

GLOBAL INFORMATION SOCIETY WATCH 2012

THE INTERNET AND CORRUPTION
Transparency and accountability online



Global Information Society Watch

2012



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Financial support provided by

Humanist Institute for Cooperation with Developing Countries (Hivos)
Swedish International Development Cooperation Agency (Sida)



Global Information Society Watch

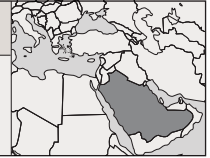
Published by APC and Hivos
2012

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ISSN: 2225-4625
ISBN: 978-92-95096-85-1
APC-201301-CIPP-R-EN-DIGITAL-176

SAUDI ARABIA

USING THE INTERNET TO TACKLE POVERTY IN OIL-RICH SAUDI ARABIA



SASIconult

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Introduction

There is very little dispute that natural resources play a very big role in economies. Since the discovery of vast crude oil reserves in 1938,¹ the Kingdom of Saudi Arabia has experienced very intensive, fast and energetic development, which is not comparable to any other country worldwide. While Saudi Arabia has witnessed impressive social and economic progress, many challenges and difficulties have emerged as a side effect of the newly gained oil wealth. These serious problems range from wealth distribution to the challenges facing the socio-political landscape of the country's social structure.

Subsequent to the oil boom of the mid-1970s, labour immigration increased in large numbers, resulting in a massive increase in the ratio of immigrant to native workforce for Saudi Arabia. Official statistics show that the foreign labour force represents over 50% of the labour market.

Despite increasingly high oil prices, momentum for progressive changes to institutions and fiscal policy is limited. Saudi Arabia, as a labour-importing, resource-rich economy, features low total participation and employment rates of nationals; rising unemployment rates, especially of women and the young; employment dominated by services and construction; and female employment almost exclusively in services, notably housekeeping for migrant women and education and social services for native women.

The Saudi government has not yet managed to align its industrial and economic aspirations with the reality of its people. Most of the praised reforms towards human development and social modernisation have largely failed to bring about the desired results, with the exception of the country's academic elite.

As the Saudi labour market has a high percentage of foreign workers, it encourages high rates of unemployment of nationals, particularly among the young

people (who represent a large part of the society),² and the minor participation of women. This leads to the focus of this report: tackling poverty in one of the richest countries in the world in the internet era.

Policy and political background

In March 2007, Saudi Arabia's legislative body, the Council of Ministers, issued a set of laws³ affecting policy and regulations for internet users in Saudi Arabia. The new policy measures and regulations prohibited internet users from:

[P]ublishing data or information that could contain anything contravening the Saudi interpretation of Islamic principles (directly or implicitly) or infringing the sanctity of Islam and its benevolent Shari'ah, or breaching public decency, anything damaging to the dignity of heads of states or heads of credited diplomatic missions in the Kingdom, or harms relations with those countries, the propagation of subversive ideas or the disruption of public order or disputes among citizens and anything liable to promote or incite crime, or advocate violence against others in any shape or form among many other things.⁴

While some items on this list relate to security matters and are arguably clearer to identify, most definitions on the prohibited list are very ambiguous and are down to interpretation.

Saudi Arabia's internet penetration is growing rapidly, with the number of internet users reaching 13 million in 2012, and internet penetration 41%. However, it still remains an extremely low rate considering that almost 60% of the population is under the age of 24.⁵ The number of Facebook users in Saudi Arabia was estimated at 4,534,769 in December 2011. According to figures, 29% of internet users in Saudi Arabia visit Facebook and women under 25 account for 48% of all internet users in the kingdom.⁶

1 Goldschmidt Jr., A. (1999) *A Concise History of the Middle East* (6th edition), Westview Press, Boulder (USA), p. 210.

2 Soliman Fakeeh, M. (2009) *Saudization as a Solution for Unemployment - The Case of Jeddah Western Region*, University of Glasgow, p. 36. theses.gla.ac.uk/1454/01/Fakeeh_DBA.pdf

3 Kingdom of Saudi Arabia (2007) Council of Ministers Report 11561/B, "Electronic Transitions Legislation" (in Arabic). www.ncda.gov.sa/media/low21/7.pdf

4 Ibid.

5 www.internetworldstats.com/middle.htm

6 Ibid.

When it comes to the information society, Saudi Arabia is a place of contradictions. While the Saudi government has been spending heavily on the information and communications technology (ICT) sector, Saudi Arabia, along with China, is widely considered to have one of the most restrictive internet access policies.⁷ Before granting public access to the internet in 1999, the Saudi government spent two years building a controlled infrastructure, so that all internet traffic would pass through government-controlled servers. With the huge expansion in public network and wireless access, government policy is changing to allow the development of new technologies while maintaining the same security and control of media use that is part of Saudi socio-political culture.

Exposing poverty online

Little did Feras Bugnah know when he uploaded a video about poverty in his city to YouTube what the consequences would be. The 8:49-minute-long video was the fourth in a series called “Mal3oob 3lain” (“We Are Being Cheated”).

At the beginning of the video, Bugnah can be seen interviewing well-off residents of the capital city, Riyadh, asking if they are doing well. After they tell him that they are doing well, the camera moves to a poor neighbourhood to interview impoverished children who say, no, they are not doing well at all.

Bugnah continues roaming the poor neighbourhood and interviews several residents who tell him about the hardships of living in poverty. At the end of the episode, he faces the camera and talks about possible ways to help the people there, and he can be seen delivering donations to the houses of the families he interviewed earlier.

The video received thousands of views and was widely circulated on social media sites. The video also caught the attention of the Saudi government. Six days after it was uploaded, Bugnah and his crew were arrested in Riyadh. Authorities kept them in detention for two weeks, then released them without charges or trial.

This episode showed the power that the internet has come to represent in Saudi Arabia. More specifically, it shows the power and reach of YouTube as a content-sharing platform. According to statistics shared by a Google representative, 44% of Saudis use YouTube on a daily basis, and 76% of these watch videos on their smartphones. The service says Saudi Arabia has the highest per capita YouTube use in the world.

Many young Saudis saw the potential in using YouTube to bypass traditional media and censorship.

They found in the internet a medium that allows them to reach their audiences directly without any of the old filters that control traditional channels.

Most of the Saudi YouTube stars have made names for themselves through comedy. People like Umar Hussein and Fahad al-Butairi, who used to perform stand-up routines in front of live audiences, improved their craft by working on more polished scripted shows, using humour to comment indirectly on local issues.

Bugnah took a different approach. From the beginning, his show had a more serious tone and he was clearly trying to deliver a message that was more socially conscious. His first three episodes that preceded the poverty episode talked about “Saher” (the radar traffic monitoring system), high prices of consumer goods, and Saudi youth. While these episodes were well received, accumulating around three million views in total, it was the episode on poverty that received by far the most attention thanks to the arrest that followed it. That episode alone received over 2.2 million views.

Oil, government spending and corruption

This incident showed the power of the internet in Saudi Arabia, but it also showed another thing: the government is very sensitive about the topic of poverty. As the world’s biggest oil exporter, it certainly is not a poor country. The high oil prices in recent years allowed the Saudi economy to grow at a fast pace: in 2011, Saudi Arabia’s GDP grew by 6.8%.

That growth, however, did not seem to improve the living standards of most Saudis. Very little of the growth trickles down to the middle and lower classes, due to the unfair distribution of wealth that concentrates power in the hands of a small circle of people.

Fuelled by big revenues due to the high oil prices, recent years witnessed huge government spending in the country. But with the huge government spending, the potential for corruption to win government contracts increased exponentially. Bloomberg reported recently that Swiss company Tyco International Ltd. agreed to pay more than USD 26 million to resolve US charges that it bribed officials of companies, including Saudi Aramco,⁸ to win contracts.

With the lack of an elected parliament or watchdog organisations in the country, such charges of corruption never seem to reach the surface in Saudi Arabia. In March 2011, King Abdullah established an Anti-Corruption Commission to handle the increasing complaints of corruption in the government. More than one year

7 University of Harvard (2009) Open Net Initiative: China. opennet.net/research/profiles/china-including-hong-kong

8 Aramco is a Saudi Arabian national oil and natural gas company based in Dhahran, Saudi Arabia. Aramco was estimated to be worth USD 781 billion in 2005 according to the UK-based Financial Times, making it the world’s most valuable company.

after its establishment, the anti-corruption body, which has come to be known as “Nazaha”, seems to be still unable to make any meaningful impact

International watchdog groups like Transparency International (TI) rank the country lower than most of its neighbours in their surveys. In the 2011 Corruption Perceptions Index published by TI, Saudi Arabia ranked 57th out of 178 countries.

Some individuals tried to use the internet to tackle the problem of corruption and lack of transparency in the country. One example can be found at the website 3addad.com,⁹ which calls itself “The Index of Saudi Promises”.

The idea behind the website is to watch the local media for statements by Saudi officials where they make promises to finish certain projects to a deadline, then list those promises with a countdown next to them showing the time left for these promises to be delivered.

The site not only lists projects that are in progress, but also lists those that are past their due date as well as those that were delivered on or ahead of time.

“This index is our memory of the sum of undelivered promises,” wrote Thamer al-Muhaimeed, the site founder. “Because I assume these promises belong to us Saudi citizens, and because we have nothing but these promises, then let us hold on to them.”

The questions of corruption and how to combat it remain as some of the most important questions that the Saudi government needs to tackle.

When 122 people were killed in floods following torrential rains in the coastal city of Jeddah in 2009, corruption was raised as one of the main reasons behind the failure of the city’s infrastructure. King Abdullah made a strongly worded statement after the floods, promising to prosecute those responsible for the deaths, “whoever they may be.”

Almost three years after the floods, no major government officials have been charged to date.

The internet’s role in fighting corruption in Saudi Arabia

The internet is an instrumental tool for socio-political change in Saudi Arabia. It is used not only for reporting human rights violations, but also for highlighting the mismanagement of oil wealth in the country. It has developed from a key resource for activists in raising awareness amongst the local population, to a tool used by the local population to highlight unfairness in the country.

Being one of the richest countries in the world, the future of Saudi Arabia has the potential to be

bright for every citizen. However, the currently prevailing situation of nepotism and oligarchic control that only aims at political and economic self-preservation does not allow for meaningful change in favour of the people. The internet has, in 2012, been a champion in highlighting the flaws in the Saudi economy – flaws that not many people thought existed, including those who live in poverty in the country.

The phenomenon of migrant workers is not unique to Saudi Arabia, nor does it bear the sole responsibility for poverty in the kingdom. The root of this dilemma is the mismanagement of human resources and exaggerated state intervention.¹⁰ At the same time, oil revenues, while very generous to Saudi citizens at the top of the hierarchy pyramid, fail to bring changes to the many at the bottom of the hierarchy. Poverty tends to be out of public sight due to many socio-cultural factors and large charity networks. This has created a population that is unaware of the poverty that surrounds it.

However, the internet’s role in highlighting poverty in Saudi Arabia has undoubtedly shaken the state apparatus. Its swift reaction in jailing the young Saudi who uploaded the video on YouTube is a clear indicator of the level of threat that the authorities consider the internet to represent.

Action steps

The challenges reflected in this report represent only a small portion of a complex and evolving debate over the role of ICTs in combating corruption in Saudi Arabia. However, this constitutes a very new field of enquiry where much remains to be explored.

The following action steps are needed to stimulate the use of the internet in fighting corruption:

- The government needs to revoke the 2007 law, and replace it with a less ambiguous one that can be used by different state bodies without discretion.
- The government needs to champion individual rights laws, including legislation on access to information and freedom of expression.
- Transparency needs to be encouraged through the government publishing spending reviews.
- More public internet access points are needed, and ISP infrastructure needs to be upgraded to improve broadband connectivity.
- More citizens need to use the internet by uploading material that highlights corruption. ■

9 3addad.com

10 Niblock, T. and Malik, M. (2007) *The Political Economy of Saudi Arabia*, Routledge, Abingdon and New York, p. 8