with average and small incomes, or between those who have other permanent jobs, properties etc. and the rest who have no other sources of income. In all cases, available data do not provide information on the family sizes of those concerned. To make things worse, categories of the Saudi workforce fail to provide specific information on the average income of each specific category. To be sure, old data dating back to 2000 contain average monthly wages of Saudis (and others) according to vocations and levels of education; however, it fails to include meticulous classifications of vocations, limiting its value for our purposes. Moreover, its failure to differentiate between workers of the public and private sectors reduces its scientific value. In view of these and other flaws, this writer resorted to his personal diligence to bridge existing gaps. For instance, personal discretion was relied upon in order to determine the class positions of various job categories in the private sector. This was supported by information derived from several relevant sources belonging to different walks of life. In light of this, this writer admits the shortcoming of the present study and welcomes constructive criticism. If this study instigates further studies on the Saudi class structure, it would have accomplished its purpose.

1.3 The MC: a Confusing Concept
Political literature still abounds with controversy over the concept of the MC, its components and political role. Marx’s specter continues to hover across class-based analyses; while some researchers continue to admire Marx’s tenets employing them as their starting points of departure, others choose to modify them, while many challenge them, but Marx has rarely been ignored his idea of class distinction and
class struggle in capitalist societies is well-known. This class struggle, as conceived of in Marxist thought, is bound to be perpetuated until the inflated proletariat destroys the dwindling bourgeoisie and, with it, private ownership. In its definition of class, orthodox Marxist methodology defines classes according to their positions within existing relations of production in a specific socio-economic structure. Consequently, some have concluded precipitately that Marxist analysis does not give much room for the conceptualization of a more diversified class structure, thus denying, supposedly, the existence of the “MC” all together. However, others have pointed out correctly that Marx was more precise when he spoke of a specific historically determined society. For instance, a short argument from the fourth volume of Das Kapital is often referred to, wherein he criticizes Ricardo for having forgotten “…. The constantly growing number of the MC, those who stand between the workman on the one hand and the capitalist and landlord on the other …” It seems that Marx did not place this class in a favorable position for he finishes the previous paragraph by saying that this class is a burden weighing heavily on the working base while social security and power of the capitalist class continues to shore up.  

To be sure, Marx was referring to the old MC, which was composed of farmers and small businessmen and investors on the basis of the European historical experience where capitalism was born from feudal systems. A class of private investors in the small and medium business sector emerged with an embedded degree of financial risk. This class was called "petty bourgeoisie" to distinguish it from the class of industrialists, merchants and major financiers who form in their totality the "big bourgeoisie." As the capitalist system expanded globally gaining increased strength, classic classes existed no more.

After the First World War, sociologists recorded the progressive growth – though in varying proportions – of a new class of professionals working for themselves or for others (lawyers, doctors, entrepreneurs, specialized managers, engineers, accountants, publicity, marketing, insurance or banking specialists, teachers, workers in the health sector, clerks, salesmen). What is common between all of them is that they are not owners of the means of production in the Marxist concept. Hence, they do not belong to the powerful bourgeois class. On the other hand, their incomes and standards of living are manifestly higher than that of the working class singling them out as a distinctive class by itself. This phenomenon has been observed in all advanced industrial economies. Coming at the top of those economies, the United States has

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become the first and largest repository of the NMC. In Britain, the NMC has expanded and, at the end of the last century, constituted 52 percent of the workforce there. During the last decades, many developing industrial countries witnessed the growth of their MC with millions of their poor crossing their poverty lines. From China to India, to the Arabian Gulf countries, to Brazil and Argentina, to Kenya and Nigeria, NMCes have emerged in a noteworthy manner.

Developing countries present additional theoretical challenges; for are we talking about a pure capitalist system or a complex socio-economic structure? For instance, theoreticians of the mode of production paradigm believe that in any specific socio-economic structure, multiple modes of production belonging to several successive economic phases co-exist. In many non-European socio-economic structures, several classes and class remnants or other groups have co-existed, rendering them inflexible as to a simple, reductionist class duality. While this has been shown clearly in many developing countries, even capitalist socio-economic structures of the 18th century were too complicated to be reduced to the previous Marxist theoretical class duality. On the other hand, European experiences may not provide an honest guide to their development paths, nor to the political options of their classes, including the MC. Some believe that capitalism itself has gone through several phases that have redrawn class charts in various societies in several different ways. This may indicate the maturity of capitalism as a global system. Several major developments on the global level have interacted (the emergence of giant multinational monopolistic firms and institutions and the expansion of service sectors) to change the essence of capitalism. These developments have reshaped the class structures in the societies concerned – including the working class – against the backdrop of socio-economic phenomena that were not known in the 19th century. A NMC came into existence; it was called white collar. Separation between the ownership of means of production and the

7. In the late 20th century, the NMC constituted half of the American society. By contrast, its Japanese counterpart did not exceed approximately a third of the members of society at that time. Later, the size of the former increased to include a third of American families.
8. In the late 20th century, the NMC constituted half of the American society. By contrast, its Japanese counterpart
10. This analysis might help to explain present Saudi socio-economic structure. It is known that in the stage of pre modern state-building, there were several modes of pre-capitalist production (tributary and nomadic). Later, the intensive flow of oil heralded the incorporation of the modern state and old society in the global capitalist economy with its attendant consequence, including modern class formations, which overlapped with old organic divisions tribal, provincial and sectarian affiliations, resulting in a distinct hybrid. For more details on dialectical interaction of pre-capitalist modes of production at that stage in the Arabian Peninsula, see Mishary A. Alnuaim, “State-Building in a Non-Capitalist Social Formation,” 113-183 and 184-234.
management of the process of production itself became clear. In modern institutions, top administrative echelons possess huge “leverage” that might unavailable to the shareholders of those firms and institutions. Groups of blue-collar workers (laborers) have been distinguished from white-collar employees (the NMC) whereas differences within each class became manifestly visible. Moreover, the accelerating globalization of capitalism heralded structural changes that have impacted the NMCes, as will be discussed subsequently.

Marx apart, Weber, the giant of contemporary sociology, presents elements that many consider vital to understand the profound changes that modern capitalist societies have undergone. Weber devised a tripartite criterion of wealth, status and power to determine class. Wealth means material benefits that can be satisfied via individuals' purchasing power in the market. This can be realized via money as well as experience in work sites. Status relates to one's rank in view of others. Social status derives practically from one's position which remains the primary factor that shapes the life of an individual. There is a strong relationship between position, on the one hand, and the individual's financial ability, his cultural and consumption options, and even his place of residence on the other hand. Power is the ability of individuals to make others fulfill their wishes and suggestions and/or their orders voluntarily or compulsorily. Obviously, these three elements overlap and interlock closely. Wealth, for instance, brings status and power, but not always.11 It is important to note that one of these criteria is not enough in itself to describe the NMC. The high income of a blue-collar worker, for instance, does not qualify him to enter the NMC if other criteria are missing.12 Drawing from the Weberian paradigm, several studies (Goldthorpe, Right, Bordeau) have adopted similar criteria to distinguish the NMC, albeit with slight differences among them.13

Lastly, political literature of different theoretical trends abounds with questions relating to the suitability of class analysis to understand the processes of socio-political changes in developing countries. Some believe that social classes in these countries are still weak and fragile in general. More specifically, class distinctions in these countries are complicated as several pre-capitalist factors as well as traditional

11. Marger, Social Inequality, 38-43; See also Giddens, The Class Structure of Advanced Societies, 52; King and Raynor, The Middle Class, 8-10.
12. On the other hand, traditional factors may interfere in the process of interaction between the previous three elements: in some societies the tribe, ethnicity, sect, or age may give an individual special merit.
affiliations intrude on class formation rendering it weak and fluid. All this is conducive to the fogginess of class consciousness.\textsuperscript{14} It goes without saying that class consciousness enables a class to be aware of its common interests and, hence, operate as a bloc in the different spheres of life. The question of class consciousness is subject to much controversy in the political literature concerned. Does the MC possess the kind of class consciousness consequential to its position in a specific class structure? More specifically, does the MC constitute a source of unified economic and political action? Limited space does not permit elaborating on the question of class formation and class consciousness. However, we can refer to the differences between orthodox Marxist attitude and the schools generally associated with the Weberian paradigm. The former is based on the absolute importance of class analysis, whereas the latter do not accord attention to class consciousness in their conception of the multiplicity of different competitive groups and sections with conflicting economic and political interests. However, such differentiation is not accurate by necessity. Some contemporary Marxist studies have abandoned traditional stereotypes in pursuit of a more moderate analysis, which suits contemporary societies differentiating between “class awareness” and “class consciousness.”\textsuperscript{15}

The existence of the MC is not entirely settled. This issue relates to adjusting the concept of class and demarcating the borders of each class. For instance, a methodological option might lead to the contraction of the proletariat leaving room – spacious or limited – for a new, broad MC. On the other hand, the proletariat and capitalist class might expand by “distributing” members of the MC between them, or even giving it wholly to this or that class.\textsuperscript{16} Moreover, some sociologists have denied the existence of the MC as an analytical concept – among other concepts – to understand contemporary societies for several reasons. For instance, Bendix views the NMC as an extension of the capitalist class as the power they possess in the sectors of industry, trade, services, and government authorities is mandated by members of the capitalist class. By contrast, Mills maintains that the NMC is closer to the proletariat as it shares with it lack of possession of means of production. He notes that incomes of the former diminish progressively coming closer to the incomes of its analogue, the proletariat.\textsuperscript{17} Even some of those who accept the existence of the MC are skeptical about its cohesion and unity. For instance, Marger maintains that there are three classes that occupy the middle space between the rich at the top and

\textsuperscript{14} Bill, \textit{Class Analysis and the Dialectic of Modernization in the Middle East}, 418; See also Roxborough, \textit{Theories of Underdevelopment}, 72.

\textsuperscript{15} Giddens, \textit{The Class Structure of Advanced Societies}, 111. For another point of view, see Nicos Poulantzas, \textit{Political Power and Social Classes}, (London: Verso, 2nd impression), 73-77.

\textsuperscript{16} King and Raynor, \textit{The Middle Class}, 7-20 and 242-244.

\textsuperscript{17} Ibid., 10.
the poor at the bottom: the upper, the lower, and the proletariat; in their entirety they constitute the majority of American society.¹⁸

On the other hand, Daher maintains that what is called the “MC” is actually divided into two parts: higher position employees who possess administrative power and influence, on the one hand, and low wage employees who have no power and only execute the orders of their seniors. The former are a part of the capitalist class, while the latter are included in the proletariat. Thus, Daher replaces the possession of means of production by power (i.e., leverage) as a determinant of class position and posits that wealth is a kind of power and influence. This position indicates conflicting interests within the MC thus denying its analytical explanatory power as it lacks the ability to explain the behavior of its alleged members.

Yet, Daher’s analysis has its own problems. On the one hand, the fact that higher position white-collar employees are considered a part of the capitalist class, as participants in making administrative and productive decisions and directives, does not seem to be based on solid practical foundations. They too are subject to these decisions as employees and citizens. On the other hand, Daher neglects the ultimate goal of any capitalist facility – maximizing profits, which accumulates in the hands of the capitalist class leaving employees, irrespective of their positions, with their salaries only.¹⁹

In fact, there are no major differences among the class fractions of the MC in terms of income, job and education. All these class fractions are difficult to monitor accurately in themselves. The basic and peripheral (lower) sections of the MC consist of those who occupy different jobs, including owners of small businesses, employees in middle administrative levels in private and public sectors, technicians and employees in health jobs, legal jobs, secretaries, etc; the list also includes retailers in the private sector. The incomes of all these vary greatly, but all share the fact that their incomes are not high. As for education, most of them have secondary school certificates, but some of them have diplomas or bachelor’s degrees.

The upper section of the MC consists of leading employees in many institutions in the private and public sectors. They occupy positions wherein they can take decisions that guide work in the institutions concerned. According to these decisions, employees in middle administrative sectors and blue-collar workers perform the jobs’ duties and tasks. This class fraction includes leading administrative positions in the private and public sectors (especially financial, banking and industrial institutions and others), top doctors, senior lawyers, engineers, and university lecturers. These categories reside

¹⁸ Marger, Social Inequality, 56-62.
¹⁹ King and Raynor, The Middle Class, 10-12.
in specific quarters and are very much similar in consumer tendencies and artistic and cultural tastes. They are linked to each other by marriage relationships.

What these categories have in common with respect to income is that most of the income of their members comes from their work. Of course, this does not mean totally excluding other sources; most of the higher and some of the MC fractions usually have additional incomes from real estate properties, shares, and bonds. Moreover, the size of MC sections differs considerably. In the 1950s, 60 percent of the American NMC employees were working in the industry while the remaining 40 percent were working in the services sector. But with the development of the American economy, nearly 75 percent of the NMC became employees in the services sectors. In addition to this, these class fractions differ in huge proportions and this usually leads to talk of a middle upper class fraction (lawyers, doctors, entrepreneurs, managers, specialists, engineers) parallel to two class fractions: the middle and lower classes (specialists in publicity, marketing, insurance, or banking, teachers, workers in the health sector, clerks, salesmen). All this notwithstanding, these class fractions form a class that is distinguished from the higher and lower classes providing a substantial foundation to conceptualize a NMC.20

In sum, the present study attempts to reconcile two schools — the Weberian and Neo-Marxist school as trends in both of them are deemed to converge on recognizing the MC as an analytic concept that is based on several dimensions such as ownership, status and influence. In light of this, this study combines the two analyses to understand the modern Saudi MC.

1.4 Contraction of the NMC

It is customary for social scientists to draw a pyramid to represent, in a preliminary form, the class map of any society. An area equivalent to 5 percent–10 percent at the top of the pyramid represents the upper bourgeoisie class. The MC occupies the middle area of the pyramid; the percentage of this area varies according to various socioeconomic factors. The lower class resides at the bottom of the pyramid; this area may widen or narrow essentially in proportion to the size of the MC.

20. Marger, Social Inequality, 62-69 and 111-112.
In the case of societies having economic abundance like the United States, where the MC is supposed to be broad and stable, the conventional pyramid is substituted with a rhombus whose upper and lower edges narrow leaving a very large middle area dented on the right and left sides.

In the Arab world, several studies have competently tried to delineate the class structure in Arab countries, which was by no means an easy task, in view of class fluidity and weak class formations. Some studies have attempted to classify

21 See, for instance,

See in particular the seminal study by Hanna Batatu on Iraq. Hanna Batatu, *The Old Social Classes and the Revolutionary Movements in Iraq: A Study of Iraq’s Old Landed and Commercial
overlapping classes and class fractions using the pyramid shape. As far as the MC is concerned, applied studies in several Arab countries have noted the phenomenon of the expansiveness of the MC, which includes the salaried MC in addition to the classic petty bourgeoisie. For instance, in pre-civil war Lebanon, one study estimated the total size of the MC to be in the region of 60.6 percent of all Lebanese society. In the Tunisian case, 55 percent of the total economically active population was considered to belong to the MC. In oil societies, or what are called rentier states, some have suggested that the shape of the pyramid changes to a rhombus. It is obvious that this shape is based on the hypothesis of the hugeness of the NMC in those societies in contrast to a relatively smaller lower class and an upper class, which is somewhat larger than its counterparts in other societies.

Subsequent studies have enhanced our understanding of the MC, as well as its position within the socio-economic structure. Since the early 20th century, when the premonitions of the growth of the NMC were gathering, some Marxist scholars hastened to project its disintegration; accordingly, part of it slides down to the lower class, while the other joins the capitalist class upwards. In such case, Marx’s theory would be vindicated, as the social structure retains its duality. In this vein, a prominent Arab Marxist scholar maintains that neo-liberal policies have led to placing the NMC in general, and its basic and its peripheral fractions in particular on a one way downward road towards disappearance. Another Neo-Marxist sociologist rejects...
such argument as naïve. On the Weberian side, the NMC is admired as a stable pillar of modern economies and the spur of contemporary economic growth.

Figure 3: A sketch of the contraction of the MC

Yet, the hypothesis of the contraction of the NMC remains interesting indeed for some societies do experience such phenomenon. Several scholars of different intellectual orientations agree that in some countries the dividing line between the middle and lower sections of the NMC has become faint. Furthermore, the demarcation line separating the middle and lower classes is in no better shape. Part of the reason could be found in the increasing use of computers in most businesses and jobs of the middle and lower sections of the NMC rendering such jobs to routine labor-like jobs and those who perform these jobs becoming increasingly akin to blue-collar workers. Consequently, lay-offs grow, driving salaries and wages downwards. Hence, some studies have observed that the class of MC bureaucrats who perform routine work in some countries – have turned into semi-laborers owing to their low salaries and their modest living standards.

Despite that, the proposition of the contraction of the NMC, or vital sections of it, requires closer examination. Statistical information on American society has shown that the most mobility in the American class system occurs within the NMC. Marger has demonstrated the growth of material differences distinguishing the upper from the lower sections of the NMC in the American society during the last decade of the 20th century. Accordingly, the size of the former diminishes, while its average income increases; conversely, the size of the latter inflates while its average income

28. Ibid., 186–197.
29. Tilkjiev, “The Middle Class and Social Stratification.”
takes a plunge. Moreover, class polarization has escalated in the American society as differences between the incomes of the upper and lower classes have intensified. By 2005, the average income of bachelor’s degree holders was nearly 80 percent higher than that of secondary school certificate holders. In other words, the upper section of the MC rolls towards the upper class becoming bourgeois-like, while much of the lower section of the MC becomes more labor-like departing its MC status to become part of the lower class. If this tendency persists in the long term, the shrinking of the American MC could transform American society into a two-class society.30

Undoubtedly, this phenomenon has great socio-economic implications. These include the disappearance of the MC families which depend on one breadwinner (usually the father). Life’s pressures and the high cost of living have forced the families of the American NMC to have two breadwinners (the father and mother) to maintain their desired living standards. Interestingly, the proposed diminution of the American NMC coincided with an American economic revival, reminding us that economic growth is not necessarily translated in favor of the majority of the MC, let alone the lower class. The list of beneficiaries then was concentrated in the services sector (informatics, the financial sector, the media), i.e., upper class and upper MC jobs. Additionally, jobs at the bottom of the pyramid increased (service jobs that need modest expertise) but their salaries dwindled. Yet, jobs in the middle of the pyramid diminished. While the American industry sector lost hundreds of thousands of jobs, economic growth created many new bottom-of-the-pyramid jobs, the majority of which were in the service sector, but with lesser wages. Sheer economic boom does not necessarily satisfy the requirements of the growth of the NMC.31 Other studies support the same idea, but in a somewhat different way. Comparative studies have affirmed that all industrial economies are witnessing a relative reduction in salaries and wages and other financial privileges, widening the gap between the upper and lower sections of the MC. With the expansion of education and the increase of job offers catering to the lower section of the MC, the privileges of the leaders of work such as promotion decrease. This applies to some jobs more than others. For instance, teachers get a few promotion opportunities after a limited number of years on the job.32 In some Arab countries, studies indicated the effects of the phenomenon of saturation in higher and middle jobs limiting upward social mobility.33

32. Comparing the American economy with other advanced industrial economies reveals a mixed picture; statistics which go back to 1979-2000 show that differences between wages at the top occupational echelons in the US exceed their counterparts in other advanced industrial economies.
On the other hand, privatization of the state-controlled economy has led to a growth in the size of the MC in many East European societies. For instance, the Bulgarian MC grew by 4-5 percent in the period 1983-1988 in comparison to the period 1952-1963. There is evidence that the same phenomenon is found in six other countries in the same region.\textsuperscript{34} Besides, the Chinese MC has been expanding dramatically amid high economic growth in China during the last few decades, and by 2020, it could be around 700 million.\textsuperscript{35} Therefore, the proposition of the contraction of the MC does not hold itself across the globe, due to national variations. Difference in the growth of the MC among countries can be explained by the differences in the economic phases which different countries undergo. Countries undergoing substantial economic growth see an expansion of their MC. It remains to be seen whether those classes will follow on the track of their counterparts in advanced capitalist countries.

In sum, we have maintained that there is a NMC with a specific class awareness (according to Giddens’s definition), which is manifestly distinctive as far as the upper and lower classes are concerned. Moreover, a reference has been made to the hypothesis of the contraction of the NMC in American society in particular and relatively in other capitalist societies. Yet, evidence from other countries does not support it.

1.5 The NMC in Politics

On the political plane, does the MC constitute a source of unified or joint work? This question relates to the political roles that the MC can play in their respective societies. Aristotle established a connection between political stability, on the one hand, and the existence of a large stable MC thanks to a fair distribution of wealth.\textsuperscript{36} While political studies have gone a long way since then, few have challenged the Aristotelian truism. Modern scholars such as Inglehart, Almond, Verba, Coleman, Huntington and others concurred with the first teacher establishing a strong link between a wide stable MC and democratization.\textsuperscript{37}

The classic answer comes from Barrington Moore. Expressing a prominent standpoint in the literature of political science, Moore’s thorough comparative study of political change in several Western countries (Britain, France and the US) affirmed that democratization is inextricably linked to the ascendancy of the bourgeoisie.

\textsuperscript{34} Tilkidjiev, “The Middle Class and Social Stratification.”
\textsuperscript{35} The Economist, op. cit.
\textsuperscript{37} Lichao He, “New Middle Class’ and the State in Democratic Transition in Asia,” accessed online, 1.
Bourgeois classes led arduous revolutions that overcame (relatively peacefully as in Britain, or violently as in France and the US), feudal obstacles democratic systems that served to a great degree their interests. In other cases (Germany and Japan), the bourgeoisie had been too weak to lead a revolution from above as the aristocracy retained their powerful social, economic and political positions. Late capitalism in these countries was linked to the ascendancy of fascist regimes within which the bourgeoisie allied itself with an aristocracy under the leadership of a modernist bureaucratic rule. In a third case (Russia and China), where the bourgeoisie was almost non-existent, communist elites led the peasants in modernist revolutions from below inaugurating a non-capitalist developmental course.38

Where is the position of the MC in all this? It seems that the MCes in the first model identified themselves with democratic systems of rule, contending themselves with political intermediacy that is commensurable with their intermediary class positions and, hence, their functional interests. In the second model, the MCes supported fascist regimes characterized by extreme nationalist militarism. In the third model, where MCes were non-existent at the outset, the heavy, intensive industrial mode yielded a MC that soon revolted against bureaucratic, fossilized incompetent communist regimes.

Fascist experiences provide a rather dim aspect of the political action of the NMC in some advanced capitalist countries passing through periods of economic recession and political fragmentation. Amid escalating class polarization and political instability, a frightened German MC gave its overwhelming support to the Nazi party in what became a classic example in this respect.

How can the political action of the MC be monitored? In advanced industrial societies, this is possible in two ways. Firstly, there is the degree of political organization, which can be measured by the spread of civil society MC political organizations and institutions. Secondly, patterns of MC voting in different elections provide continuous trustful indicators of MC political orientations. It would suffice to point to two things. First, the institutionalization of political and/or trade union action of the MC in advanced industrial countries is tainted with much weakness and opaqueness.39 Second, the bulk of the MC often votes in favor of social stability, political moderation and economic growth. Hence, political parties are keen on attracting this class by adopting policies that suits its interests and tendencies.40

39. For instance, institutional weakness has remained a constant feature of the British MC.
40. For instance, victory in American national elections goes usually to the party of the candidate who manages to convince most voters that his trends and programs are closer to political mainstream.
In developing countries, the MCes have important structural positions within the state institutions, especially in the bureaucracy and the military. In this capacity, they play effective roles – sometimes behind the scene – in political life that may transcend their actual technological and functional expertise as well as knowledge of western culture – including foreign languages. Political roles of the MC relate to the type of ruling system and the position and power of the upper classes in this system, in addition to their inter-relations. In all cases, the political demands of the MCes boil down to reinforcing their political positions in state institutions in order to protect and enhance their various living and functional interests.41

In the cultural sphere, despite what unites and distinguishes the MC, numerous cases testify to the multiplicity of ideological and cultural options of its members, testifying to the complexities, turbulence and transience of Arab societies. In many cases, social status is often linked to a multiplicity of tribal, local, provincial, ethnic, and sectarian, as well as economic factors. Moreover, the MC may be divided along ethnic, sectarian, regional or linguistic lines.

As seen in several Arab cases, ideologies collide within subordinate economies leading to class fluidity. For instance, agendas of MC Arab activists, whether Islamists, nationalists, socialists or even liberals42 solicited state power to bring about the desired socio-political change. In the social sphere, some studies have noted the phenomenon of ruralization of Arab civil societies, i.e., rural groups transferring their culture (including tribal and regional loyalties) and behavioral modes to their new urban places of residence. A study of modern Saudi society noted that residents of the Saudi capital tend to congregate in particular quarters or parts of Riyadh based on their tribal and/or regional affiliations.43

In addition, the Saudi MC and the Saudi society in general are dominated by a seemingly sharp duality between traditionalists and modernists. Both groups compete to acquire and enhance social power and leverage. Whereas traditionalists posit themselves as guardians of the sacred scripture and local values and customs, modernists employ their modern know-how and expertise to further the modernization of their society. Both sides recognize that Islam is a vital social capital that entails socio-political power and status. While this struggle can be projected in

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41. Many studies of the Middle East and the Arab World have observed that job power and political power bring wealth and that the job is one of the important foundations of power in Arab societies. See Bill, “Class Analysis and the Dialectic of Modernization in the Middle East,” 424; and Hamza Alavi, “State and Class under Peripheral Capitalism” in Introduction to Sociology of Developing Societies eds. Hamza Alavi and Teodor Shanin, 289-307.
42. Alavi, “State and Class under Peripheral Capitalism,” 300.
43. منطوق مازلت أفاق الشعبية الجمهورية والدويلة الديمقراطية في الوطن العربي 65-61.
terms of class, some believe that it goes beyond class limits, which takes us back to
the question of the suitability of class analysis to understanding processes of social
change in the Arab world.44

In other cases, one scholar found that the roles played by the MC regarding
democratization in three industrialized countries dubbed Asian Tigers (South Korea,
Malaysia and Singapore) have been different. In South Korea, the MC played a
pioneering role in the process of democratic transformation. In Malaysia, the role
of the MC was marked by ambiguity, whereas the MC in Singapore supported the
authoritarian ruling elite. Singapore’s case can be explained by the success of the
ruling elite in assimilating and incorporating the MC in the socio-economic model.45
In other cases, the political conduct of the MCes has not been concordant to previous
political optimism.

In China, the flourishing MC continues, generally speaking, to co-exist with
an authoritarian political regime, while Thai MC has been politically divided in the
tumultuous political struggle. Kenyan MC has been divided by bitter tribal conflict.46
In politically and economically crisis-ridden countries, NMCes gave populist
political leaders, such as Juan Peron in Argentina, Nasser in Egypt, and Sukarno in
Indonesia, overwhelming support. On the other hand, the fluidity of MC sections
that are sinking into atrophy in some societies might push their members to rethink
their political options in a world that is becoming increasingly complex and difficult
to understand.

In sum, the NMC could be fragmented whereas its sections have dissimilar
interests and, consequently, conflicting intellectual and/or political options. However,
conflicting comparative political records of the MCes notwithstanding, a general
pattern shows that they usually support policies of economic growth and expansion.
Based on this, a positive link between the expansion of the NMC and political
stability can be confidently affirmed.

2. Saudi Class Map

Constructing a reliable class map of contemporary Saudi society which delineates
the sizes of the sections of the NMC requires detailed and accurate data on the Saudi
workforce. Such data should distinguish between its various categories including their
incomes. However, this data is either unavailable or scanty and insufficient, leaving
no option but to use our discretion to draw a preliminary Saudi class pyramid.47 Such

44. See .81-120
45. Lichao He, “New Middle Class’ and the State in Democratic Transition in Asia.”
46. The Economist, “The New Middle Class in Emerging Markets.”
47. In particular, available data on private sector employees fail to delineate the number of occupants
pyramid will be constructed from the bottom up; the starting point will be to reckon the size of the lower class and then the upper and NMCes consecutively.

2.1 Basic Saudi Socio–Economic Indicators

- The population of Saudi Arabia is nearly 18.1 million (2008 figures) with an annual growth rate of about 3.1 percent. By 2015, the size of the population is expected to reach 29.3 million.

<table>
<thead>
<tr>
<th>Year</th>
<th>1975</th>
<th>2005</th>
<th>2008</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Saudis</td>
<td>7.3</td>
<td>17.7</td>
<td>18.1</td>
<td>29.3</td>
</tr>
</tbody>
</table>

Source: Central Department of Statistics

Table 2. Rate of demographic growth in Saudi Arabia

| 1975–2005 | 3.1% |

- Like many developing societies, the Saudi society is young; those below 40 years constitute 80.51 percent of the population.

- Urbanization in Saudi Arabia is remarkably high; some 80 percent of Saudis live in cities and towns.

of each rank, classification or level and their average salaries and wages. In the public sector, available data are better, but by no means sufficient. The statistics we have, which the author has collected and compared, are useful.
The high prices of oil in the last few years and other factors have contributed to the growth of GDP from $316 billion in 2005 to $469 billion in 2008, albeit it was projected to drop to $377 billion in 2009.

Owing to several global causes, perhaps the most prominent of which is the high prices of imported goods, the rate of annual inflation rose to reach 9.9 percent in 2008. It was projected to drop substantially in 2009.

Source: IMF; Regional Economic Outlook 2009.
2.2 Saudi Workforce

The last population census (2004-2005) provided a breakdown of the Saudi workforce reckoned to be 3.3 million. The 2008 data indicate that this number has risen to 4.03 million. Unfortunately, unlike the older data, the 2008 figures do not include details of major work activities of Saudis, the number of employees/workers in each field or their salaries/wages, or the lack thereof (often, the self-employed and pertinent family members receive none).

Figure 7: Breakdown of the Saudi workforce

Figure 8: Classification of Saudi workforce by educational level (2004-2005)

So far as unemployment is concerned, there is a notable difference at the national level regarding the definition of this phenomenon and, hence, in determining its size. Some define the unemployed as he/she who has no job and seeks one consistently. Such, supposedly objective, definition may exclude many unemployed females who for different reasons fail to register their names properly within the unemployed lists, or renew their applications. The last available official figures (2008) estimated

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48. See Appendix 1.
the number of unemployed (supposedly male) Saudis in the vicinity of 416,000, constituting 9.8 percent of the total Saudi workforce. Unemployed females are estimated to constitute 25 percent of their gender which gives some credibility to the unofficial unemployment rate of 25 percent. At the same time, other previous estimates of unemployment size reach high levels. On the educational level, about 41.9 percent of the unemployed have bachelor’s degrees. This shows that jobs created by the national economy, and the private sector in particular, as we shall see, are incongruent with job seekers’ qualifications and aspirations.49

Figure 9: Educational levels of unemployed Saudis

Figure 10: Percentage of unemployment among Saudis by gender

49. Al Jazeera newspaper, no. 13330, March 28, 2009. It recurs on the national level that the output of the educational system is inconsistent with the requirements of the national development plans and conditions of job providers.
The Composition of the Saudi Middle Class: A Preliminary Study

Mishary Alnuaim

Gulf Research Center

Figure 11: Unemployment percentage of total Saudi workforce

- Breakdown of the Saudi workforce: Business owners employing others form 2.8 percent of the total Saudi workforce. Certainly, this percentage does not reflect the actual size of the Saudi upper class; it is only a rough indicator that does not include a detailed classification of the businesses or industries concerned in terms of capital and number of employees. Hence, owners of small groceries, who are regarded as part of the petty bourgeoisie, and big businessmen, are lumped together indiscriminately. On the other hand, this percentage may not necessarily include several rich and affluent Saudis who do not possess facilities that employ individuals.50

- Business owners not employing others constitute some 3.54 percent of the total Saudi workforce. These business owners belong to the petty bourgeoisie (most likely the peripheral fraction of this class), or even the lower class.

- Those who work for others in paid or unpaid jobs (family or voluntary work) form 93.63 percent of the Saudi workforce.

Figure 12: Breakdown of the Saudi Workforce

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50. For more details on the Saudi upper class, see following pages.
Those who work in the public and private sectors (public administration, defense, security, education, trade, manufacturing, and so on) constitute approximately 93.39 percent of the total Saudi workforce. This percentage represents all blue and white collar workers and most likely includes a very small fraction of the upper class.

Those who work in modest economic activities (agriculture, hunting, mining, household services and so on) make up 24 percent of the total Saudi workforce. This percentage might constitute a preliminary estimation of the size of the lower class in the Kingdom.51

2.3 The Lower Class

The Saudi lower class is reckoned to occupy nearly 30 percent of the Saudi class pyramid, an estimation that has been reached by studying several statistics and government data relating to this class.

The starting point to delineate the features of the Saudi class pyramid lies in the unprecedented NSCP.52 This strategy has identified two levels (lines) of poverty in the Kingdom: destitution (at SR1,724 per month)53 and absolute poverty (at SR3,817 per month for an average family of 7.6 persons).54

<table>
<thead>
<tr>
<th>Line of Destitution</th>
<th>SR1,724 monthly</th>
</tr>
</thead>
<tbody>
<tr>
<td>Line of Absolute Poverty</td>
<td>SR3,817.5 monthly</td>
</tr>
</tbody>
</table>

Source: NSCP

51. This estimation remains tentative; for more details, see the following pages.
52. A summary of that very important strategy was published, with apparently no official sanction, by a leading Saudi newspaper; see Asharq al Awsat, no. 11002, January 11, 2009, www.asharqalawsat.com. This unprecedented strategy, which was issued on April 27, 2004, was updated later on, showing an increase in poverty. However, this updated version is still undisclosed; an interview with an informed person, Riyadh, Wednesday, July 8, 2009.
53. The NSCP defined destitution as the “inability to achieve the lowest standard of living, in order to meet the basic needs of life, such as food, clothing, housing, education and health in the context of a particular local community.”
54. The NSCP estimated that the percentage of employees of total population was 5.8 percent, which means that each employee supports six persons, approximately, a rate which the task force of the NSCP considered high increasing the economic burden on Saudi families.
Consequently, it estimates the number of Saudi families falling under the poverty line as 35,000 and the number of families falling under the line of absolute poverty as 409,000. This means that the number of people in destitution is nearly 266,000 and the number of people in absolute poverty is 3,108,400. Moreover, the National Strategy for Combating Poverty states that the monthly incomes of 1.63 and 18.9 percent of Saudi families do not exceed SR1,500 and SR3,000, respectively. Thus, it can be assumed that poor Saudis represent at least 20.53 percent of the total number of the population.

However, this estimation, which is probably conservative, sheds more light on the bottom of the Saudi class pyramid. While some of the poor do not find permanent jobs, most of them work, albeit for low wages. Their places of work vary as follows:

- 14 percent of public sector employees belong to the lower class. These support nearly 0.915 million citizens, representing 5 percent of Saudis.
- 61 percent of private sector employees belong to the lower class. These support nearly 3.74 million, representing 20 percent of Saudis.
- Based on the above, the number of Saudi poor is around 4.655 million, representing 25.7 percent of Saudis.
- These statistics do not exhaust all the Saudi poor, as a considerable number of Saudis qualify to be under the poverty line for not having an adult breadwinner, such as orphans, widows, the disabled and so on. Individual cases benefitting

<table>
<thead>
<tr>
<th>Line of Destitution</th>
<th>Number of Families</th>
<th>Number of Family Members</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Line of Absolute Poverty</td>
<td>409,000</td>
<td>3,108,400</td>
<td>17.57%</td>
</tr>
<tr>
<td>Total</td>
<td>444,000</td>
<td>3,374,400</td>
<td>19.07%</td>
</tr>
</tbody>
</table>

55. The NSCP defined absolute poverty as the total cost of a basket of goods and services required to satisfy basic food and non-food consumer needs. This line of poverty is usually calculated by adding the lowest level of basic non-food needs, such as clothing, housing, education and health, to the line of destitution.

56. By multiplying the average number of one family (7.6).

57. A specialized study determined the line of destitution for the individual at SR11,220 and the line of absolute poverty at SR1,660 per month. See Al Watan, May 12, 2005, www.alwatan.com. sa. This brings the line of destitution for one family to SR12,616 per month. This relatively high estimation depends on taking into account an appropriate housing.
from social insurance allocations are 696,000, which brings the number of the poor to 4,976,000 representing 27.5 percent of Saudis.58

Table 6. Distribution of number of the poor by breadwinner’s place of work

<table>
<thead>
<tr>
<th>Sector</th>
<th>Number of the Poor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public</td>
<td>915,420</td>
</tr>
<tr>
<td>Private</td>
<td>3,740,000</td>
</tr>
</tbody>
</table>

Figure 13: Distribution of the percentage of the poor by breadwinner’s place of work

In addition to this, the NSCP estimated that nearly 13 percent of Saudis working in the public and private sectors (1.6 million employees, approximately) receive salaries that do not exceed SR1,500, while another 44 percent receive monthly salaries of SR3,000 or less.59 This might mean that about half of public and private sector employees (nearly 704,000) are now significantly below the line

58. The percentage remains preliminary, for the data of the Ministry of Social Affairs point out that 95.3 percent of the cases of social insurance allocations beneficiaries (2008) have no other income. If this is true, these individuals and their dependents (about 2,322,000 persons) must be added to the previous estimated figure making the total number of the poor in the vicinity of 7 million persons. See the General Pension and Social Security Authority, Ministry of Social Affairs, unpublished data. For more details on the correlation between and poverty and low level of education and employees of the public and private sectors in general, see the following pages.

59. The Jeddah Municipality found that 7 percent of Jeddah residents have incomes in excess of SR15,000, while monthly salaries of 36 percent fall below that number. The study has shown that the average monthly expenditure of 0.2 percent, 5 percent and 8.8 per cent of Jeddah residents is SR30,000, SR15,000 and SR6,000, respectively. Those percentages include Saudis and non-Saudis. Alsharq Alawsat, no. 1126, www.asharqalawsat.com.
of absolute poverty. Thus, it is likely that the number of poor Saudi citizens is nearly 5.35 million.\textsuperscript{60} In sum, the size of the lower class ranges between 27.5 percent and 29.5 percent of the Saudi class pyramid and could possibly reach the 30 percent mark or exceed it slightly.\textsuperscript{61}

**Figure 14: Salary levels of Saudi employees in the public and private sectors**

<table>
<thead>
<tr>
<th>Salary Scales</th>
<th>Number of Employees</th>
<th>% of Employees</th>
<th>Number of Employees’ Dependents</th>
<th>% of Dependents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1500 or less</td>
<td>198,510</td>
<td>13%</td>
<td>1,508,676</td>
<td>8.52%</td>
</tr>
<tr>
<td>3000 or less (inclusive of previous scale)</td>
<td>671,695</td>
<td>44%</td>
<td>5,107,000</td>
<td>28.86%</td>
</tr>
<tr>
<td>More than 3000</td>
<td>855,120</td>
<td>56%</td>
<td>6,498,912</td>
<td>63.73%</td>
</tr>
</tbody>
</table>

Source: NSCP

\textsuperscript{60} See NSCP. Additionally, unspecified number of employees receive monthly salaries ranging between SR3,000 and SR3,900, which verges on the line of absolute poverty. Hence, the number and percentage of the poor according to this estimate are probably higher than what has been mentioned in the body of the text. On the other hand, recent information by the Ministry of Social Affairs indicates that the number of cases benefiting from aid (i.e., irregular payments of money provided by the said ministry as a fast relief to needy recipients) is 697,003, including 650,000 families. This figure might constitute approximately the total number of Saudi citizens falling under the line of destitution. Total ministry expenditure on aid rose to SR918,193.809. See, www.aleqt.com and www.alwatan.com.sa.

\textsuperscript{61} See NSCP. It is possible to narrow the gap between past statistics owing to the presence of more than one breadwinner for some families, or the existence of unaccounted for additional incomes in other families thus lifting them above the poverty line specified by the strategy. Also, it is interesting that monthly incomes of 80 percent of poor Saudi families are less than SR1,500, while the number of families with incomes less than SR1,000 is increasing. However, this estimated percentage is temporary.
Residence statistics get us closer to Saudi social reality. The issue of housing is a problem that annoys Saudis as is the case in many other societies. About 44.5 percent of Saudis own their private residences whereas another 44.4 percent live in rented residences. Furthermore, 30 percent of Saudi families live in inappropriate residences.62

Figure 15: Saudis' residence ownership

Figure 16: Quality of Saudi residences

62. NSCP, Asharq al Awsat, January 11, 2009. In this respect, the percentage of 86 percent of beneficiaries of social security live in their own residences; see Social Security Authority, Ministry of Social Affairs, Riyadh, unpublished data. Needless to say, the vast majority of those residences are inappropriate. A survey of the National Observatory on the residential situation of all Jeddah residents (Saudi and others) supports previous national data. According to that study, 69 percent of Jeddah residents live in rented residences, 63.8 percent of which are apartments. As for Saudis, the same study estimated that 47.3 percent of Saudis in Jeddah live in private residences; some 21 percent of them are modest, indicating that their occupants belong to the lower class, or at most the peripheral section of the MC. See Asharq Alawsat, no. 11206, August 3, 2008, www. asharqalawsat.com.
2.4 *The Upper Class*

While available statistics offer us little help, this study estimates that the relative size of the Saudi upper class is in the vicinity of 3-4 percent. This estimated percentage has been basically figured out in consequence of reckoning the approximate sizes of the lower and middle classes.

Government spending has been the main driving force behind the creation of a modern Saudi national bourgeoisie. A pre-capitalist commercial class pre-dated the consolidation of the Saudi nation-state during the first half of the 20th century where its financial support (financial and otherwise) of the unification process had been indispensable, laying the foundation for a strong relationship between the merchant class and the political leadership. Thanks to the abundant flow of oil, the state has assumed the role of protection, expansion and reinforcement of the modern Saudi bourgeoisie. Overtime, the Saudi bourgeoisie came of age to become a formidable national bourgeoisie, having influence and leverage on the process of decision-making in many matters that affect its economic, commercial, financial, and customs interests.

The Saudi bourgeoisie acquired relative independence vis-a-vis the state. While the ability to survive and compete in the market requires reducing dependence on the state, this class which is eager not to forgo generous state investments and projects, is keen on nurturing good business relations with the political leadership. On the Pan-Arab level, the Saudi bourgeoisie transformed itself into the largest Arab bourgeoisie running the largest market in the Arab world with remarkable regional and international investments. At the national economy level, the contribution of the private sector to Saudi gross national product was 25.2 percent in 2008, a drop from 28.4 percent in 2007 when the prices of oil were high. The number of companies operating in the Kingdom by the end of 2008 was 21,700 with capital funds of SR640.8 billion approximately. These companies are distributed as follows:

64. See Harry St John Philby, Arabian Days, 255, Arabian Jubilee, 77 and Saudi Arabia, 304. Philby gives an old example that dates back to King Abdul Aziz’s unification of Jeddah (1925-1926), of the leverage of Jeddah merchants on a government decision touching on their interests.
65. This figure includes Saudi, mixed and foreign companies.
So far, there exists only a very small body of objective studies and statistics on this important class. In spite of the fact that the 200,000 member Saudi Chamber of Commerce and Industry is old and well-established, it provides no credible statistics of the size of the upper class. In this respect, we must note the following:

67. The author could not obtain any documented information on this vital issue from any relevant source.

68. There are 25 Chambers of Commerce and Industry in Saudi Arabia. These are in the forefront of the institutions that must provide accurate reliable statistics. However, the Council of Saudi Chambers of Commerce and Industry does not possess a unified database; each chamber has a record of its members. But these records are rather loose and do not provide an objective foundation to build on in order to estimate the size of this class. Based on a former estimate, the membership of these chambers is in the region of 100,000. Luciani estimated that the Saudi bourgeoisie is about 500,000 individuals representing 3-4 percent of the total population on the basis that the Saudi family consists of 7.6 persons. See Luciani, “From Private Sector to National Bourgeoisie,” 165.

69. In regulatory terms, article (12) of the executive regulations of the system of Saudi chambers of commerce and industry, which was issued by a ministerial decree, approved five categories of members in the following way:
- the excellent category comprising all categories of merchants and industrialists who wish to join this category;
- the second category comprising public shareholding companies, five-star and first class hotels, banks, money exchange and finance companies, public limited companies whose capital is not less than one million Riyals, first class contractors;
- the third category comprising partnership and limited partnership companies, second class contractors, real estate agencies, commercial agents;
- the fourth category comprising the other members.
• Except for joint venture companies, these statistics do not differentiate a lot between members of the chambers of commerce and industry on the basis of their businesses or wealth. This reduces the scientific and statistical value of this data as thousands of small merchants and real estate agents are members of these chambers.

• The general belief is that most businessmen are keen on keeping this information away from the spotlight. In general, the wealth of thousands of families involved in commerce and industry is estimated to be hundreds of millions of Riyals. Besides, there is a large group of entrepreneurs, merchants and industrialists in the second place, whose wealth is estimated at tens of millions of Riyals, and so on.70

• The previously cited statistics remain inaccurate as many businessmen and wealthy men, for various reasons, are not members of any chambers of commerce and industry. The number of these may be equal to their peers who are members of chambers of commerce and industry.71

• It is estimated that 50,000 members belong to the big bourgeoisie.72

This means that the Saudi bourgeois class numbers approximately 750,000 people, constituting nearly 4 percent of the total population.73 This percentage might be lower if we take into consideration the effects of successive financial and economic crises, which have distorted the distribution of wealth in Saudi society and concentrated it in a few hands, similar to many other societies round the world.74 Therefore, it seems that it can be stated cautiously that the percentage of Saudi bourgeoisie ranges between 3 percent and 4 percent in the Saudi class pyramid.

70. Ibid., 165-166.
71. Personal estimation. Although the upper class possesses the greatest part of public wealth, no reliable data on its wealth or size is available. Earlier, we have referred to the fact that Saudi businessmen who employ others constitute about 2.8 percent of the total population. However, this percentage might be less than actual reality in the Kingdom, whereas the number of Saudi super wealthy men, whose monthly incomes far exceed the upper limit proposed for the MC as mentioned earlier, is likely to be higher.
72. Personal interview with an informed person in Riyadh, October 2009.
73. Based on the fact that the average family is 7.6 persons as mentioned earlier.
74. For instance, four Asian countries (China, Hong Kong, Thailand and the Philippines) attest to the flaw in the distribution of wealth between the apex and the bottom of the class pyramid. See Tammar Atnic and Michael Walton, Social Consequences of the East Asian Financial Crisis, (World Bank, 1998), 10.
2.5 Saudi MC

This study estimates that the relatively strong MC is the largest bloc within the Saudi class pyramid, as it occupies 67 percent of this pyramid approximately. The NMC constitutes nearly 66 percent of this class, whereas the petty bourgeoisie (the classic MC) constitutes the remaining part (about 34 percent). Moreover, this study notes an overlap between the two parts, whereas available statistics with us do not help us to distinguish between them. So far as the NMC is concerned, its basic and peripheral sections constitute 22 and 20 percent of the Saudi class pyramid, respectively. About 72 percent of the NMC belong to the public sector, while the remaining 28 percent belong to the private sector, which underpins the state sponsorship of the NMC.

2.5.1 The MC

2.5.1.1 Delineating the NMC

Earlier, it has been noted that the MCes in some Arab countries represent about 60 percent of society. Some predicted that the NMC in the oil-rich Gulf countries has expanded considerably constituting up to 80 percent of the proposed rhombus. In this section of the study, an attempt will be made to delineate the features and structure of the Saudi NMC and to reach a preliminary estimate of its percentage within the Saudi society. Based on this, this study will conclude with testing the hypothesis of the contraction of the MC in the Saudi socio-economic context.

The following question remains legitimate: does poverty in the Kingdom end at the line drawn by the NSCP? Some researchers continue to consider the lower section of the MC as effectively part of the lower class. In the case of the Saudi society, the approximate borders of this section range between a monthly income of SR3,900–SR7,700. Since this section lies just above the poverty line, it is exposed to falling below it thanks to dwindling job opportunities and low salaries offered by the public and private sectors.

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75. Gilbert, “The American Class Structure in an Age of Inequality.”
76. These figures have been determined by individual and family income for the lines of destitution and absolute poverty, which were adopted by the NSCP. This strategy determined the line of destitution by an individual income that does not exceed SR224.5 and the line of absolute poverty by SR502.3 (let us call it here the foundation level). Based on this and the author’s knowledge of the details of living of the Saudi society, the monthly individual income of the lower section of the MC has been assumed to begin directly from the line of absolute poverty and up to double this for individual income.
77. See following pages.
78. This point will be revisited later.
Having tentatively delineated the second upward layer of the Saudi class pyramid (the first was the lower class), it is proposed that the NMC basic and upper sections are delineated as follows. A family’s monthly income that ranges between SR7,700 and SR22,900 qualifies it to belong to the basic section of the NMC, while a monthly income that ranges between SR22,900 and SR38,200 places its members in the upper section of the same class.\(^7^9\) In other words, a MC Saudi family typically has a monthly income that ranges between SR4,000 and SR38,000 approximately.

Table 8. A proposed distribution of the monthly incomes of Saudi MC sections
(in Saudi Riyals)

<table>
<thead>
<tr>
<th>Section</th>
<th>Monthly Income (SR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peripheral (marginal) section</td>
<td>7,700-3,900</td>
</tr>
<tr>
<td>Basic section (middle)</td>
<td>7,700-22,900</td>
</tr>
<tr>
<td>Upper section</td>
<td>22,900-38,200</td>
</tr>
</tbody>
</table>

Table 9. Proposed monthly incomes of Saudi social classes

<table>
<thead>
<tr>
<th>Class</th>
<th>Lower Class</th>
<th>MC</th>
<th>Upper Class</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,800 or less</td>
<td>3,900-38,200</td>
<td>38,200 or more</td>
<td></td>
</tr>
</tbody>
</table>

Figure 18: Categories of Saudi social classes by levels of income

\(^7^9\) An average monthly salary of the basic section of the MC ranges between double the foundation level to less than six-fold this level. The upper section of the MC was determined by an individual monthly salary ranging between six-fold the foundation level and less than ten-fold this level.
2.5.1.2 The NMC in the Public Sector

Before WWII, a tiny group of bureaucrats working in the nascent governmental institutions was the precursor of an unprecedented NMC. This new class expanded thanks to successive groups of new graduates (teachers, lawyers, doctors, engineers, etc.) from modern, especially foreign, educational institutions who were attracted by the government’s recruitment policies and programs. Over the years, the public sector became a secure haven and an indispensable lifeline.80 On the other hand, the classic middle class, which was traditionally composed of retail merchants and shopkeepers, expanded to include newcomers such as owners of small-size commercial, industrial and service firms and companies.81

With the advent of the oil era, the NMC continued to expand in pace with economic growth under the sponsorship of the modern nation-state. The growing institutionalization of the state led to consolidation of the NMC.82 For a long time, government expenditure was the prime driver of the national economy. At the same time, monthly salaries became a fixed source of income for the overwhelming majority of citizens, who became employees in the state utilities and beneficiaries of its generous spending as well as economic policies and financial tools designed to spur economic growth. Along with expansion in the processes of oil production, the public sector began to grow until it actually became the largest employer in the national economy.

During the period 2003-2007, the number of Saudi state employees (males and females) increased by 2.2-3.3 percent annually; by 2008, their number reached 827,800 approximately, constituting nearly 92 percent of the total number of the public sector employees, which climbed to 899,700 approximately. Thus, the historical pattern of emergence of the Saudi NMC and its present reality as being essentially a part of the public sector is, to a large extent, an important determinant of its political conduct.83 More specifically, the Saudi public sector is categorized as follows:

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80. See Rugh, “Emergence of a New Middle Class in Saudi Arabia.”
81. See the following pages.
83. Interestingly, SAMA statistics do not refer in any way to military and security personnel. However, estimates of a pertinent international institution put the total number of Saudi military and security personnel between 183,000 and 223,000. Hence, we can speak of a total number of state employees in the region of 1.27 million. See www.globalsecurity.org
- Civil Service Employees and Office Attendants: Their total number is 360,000 approximately; civil service employees are classified into 15 grades, with average monthly salaries ranging between SR2,530 and SR20,625. Of those, there are 92,282 office attendants classified into three grades, with monthly wages ranging between SR1,732 and SR3,812.

- Teaching Staff: The 443,800 teachers are classified into six grades with average monthly salaries ranging between SR7,167 and SR13,237.

- University Teaching Staff: The 160,000 lecturers in public universities are classified into five grades with average monthly salaries ranging between SR8,300 and SR20,460.

- Judge Cadres and Staff: These 2,712 employees are classified into 10 grades with average monthly salaries ranging between SR8,970 and SR26,945.

- Investigation and Prosecution Staff: These 2,711 employees are classified into nine grades with average monthly salaries ranging between SR6,415 and SR28,750.

- Physicians and Health Staff: They are classified into eight grades with average monthly salaries ranging between SR5,827 and SR17,980.

<table>
<thead>
<tr>
<th>Public Sector Positions</th>
<th>Number of Job Grades</th>
<th>Average Salaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civil Service Employees</td>
<td>15</td>
<td>2,530-20,625</td>
</tr>
<tr>
<td>Teaching Staff</td>
<td>6</td>
<td>7,157-13,237</td>
</tr>
<tr>
<td>University Teaching Staff</td>
<td>5</td>
<td>8,300-20,460</td>
</tr>
<tr>
<td>Judges Cadres and Staff</td>
<td>10</td>
<td>8,970-26,945</td>
</tr>
<tr>
<td>Investigation and Prosecution Staff</td>
<td>9</td>
<td>6,415-28,750</td>
</tr>
<tr>
<td>Physicians and Health Staff</td>
<td>8</td>
<td>5,827-17,980</td>
</tr>
<tr>
<td>Office Attendants</td>
<td>3</td>
<td>1,732-3,812</td>
</tr>
</tbody>
</table>

In terms of numbers, civil service employees are categorized into the following grades:
Table 11. Distribution of Saudi public jobs: Grades of job ladder (2008)

<table>
<thead>
<tr>
<th>Grade</th>
<th>Number of Occupants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minister</td>
<td>115</td>
</tr>
<tr>
<td>Excellent Grade</td>
<td>165</td>
</tr>
<tr>
<td>Grade 15</td>
<td>420</td>
</tr>
<tr>
<td>Grade 14</td>
<td>545</td>
</tr>
<tr>
<td>Grade 13</td>
<td>1,131</td>
</tr>
<tr>
<td>Grade 12</td>
<td>1,991</td>
</tr>
<tr>
<td>Grade 11</td>
<td>3,317</td>
</tr>
<tr>
<td>Grade 10</td>
<td>10,110</td>
</tr>
<tr>
<td>Grade 9</td>
<td>12,470</td>
</tr>
<tr>
<td>Grade 8</td>
<td>20,112</td>
</tr>
<tr>
<td>Grade 7</td>
<td>34,321</td>
</tr>
<tr>
<td>Grade 6</td>
<td>55,731</td>
</tr>
<tr>
<td>Grade 5</td>
<td>58,265</td>
</tr>
<tr>
<td>Grade 4</td>
<td>41,864</td>
</tr>
<tr>
<td>Grade 3</td>
<td>16,651</td>
</tr>
<tr>
<td>Grade 2</td>
<td>10,643</td>
</tr>
<tr>
<td>Grade 1</td>
<td>964</td>
</tr>
<tr>
<td>Grade 33</td>
<td>48,820</td>
</tr>
<tr>
<td>Grade 32</td>
<td>28,212</td>
</tr>
<tr>
<td>Grade 31</td>
<td>15,250</td>
</tr>
<tr>
<td>All Grades</td>
<td>361,007</td>
</tr>
</tbody>
</table>


Civil service employees, classified into 15 grades as mentioned earlier, represent 29 percent of public sector positions. Going by their salaries, they can be classified as follows:

- Average salaries of grades 31-33 as well as grades 1-3 (120,450 laborers and employees constituting 33.38 percent) fall below the poverty line, or barely above it.
- Average salaries of grades 4-7 (190,191 employees constituting 57.7 percent) fall within the marginal section of the MC.
- Average salaries of grades 8-15 (50,096 employees constituting 13.88 percent) fall within the upper section of the MC.

84. The author could not obtain the numbers and percentages of occupants of these positions.
85. SR2,530, 3,700 and 3,080, respectively.
86. SR4,455, 5,280, 6,245 and 7,419, respectively.
87. 8,600, 10,015, 11,130, 12,380, 13,770, 15,202, 16,935 and 20,625, respectively.
The Composition of the Saudi Middle Class: A Preliminary Study

Mishary Alnuaim

- Average salaries of the excellent grade (165 employees constituting 0.03 percent) fall within the very upper section of the middle class.
- Salaries of ministers (115 constituting 0.03 percent) fall within the upper class.

Table 12. Class categorization of occupants of Saudi public service positions

<table>
<thead>
<tr>
<th>Class</th>
<th>Upper</th>
<th>Middle Upper</th>
<th>Basic Middle</th>
<th>Marginal Middle</th>
<th>Lower</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>0.03%</td>
<td>0.03%</td>
<td>13.88%</td>
<td>52.7%</td>
<td>33.38%</td>
</tr>
</tbody>
</table>

In the education sector, public schools teachers (males and females) fall within six categories as follows:

- Average salaries of levels 1-2 (219,461 teachers constituting 49.5 percent) fall within the marginal section of the MC.
- Average salaries of levels 3-6 (224,353 teachers constituting 50.5 percent) fall within the basic section of the MC.

Table 13. Class categorization of the Saudi teaching staff

<table>
<thead>
<tr>
<th>Class</th>
<th>Basic Middle Class</th>
<th>Marginal Middle Class</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>50.5%</td>
<td>49.5%</td>
</tr>
</tbody>
</table>

The total number of civil service and teaching staff constitute nearly 97 percent of the public sector, which qualify these two sectors as the main reservoir of the Saudi NMC.

Table 14-A. Class categorization of the Saudi civil service and teaching staff

<table>
<thead>
<tr>
<th>Class</th>
<th>Upper</th>
<th>Middle</th>
<th>Lower</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>0.04%</td>
<td>84.32%</td>
<td>14.97</td>
</tr>
</tbody>
</table>

Table 14-B. A detailed class categorization of the Saudi civil service and teaching staff

<table>
<thead>
<tr>
<th>Class</th>
<th>Upper</th>
<th>Upper Middle</th>
<th>Basic Middle</th>
<th>Marginal Middle</th>
<th>Lower</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>0.01%</td>
<td>0.02%</td>
<td>34.1%</td>
<td>50.2%</td>
<td>14.97</td>
</tr>
</tbody>
</table>
In the judiciary, there are 2,711 employees who fall within 10 grades as follows:

- Average salaries of 651 judges (total higher positions in the judiciary: Chief Justice, cassation judges, court chiefs, presiding judges) place them within the upper section of the MC.
- Average salaries of 2,060 judges (court agents, judges and court attendants) place them within the basic section of the MC.

The 2,836 employees of investigation and prosecution staff fall within nine grades as follows:

- Average salaries of 112 employees (deputy chiefs and heads of departments) place them within the upper section of the MC.
- Average monthly salaries of 1606 employees (assistant heads of departments and investigators) place them within the basic section of the MC.
- Average salaries of 1,318 (assistant investigators and staff) place them within the basic section of the MC.

Higher Education Teaching Staff are categorized as follows:

- Average salaries of 1,687 place them within the upper section of the MC.
- Average salaries of 17,696 place them within the basic section of the MC.
- Average salaries of 8,581 place them in the marginal section of the MC.

In sum, an approximate class hierarchy of the public sector employees is as follows:

- 0.3 percent of public sector employees belong to the upper section of the MC.
- 35.5 percent of public sector employees belong to the basic section of the MC.
- 50.5 percent of public sector employees belong to the marginal section of the MC.

Hence, some 86 percent of public sector employees belong to the MC. The remaining 14.5 percent belong to the lower class.

**Table 15. A class categorization of Saudi public sector employees**

<table>
<thead>
<tr>
<th>Class</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upper Middle</td>
<td>0.31%</td>
</tr>
<tr>
<td>Basic Middle</td>
<td>35.5%</td>
</tr>
<tr>
<td>Marginal Middle</td>
<td>50.5%</td>
</tr>
<tr>
<td>Lower Class</td>
<td>14.5%</td>
</tr>
</tbody>
</table>
The Composition of the Saudi Middle Class:
A Preliminary Study

Mishary Alnuaim
Gulf Research Center

Based on the above, we can conclude the following:

• About 20,000 Saudi citizens, supported by public sector employees, belong to the upper section of the MC, constituting nearly 0.1 percent of all Saudis.

• About 2.5 million Saudi citizens, supported by public sector employees, belong to the basic section of the MC, constituting approximately 13.8 percent of all Saudis.

• About 3.2 million Saudi citizens, supported by public sector employees, belong to the marginal section of the MC, constituting approximately 17.7 percent of all Saudis.

• Therefore, 5.72 million Saudi citizens belong to the NMC constituting about 31.6 percent of all Saudis.

• About 915,420 Saudi citizens, supported by public sector employees, belong to the lower class constituting 5 percent of all Saudis.88

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88. It should be noted that family size is inversely proportional to low class categorization. Often, members of poor families exceed the general average of Saudi families (7.6).
2.5.1.3 The NMC in the Private Sector

The private sector has become the second largest employer of Saudis. By the end of 2008, 824,600 Saudis were working in the private sector.89 Yet, available data fail to provide indispensable detailed categories of them showing their professions and average salaries. By the end of 2008, private sector Saudi employees were classified according to the following general categories:

- Managers and Business Managers: 65,885
- Science, Technology and Humanities Specialists: 73,572
- Science, Technology and Humanities Technicians: 73,613
- Clerks: 179,065
- Salespersons: 82,715
- Industrial, Chemical Processes and Food Industries Workers: 21,096
- Assistant Engineers: 94,395
- Service Workers: 228,452
- Agriculture, Animal and Bird raising, and Hunting Workers: 12,285

<table>
<thead>
<tr>
<th>Profession</th>
<th>Number (2008)</th>
<th>Percentage of Total Number of Saudis in the Sector</th>
<th>Change Compared to 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers and Business Managers</td>
<td>65,864</td>
<td>7.94%</td>
<td>-0.1%</td>
</tr>
<tr>
<td>Science, Technology and Humanities Specialists</td>
<td>73,572</td>
<td>8.87%</td>
<td>-0.34</td>
</tr>
<tr>
<td>Science, Technology and Humanities Technicians</td>
<td>71,613</td>
<td>8.63%</td>
<td>+0.03%</td>
</tr>
<tr>
<td>Clerks</td>
<td>179,065</td>
<td>21.59%</td>
<td>+0.66%</td>
</tr>
</tbody>
</table>

89. They constitute 13.1 percent of all employees in the sector.
It is clear that job categories of private sector Saudi employees (Table 16) are couched in too much ambiguity. For instance, the relatively huge number of managers (66,000 approximately) includes all ‘types of managers’ irrespective of variations in their monthly salaries or job benefits. Among managers, there are those who work in top positions in major industrial, construction, commercial, financial or service institutions. In the author’s estimation, these represent five percent of this category and they may be placed in the upper class; whereas the overwhelming majority of “managers” (95 percent of this category) works in small facilities and firms, which places them in the basic section of the NMC. Likewise, salaries and job benefits of engineers vary according to the companies they work for, let alone their sub-specializations and many other factors. Therefore, this writer ventures to tentatively classify private sector Saudi employees according to rough estimations of their average salaries, wages and job benefits.90

- 3,300 managers constituting five percent of their category and 0.4 percent of all private sector Saudi employees belong to the upper class.
- 230,538 employees, constituting 95 percent of managers, as well as all science, technology and engineering specialists, forming 27.9 percent of all private sector Saudi employees, belong to the basic section of the NMC.
- 71,610 science, technology and humanities technicians, constituting 8.7 percent of private sector Saudi employees belong to the marginal section of the NMC.

90. In spite of this, class categorization of all these groups in terms of class, is based on the present writer’s intuition, supported by suggestions of some pertinent persons.
• Therefore, 36.6 percent of all private sector Saudi employees belong to the NMC.
• 251,880 clerks as well as industrial, chemical processes and food industries workers, constituting nearly 34.1 percent of all private sector Saudi employees, belong to the lower class.
• 240,737 persons, working in the service sector, including other modest vocations, constituting about 29 percent of all private sector Saudi employees, live under the destitution line at the very bottom of the Saudi class pyramid.
• Therefore, 429,617, constituting 63 percent of the private sector Saudi employees, belong to the lower class.

Figure 21: An approximate class categorization of private sector Saudi employees

Based on the above, we can estimate the following:
• Private sector Saudi employees belonging to the upper class, support 25,000 citizens, constituting 0.13 percent of all Saudis.
• Private sector Saudi employees belonging to the upper and basic sections of the NMC support about 1.751 million citizens, constituting 9.7 percent of all Saudis.
• Private sector Saudi employees belonging to the marginal section of the NMC support 544,000 citizens approximately, constituting 3 percent of all Saudis.
• Therefore, 2.2956 million citizens, supported by private sector Saudi employees, belong to the NMC; they form 12.7 percent of the total number of Saudis.
• Private sector Saudi employees belonging to the lower class support 3.744 million citizens approximately, constituting 20.7 percent of all Saudis.\textsuperscript{91}

\textsuperscript{91} Attention should be paid to the fact that family size is inversely proportional to low class categorization. Often, members of poor families exceed the average size of Saudi families (7.6).
The huge percentage of marginalized and poor people (71.7 percent) among private sector Saudi employees, and the relatively modest role of the private sector in constituting the basic section of the Saudi NMC (27.9 percent), might be attributed to the low educational qualifications of the great majority of them, as follows:

- Private sector Saudi employees holding post-secondary school diplomas or lower form approximately 88.6 percent of their total number.
- Private sector Saudi employees holding bachelor’s degrees form about 11.5 percent of their total number.

There is an expected positive association between poverty and low-level education. By comparing the classification of the educational levels of private sector Saudi employees with their counterparts in the previous year (2007), it becomes clear that the percentage of holders of modest educational certificates tends to increase slightly while the percentage of holders of higher educational certificates tends to rise slightly as follows:

- the percentage of those who have post-secondary school diplomas or lower is about 88.6 - an increase of 0.1 percent on 2007.
- the percentage of those who have bachelor’s degrees or higher is 11.5 - an increase of 0.1 percent on 2007.
- the percentage of those who have post-secondary or secondary diplomas is 1.58 compared to 2007.
- the percentage of those who have bachelor’s degrees or high diplomas dropped by 0.08 percent compared to 2007.
• the percentage of those who have master’s or doctoral degrees dropped by 0.01 percent compared to 2007.

Table 17. Educational levels of Saudi private sector employees

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Illiterate</td>
<td>18,507</td>
<td>2.41%</td>
<td>18,461</td>
<td>2.22%</td>
<td>-0.19%</td>
</tr>
<tr>
<td>Able to read and write</td>
<td>133,267</td>
<td>17.4%</td>
<td>137,284</td>
<td>16.55%</td>
<td>-0.85%</td>
</tr>
<tr>
<td>Elementary</td>
<td>70,443</td>
<td>9.2%</td>
<td>72,942</td>
<td>8.79%</td>
<td>-0.41%</td>
</tr>
<tr>
<td>Intermediate</td>
<td>133,098</td>
<td>17.38%</td>
<td>143,062</td>
<td>17.25%</td>
<td>-0.13%</td>
</tr>
<tr>
<td>Secondary</td>
<td>271,981</td>
<td>35.51%</td>
<td>304,847</td>
<td>36.77%</td>
<td>+1.26%</td>
</tr>
<tr>
<td>Diploma</td>
<td>50,409</td>
<td>6.58%</td>
<td>57,924</td>
<td>6.98%</td>
<td>+0.4%</td>
</tr>
<tr>
<td>Bachelor’s degree</td>
<td>82,205</td>
<td>10.73%</td>
<td>88,493</td>
<td>10.67%</td>
<td>-0.66%</td>
</tr>
<tr>
<td>High Diploma</td>
<td>1303</td>
<td>0.17%</td>
<td>1318</td>
<td>0.15%</td>
<td>-0.02%</td>
</tr>
<tr>
<td>Master's degree</td>
<td>3488</td>
<td>0.45%</td>
<td>3762</td>
<td>0.45%</td>
<td>----</td>
</tr>
<tr>
<td>Ph.D. degree</td>
<td>864</td>
<td>0.11%</td>
<td>892</td>
<td>0.1%</td>
<td>0.01%</td>
</tr>
<tr>
<td>Fellowship</td>
<td>119</td>
<td>0.01%</td>
<td>108</td>
<td>0.01%</td>
<td>----</td>
</tr>
</tbody>
</table>

Source: The 45th Annual Report of SAMA

Although the number of private sector Saudi employees increased by 0.2 percent, as compared to 2007, jobs in the private sector tend to go to those who have modest educational qualifications (post-secondary school diploma or lower) more than those with university education or higher. Of the total number of private sector Saudi employees, the percentage of holders of secondary diplomas or lower has increased by 0.1 percent, whereas the percentage of holders of bachelor’s degrees or higher has dropped by 0.1 percent.

This means that the percentage of MC-associated jobs generated by the private sector, especially its basic section, tends to shrink relatively, while private sector jobs associated with the lower class and, to a lesser degree, the marginal section of the MC tend to increase. If this tendency persists, it might render some credibility to the assumption of the contraction of the basic section of the Saudi MC.92

92. Interestingly, relative increase in private sector job opportunities tends to feed the peripheral section of the MC and the lower class, which corroborates the afore-mentioned proposition that economic growth is not necessarily tantamount to the growth of the MC.
Table 18. Percentages of change in the educational levels of private sector Saudi employees

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Diploma or lower</td>
<td>677,642</td>
<td>88.5%</td>
<td>734,484</td>
<td>88.6%</td>
<td>+0.1%</td>
</tr>
<tr>
<td>Bachelor's degree or higher</td>
<td>87,979</td>
<td>11.5%</td>
<td>94,573</td>
<td>11.4%</td>
<td>-0.1%</td>
</tr>
</tbody>
</table>

Source: The 45th Annual Report of SAMA

This conclusion is in concord with the distribution of the educational levels of unemployed Saudis. Although their number dropped in 2008 by 5.87 percent compared to 2007, the share of holders of bachelor’s degrees and higher certificates increased by 10.86 and 22.62 percent, respectively, during the same period. At the same time, the percentage of secondary school certificate and post-secondary school diploma holders dropped by 8.17 and 2.75, respectively. Thus, the percentage of the unemployed with modest educational qualifications tends to drop while that of those who hold university degrees or higher tends to rise.93

2.5.1.3 An Overall View of the NMC in the Public and Private Sectors

In all, the public sector surpasses the private sector as a patron of the NMC as shown in Table 19:

Table 19. Percentage of contribution of the public and private sectors in patronizing sections of the Saudi NMC

<table>
<thead>
<tr>
<th>Sector</th>
<th>Basic and upper</th>
<th>Marginal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public</td>
<td>13.8%</td>
<td>17.7%</td>
</tr>
<tr>
<td>Private</td>
<td>9.7%</td>
<td>3%</td>
</tr>
</tbody>
</table>

93. Major industrial companies or some public institutions (wholly, or partly, owned by the state form a clear exception, although their share of private sector job opportunities remain limited, with a total number in the vicinity of 80. A study conducted by the Chamber of Commerce and Industry in Mecca, Al Hayat newspaper, no. 17024, November 13, 2009. In terms of figures, overall employees of the Saudi Aramco, the giant of Saudi oil industry, employs nearly 44,700 people (2006), 80 percent of which are Saudis. Furthermore, employees of the Saudi Basic Industries Corporation (SABIC), the giant of petrochemical industry, are no more than 17,000, 85 percent of whom (14,450 employees) are Saudis. See www.sabic.com. Moreover, the Saudi Electricity Corporation employs 28,315 (less by 3,000 than the 2002 figure); of these 84.86 percent are Saudis.
• The public sector surpasses the private sector as a patron of all sections of the Saudi NMC. Nearly 31.5 percent of Saudis are members of the NMC because the people who support them work in the public sector. By contrast, 12.7 percent of Saudis are members of the NMC because those who support them work in the private sector.

Figure 24: Contribution of the public and private sectors to patronizing the Saudi NMC

• In sum, the Saudi NMC comprises about 8 million citizens constituting 44.3 percent of the Saudi society.94

94. The classic MC (petty bourgeoisie) will be discussed in the following pages.
The relative sizes of the sections of the Saudi NMC are as follows: The basic and upper sections include 4.252 million citizens, constituting 23.5 percent of the total number of Saudis.

- The lower section includes 3.744 million citizens, forming 20.7 percent of the total number of Saudis.

- Within the NMC, the relative weights of its sections are as follows:
  - The basic and upper sections comprise 53.2 percent of it.
  - The marginal section comprises 46.8 percent of it.

**Figure 25: Breakdown of the NMC**

- If we accept that the lower and the upper classes compose about 29.5 and 3 percent respectively of the total number of Saudis, we can conclude at this point of the study that:

**Figure 26: A Partial class categorization of Saudi society**
* The Saudi NMC is distributed between the public and private sectors in the following way:
  - 71.3 percent in the public sector.
  - 28.7 percent in the private sector.

Figure 27: Percentages of the contribution of the public and private sectors to patronizing the Saudi NMC

2.5.2 The Classic MC

At the beginning of this study, we differentiated between two parts of the MC: the new, white-collar and the classic (petty bourgeoisie), whose members possess their own medium and small size businesses in various economic activities. Usually, these activities are linked to modern economies, though some of them are related to classic economies and old local traditions. A considerable number of Saudis is a part of this class. These Saudis possess their own businesses in various activities (such as construction entrepreneuring, real estate marketing, retail and wholesale trade, small-scale industry and workshops, as well as transport, finance, educational and health). Being diversified and of different sizes, some of their facilities may pure individual activity, or a family activity in which family members are engaged without specified salaries or wages. Available statistics, that fail to categorize the pertinent according to size and capital, do not provide reliable indicators to gauge the members of the classic class and, thus determine its relative size; which impedes distinguishing between petty bourgeoisie and bourgeoisie. Notwithstanding this, we will try to reach a reasonable estimation of the classic MC in the following way:

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95. For the purposes of this study, facilities that employ 20 workers or less are classified as small facilities, while facilities that employ 20-50 workers are medium size facilities.
• The number of business owners who do not employ others is 117,000 citizens, approximately.

• In the absence of accurate statistics, it is almost certain that such facilities are small; consequently it may be said that their owners belong practically to the marginal section of the petty bourgeoisie.

• The number of business owners who employ others is 931,000 citizens. In consistence with the former estimation that the number of members of the chambers of commerce and industry who belong to the upper class is about 50,000 persons, representing 5.3 percent of the total number of those who employ others. Then, it can be estimated that about 95 percent of the facilities of those 931,000 citizens are small; this means that nearly 884,000 of their owners belong to the petty bourgeoisie.

• Overlapping between the two wings of the MC (neo new and classic) renders distinguishing between them practically impossible. For it is well-known that many public and private sectors employees do have their own, usually small and medium size, businesses. Yet, the sizes of upper and lower classes represent, as illustrated earlier, nearly 32.5 percent-33 percent of the Saudi class pyramid. As the NMC represents 44.3 percent of this pyramid, we can assume that the petty bourgeoisie occupies the rest of the middle area of the class pyramid, which forms 23.5 percent of this pyramid, comprising or 4.5 million citizens.

**Figure 28: An approximate breakdown of the Saudi MC**

96. Private sector employees are allowed, by law, to own business facilities in their own names. On the other hand, many public sector employees, who are forbidden by law to obtain their own commercial registers, practice business in the names of members of their families, wives, sons). Such dual activities bestow on those employees dual membership in both wings of the middle class, new and classic.
• It is possible to conclude at this point that about 12.1 million Saudi citizens belong to the MC, which comprises about 67 percent of Saudi society.

2.6 The Saudi Class Pyramid

If we accept that the lower class comprises 29.5 percent of the Saudi class pyramid, we can delineate approximate features of the Saudi class pyramid as follows:

• the upper class: 3 percent;
• the MC: 67 percent;
• the lower class: 30 percent.

Figure 29: The Saudi class pyramid*

* Please refer to Figure 16, which classifies the monthly income of Saudi social classes.

3. Conclusion: Is the Saudi MC Contracting?

The Saudi MC is still considerably solid; the majority of Saudis bear a middle class tag, while most middle class Saudis belong to its basic and upper sections. In addition to this, the public sector is still a substantive patronizer of this class providing it with support and continuity. Yet, national and global factors presage a relatively feeble and contracting Saudi MC. Its basic section is shrinking, descending downwards, while its marginal counterpart is expanding. The Saudi MC will probably lose its majority status within society as a whole. In other words, as increasing number of Saudis join an expanding marginal section of the MC, the bottom of the Saudi class structure will expand. Marginal middle class Saudi citizens, who belong to an area that is co-
terminous to the lower class, could slip to the bottom of the class pyramid. Newcomers to the job market will find dwindling middle class related jobs. Close to the top of the class pyramid, income of the upper strata seems to be increasing. Thus, as class distinctions intensify, the Saudi class structure will become increasingly polarized. For decades, generous governmental spending has been a relative safety valve for the Saudi MC; yet, an economic boom that is inextricably linked to abundant oil exports is far from secure.

On the political plane, the Saudi MC has long been supportive of the political status quo, which is characterized by economic growth and relative security. However, changing socioeconomic conditions that adversely affect essential interests of the MC will likely impact its political orientations. Saudi political stability has centered for a long time upon a relatively large MC base. If this base is presently cracking, Saudi political stability might undergo profound shock. Escalating Islamist and liberal political opposition in the Kingdom during the last tumultuous two decades could be an expression of the economic and political unrest of the Saudi MC. Furthermore, peripheral regions and districts will be especially hard hit by unfavorable economic conditions. Scarce MC related jobs will put the middle class presence there under severe pressure.

To make things worse, marginal areas and communities are also plagued by wide zones of poverty and unemployment rates. While unemployment rates on the national level have been unacceptably high, disproportionate distribution of unemployment rates across the kingdom’s regions and districts increases the likelihood of political unrest.

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97. Private sector employees are allowed, by law, to own business facilities in their own names. On the other hand, many


99. Jizan province came at the top of the poorest provinces (based on line of destitution), followed by Tabuk and the Northern Borders Provinces. The percentages of destitute households in those three provinces are 6.85 per cent, 2.94 per cent and 2.7 per cent of the total number of households, respectively. Jizan came at the top of provinces with the highest number of destitute households (more than 9,700 households), followed by Riyadh, Asir (more than 4,000 households) and Madina (more than 3,500 households), the Eastern Province (3,200 households) and Mecca (3,185 households). Appendix 3 shows the disproportionate regional distribution of job seekers in the private sector.
## Appendix 1: Breakdown of Saudi workforce according to major economic activities

<table>
<thead>
<tr>
<th>Economic Activity</th>
<th>Business Status</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Employing business owner</td>
<td>Non-Employing business owner</td>
</tr>
<tr>
<td>Agriculture, hunting and forestry</td>
<td>8584</td>
<td>83,241</td>
</tr>
<tr>
<td>Fishing</td>
<td>430</td>
<td>1733</td>
</tr>
<tr>
<td>Mining and quarrying</td>
<td>137</td>
<td>241</td>
</tr>
<tr>
<td>Manufacturing industries</td>
<td>5980</td>
<td>1696</td>
</tr>
<tr>
<td>Supplies of electricity, gas and water</td>
<td>251</td>
<td>505</td>
</tr>
<tr>
<td>Construction and building</td>
<td>17,333</td>
<td>3502</td>
</tr>
<tr>
<td>Wholesale and retail trade, - and car repairing</td>
<td>39,780</td>
<td>37,130</td>
</tr>
<tr>
<td>Hotels and restaurants</td>
<td>2175</td>
<td>593</td>
</tr>
<tr>
<td>Freight, warehousing and transport</td>
<td>3662</td>
<td>17,207</td>
</tr>
<tr>
<td>Monetary and intermediary services</td>
<td>574</td>
<td>724</td>
</tr>
<tr>
<td>Real estate, rentals, and commercial enterprises activities</td>
<td>11,213</td>
<td>12,926</td>
</tr>
<tr>
<td>Administration, defense and compulsory social security</td>
<td>286</td>
<td>573</td>
</tr>
<tr>
<td>Education</td>
<td>550</td>
<td>441</td>
</tr>
</tbody>
</table>
Appendix 1 (continued)

<table>
<thead>
<tr>
<th>Health and social services</th>
<th>882</th>
<th>209</th>
<th>158,801</th>
<th>157,892</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other collective, social and personal activities</td>
<td>1190</td>
<td>823</td>
<td>40,160</td>
<td>42,173</td>
</tr>
<tr>
<td>Recruitment of house servants and assistants</td>
<td>97</td>
<td>402</td>
<td>7559</td>
<td>8058</td>
</tr>
<tr>
<td>Foreign organizations</td>
<td>13</td>
<td>1</td>
<td>1467</td>
<td>1481</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,298,179</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Appendix 3 (continued)

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Al Baha</td>
<td>1.0%</td>
</tr>
<tr>
<td>Northern Borders</td>
<td>1%</td>
</tr>
<tr>
<td>Hail</td>
<td>0.4%</td>
</tr>
</tbody>
</table>

Source: 45th Annual Report of SAMA

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