

From Saudi Aramco to PEMEX: Cornerstones of Oil-based Nationalisms.

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Abstract

Oil and nationalism are important topics in political economy, most of international relations literature agrees that oil can boost national sentiments; however, there is a theoretical gap when analyzing the interplay of oil and nationalism during state and nation formation. Thus, this thesis aims to prove that such interplay has the ideological, social, and political power to shape and transform national identity. Building on Breuilly and Coakley's definitions of nationalism and Mann's sources of social power as well as Giddens's claims about modernity, this research aims to highlight the importance of oil during Mexico and Saudi Arabia's nation formation process. By using a comparative analysis and a process tracing methodology, this research will compare Saudi Aramco and PEMEX as the most relevant cases of oil-based nationalism in the early 20th century. These two examples will show the interaction between identity, ideology and oil during the institutionalization and nationalization of oil. A detailed analysis of these two oil companies illustrates how the interplay between oil and nationalism was central to the state and nation formation process in both countries, which will contribute to the existing international relations literature regarding the formation of nation-states.

Keywords: oil, nationalism, Saudi Aramco, PEMEX, identity, state-formation, nation-formation, modernity, and ideology.

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Introduction

Natural resources are fundamental elements to understand human history since they have been a driving force that mobilized people, created sedentary groups and later on established larger civilizations.¹ Aside from anthropological and economic angles, natural resources have an inherent proximity with social constructs and political practices, processes and institutions. Building on the modernist approach of nationalism, as a theoretical framework that situates the nation as a consequence of modernity and industrialization, this research aims to investigate the role of oil in the formation of Saudi and Mexican nationalisms between 1902 and 1950. More precisely, using a comparative analysis and a process-tracing mechanism, it will underline the interplays between Saudi Aramco and Petróleos Mexicanos (PEMEX) and their respective national contexts.² Due to their immense oil production capacity, the foundation of Saudi Aramco in 1944 and PEMEX in 1937 lastingly shaped the political, social and economic spheres of both countries. As symbols of modernity, these national oil giants had a considerable influence in the conception of the modern Mexican and Saudi nations.

Taking John Breuilly and John Coakley's definition of nationalism and Anthony Giddens and Michael Mann's claims about modernity and nationalism as theoretical points of departure,³ this research attempts to expand on the concepts of "resources

¹ Charles A. S. Hall and Carlos A. Ramirez-Pascual, *The First Half of the Age of Oil: An Exploration of the Work of Colin Campbell and Jean Laherrère* (Dordrecht: Springer, 2013), <http://public.eblib.com/choice/publicfullrecord.aspx?p=1082072>.

² Thomas Covert, Michael Greenstone, and Christopher R. Knittel, "Will We Ever Stop Using Fossil Fuels?" *Journal of Economic Perspectives* 30, no. 1 (February 2016): 117–38.

³ Anthony Giddens, *Modernity and Self-Identity: Self and Society in the Late Modern Age*, 1. publ. in the U.S.A (Stanford, Calif: Stanford Univ. Press, 1997); Michael Mann, *Global Empires and Revolution, 1890 - 1945*, The Sources of Social Power, Michael

nationalism” and “energy nationalism” in order to better comprehend the formation process of nationhood in the context of resource affluence, in particular oil. Here, the cases of Saudi Arabia and Mexico offer relevant elements amid the construction and development of an oil based nationalism. The connections between oil and politics have been mainly analyzed through the lens of political economy, leaving aside important features concerning the nation and thus, state formation. In order to reach a more complete understanding of oil and its interplays with Saudi and Mexican nationalisms, the aspiration of this study is to connect oil with Breuilly and Coakley’s claims on political movements and these nationalist movements’ relation with oil as a vessel of legitimacy, identity, self-determination and sovereignty. From an economic perspective oil represents a symbol of “modernity” as an asset that entails scientific progress, technological development and economic transition towards industrialization.⁴ Looking at it from this particular vantage point, with the selected cases I attempt to explore the connections between national oil companies and the formation of the modern Saudi and Mexican nations during the early 20th century.

As different as they are, Mexico and Saudi Arabia feature interesting similarities regarding the use of oil as tool of national identification, political legitimacy and social cohesion.⁵ Therefore, based on their ideological and historical continuities these cases underline a relevant question regarding the importance of oil in the configuration of both nationalisms. The question central to this study is then, to what extent did oil discoveries influence the formation of Saudi and Mexican national identities? Based on IR literature,

Mann ; Vol. 3 (Cambridge: Cambridge Univ. Press, 2012); John Coakley, *Nationalism, Ethnicity and the State: Making and Breaking Nations* (London: SAGE, 2012); John Breuilly, *Nationalism and the State*, 2nd ed (Chicago: University of Chicago Press, 1994).

⁴ Stuart Hall, ed., *Modernity: An Introduction to Modern Societies* (Malden, Mass.: Blackwell, 2011).

⁵ Jonathan Charles Brown, *Oil and Revolution in Mexico* (Berkeley: Univ. of California Press, 1993).

there has been substantial research about the linkages between oil and political economy, oil and democracy, and oil as a source of political radicalism, which as mentioned before, contributed to the formulation of two terms: (1) “resources nationalism” and (2) “energy nationalism.” Giacomo Luciani defines “resources nationalism” as the national policies that restrict access to potential economic players, whereas Noele de Freitas Peigo and Jose Augusto Gaspar Ruas define “energy nationalism” as the economic relation between nation-states and energy companies that can produce conflicts of interest and political instability.⁶ In this regard, both definitions are only focused on the political economy consequences of oil nationalization. Albeit, these definitions acknowledge that oil policies are always an issue of national politics they leave the ideological influence of oil in the processual formation of nationhood understudied. Hence, they are useful but limited in terms of explaining the intricacies of the interplay between oil and nationalism.

After looking at both terminologies “energy nationalism” and “resources nationalism,” I have identified a theoretical gap in the understanding of energy resources as ideological instruments of nation building. Furthermore, most of the international relations literature focuses on contemporary oil politics, giving more weight to the financial and economic policies of oil producers’ countries and their connection with the global energy market. This seems to be problematic when studying the linkages between national sentiments and the oil industry, such connections are mainly related to the state’s stance vis-à-vis other non-state players. There have been other attempts to understand oil and its connections with the state. Neo-Marxist scholars for example, have made extensive contributions regarding the financial repercussions of oil in many Latin

⁶ Giacomo Luciani, “Global Oil Supplies: The Impact of Resource Nationalism and Political Instability,” *SSRN Electronic Journal*, 2011, doi: 10.2139/ssrn.1898628; Noele De Freitas Peigo and Jose Augusto Gaspar Ruas, “Rethinking ‘Energy Nationalism’ a Study If the Relationship between Nation States and Companies in the Oil Industry” 35, no. 3 (July 2015): 555–75.

American economic systems.⁷ One of the most prominent here is Henri Lefebvre who conceptualized “space” as an element of political and economic control of the state.⁸ Consequently from this angle, oil plays a fundamental role within the political system but still the analysis of the ideological power of oil during the process of nationhood formation remains underappreciated.

In many social sciences, the concept of the nation has important connections with the state formation process. This is particularly visible in the modernist theory of nationalism and more specifically in Breuilly and Coakley’s claims of nationalism as a movement that reinforces the state. John Breuilly defines nationalism as a political doctrine with three fundamental elements: (1) “there exists a nation with an explicit and peculiar character”; (2) “the interest and values of this nation take priority over all the other interest and values”; and (3) “the nation must be as independent as possible”.⁹ Thus, he indicates that sovereignty is inherently attached to the nation. Along this definition John Coakley’s claims about nationalism can be connected with those of Breuilly who is defining nationalism as “a form of political mobilization that is directed at rectifying a perceived absence of fit between the boundaries of the nation and the boundaries of the state and the ideology it justifies”.¹⁰ In this sense, both authors agree that nationalism reinforces the state’s ideological basis among its subjects; moreover, this ideological power aims to maintain a sense of belonging and self-identity. Anthony Giddens’ insights on modernity and self-identity and Michael Mann’s historical perspective of the sources

⁷ Alan L. McPherson, *Intimate Ties, And Bitter Struggles: The United States and Latin America since 1945*, 1. ed, Issues in the History of American Foreign Relations (Washington, D.C: Potomac Books, 2006).

⁸ Henri Lefebvre, Neil Brenner, and Stuart Eden, *State, Space, World: Selected Essays*, Nachdr. (Minneapolis, Minn.: Univ. of Minnesota Press, 2010). Pp. 244 - 245

⁹ Breuilly, *Nationalism and the State*. Pp. 8-10

¹⁰ Coakley, *Nationalism, Ethnicity and the State*. Pp. 12.

of social power are crucial theoretical frameworks to draw on for the connections between oil and modernity and thus oil and self-identity.¹¹

Modernity can be analyzed through different scopes; however, since this research deals with 20th century nation formation it is fruitful to use Hobsbawm's definition of modernity as a process of rapid industrialization and institutionalization of mass politics. Subsequently, Hobsbawm claims that nationalisms are intrinsically related with the state. Bringing together, Coakley, Breuilly, Mann, Giddens and Hobsbawm's approaches to modernity, nationalism and the state, Saudi Aramco and PEMEX are fruitful cases to highlight the fact that oil, modernity and nationalism are crucial elements to understand the influence of oil companies during the state formation process. In fact, these two oil companies became symbols of national pride, internal legitimacy and self-determination towards the achievement of statehood. In a turbulent international and domestic context both institutions were drivers of modernity that helped the consolidation of modern Saudi and Mexican identities. Thus, this thesis, will conduct a comparative case study between Saudi Aramco and PEMEX. By using process-tracing mechanism¹², the investigation will stress that the independent variable (oil) had similar outcomes during the establishment and consolidation of oil national companies. These expected outcomes would show that the interplay between oil and the nation contain relevant ideological contents exposing that oil and its institutionalization are linked with modern nation formation processes.

The rationality concerning the comparison between Saudi Aramco and Mexico will be based on tracing back the foundational steps that both companies took during the

¹¹ Giddens, *Modernity and Self-Identity*; Mann, *Global Empires and Revolution, 1890 - 1945*.

¹² Henry E. Brady and David Collier, eds., *Rethinking Social Inquiry: Diverse Tools, Shared Standards*, 2. Ed (Lanham, Md.: Rodman & Littlefield, 2010).

state formation process. Moreover, the comparative analysis aims to examine how these companies triggered the creation of modern institutions such as schools, labor unions and other bureaucratic bodies as well as institutions of governance. The comparison will also address the influence that such companies had in foreign policy, based on the fact that both companies did shape the representation of the Mexican and Saudi identity in the international system and dictated their material interests.

Furthermore, using a process-tracing methodology the role of oil in both political systems will be studied by looking at national policies that either directly or indirectly use oil as a synonymy of national identity. In the case of Mexico the research will investigate the interplays between the creation of the *Partido Revolucionario Institucional* (PRI) and PEMEX. In fact, these two institutions hold interesting links with the process of oil nationalization in 1937 that led to the establishment of *Petroleos Mexicanos* (PEMEX) as a national symbol that entailed pride, self-determination and sovereignty. When analyzing the Saudi case the research aims to look at Saudi Aramco's establishment process under a context of regional geopolitical revamp after the collapse of the Ottoman Empire in 1918. This aims to highlight the influence of oil in the rise and consolidation of the Saudi family as a ruling elite. Consequently, it will detail the linkages among religious groups, tribal societies and foreign actors created prior and after the oil-boom in 1938. Overall, the cases analyzed in this research hold an interesting puzzle that deserves a closer examination using comparative case studies and process tracing as methodological bases.

Research methods

Van Evera acknowledges that a reliable case study shall be exhaustive in the way the universe of cases is reduced from N to a specific number of cases.¹³ In the case of this research, the number of countries that have significant reserves of energy resources is vast; however, not all of them have developed strong identities based on this premise. Looking at quantitative data of oil reserves provided by the *International Energy Agency* (IEA),¹⁴ there are over a hundred countries that have oil basins in their territories; however, not all of them developed an ideological attachment to their oil sector.¹⁵ Thus to reduce the number of cases it is pertinent to look at the qualitative data regarding the nation formation of countries. In this sense, the historical and socio-political background of Saudi Arabia and Mexico analyzed in the next chapters will show that both are the most relevant cases of oil-based nationalisms.

Moreover, the comparative study will focus on the linkages between Saudi Aramco and the royal family along with PEMEX and the post-revolutionary regime, grounded in the pertinent literature.¹⁶ The Saudi and Mexican oil companies shape in an unprecedented way the development of their nations. The consolidation of Saudi Aramco and PEMEX as two of the biggest oil producers in the 20th century represented an

¹³ Stephen Van Evera, *Guide to Methods for Students of Political Science*, 8. Printing, Cornell Paperbacks (Ithaca: Cornell Univ. Press, 1997).

¹⁴ EIA, "Annual Energy Outlook 2017 with Projections to 2050," January 2017, [http://www.eia.gov/outlooks/aeo/pdf/0383\(2017\).pdf](http://www.eia.gov/outlooks/aeo/pdf/0383(2017).pdf).

¹⁵ U.S Energy Information Administration, "International Energy Statistics" (U.S: EIA, 2014), https://www.eia.gov/beta/international/data/browser/#/?pa=00000000000000000000000000000000&tl_id=5-A&vs=INTL.57-6-AFRC-BB.A&cy=2014&vo=0&v=C&start=1980&s=INTL.57-6-WORL-BB.A&showdm=y.

¹⁶ Tim Niblock, *Saudi Arabia: Power, Legitimacy and Survival*, The Contemporary Middle East 6 (London: Routledge, 2006).

ideological, political, social and economic shift in both national projects.¹⁷ Furthermore, based on Van Evera's methodological acknowledgment, the selected cases are argued to be ideal types for a comparative case study. Following this, the cases in comparison are supposed to show that oil as an independent variable caused similar outcomes in two profoundly different political contexts. The application of a comparative case study method is constructive to underline specific aspects of a certain theory, besides giving a more detailed picture of the causal mechanisms within a chain of events.

At first glance, due to cultural, social, political and religious differences the countries selected seem to be extremely different; however, these differences increase the value of the independent variable (oil), which would support the thesis statement concerning oil's seminal role in the formation of Saudi and Mexican nationhood. Consequently, Mill's method of difference appears to be a proper tool to use when analyzing the cases selected.¹⁸ Mill's method of difference established that a single factor leads to a determinate result, meaning that the absence of that factor in other cases confirms the causal event corroborating the influence of the independent variable. As Van Evera mentions, for the case section it is thus very important to clarify the dependent and independent variables; this is also important to formulate a proper classification between the differences and similarities within the cases. Following the logic of Mill's method of difference within the comparative case study, it is possible to conduct a process-tracing analysis in order to disclose the political, economic and social narratives behind oil-based nationalisms. These historical events are fundamental to the analysis of

¹⁷ Paul Arts, Carolien Roelants, and Donald Gardner, *Saudi Arabia: A Kingdom in Peril* (London, 2016).

¹⁸ John Stuart Mill, *A System of Logic, Ratiocinative and Inductive*, 6th ed. (London, 1865), <http://www.us.archive.org/GnuBook/?id=systemofratiocin00milluoft>.

the political and ideological influence caused by the independent variable (oil). Furthermore, Mill's method provides for a careful comparison of the independent variables of both cases, which is beneficial to zoom in on the main elements in the interplay between oil and nationalism¹⁹.

As Van Evera claims, process-tracing can verify a theory by observing particular events and the way they impact the outcome.²⁰ Due to the study's historical perspective, the use of process-tracing is a useful tool to study the historical narratives behind Saudi Aramco and PEMEX symbiotic relations with the rise of nationalism.²¹ Process-tracing can also be used to prove or develop theories; it is a reliable tool in comparative politics and other international relations fields. It also provides an analytical causal explanation concerning historical narratives.²² This gives exhaustibility to the important elements under examination and at the same time provides significant documentation of historical events during specific time frameworks. When combining process-tracing and comparative analysis, causality becomes an important element. As David Collier mentions, process-tracing mechanism can delineate causality using different logics.²³ Based on the research nature and the complexity within the causal process, the investigation requires the application of a non linear causal explanation, thus the interplay between variables can be analyzed with more detail while using it. The use of process-tracing within comparative studies can enrich Mill's method of difference by assessing particular components within the independent variable. Hence, the combination of

¹⁹ Brady and Collier, *Rethinking Social Inquiry*. pp. 214-215

²⁰ Van Evera, *Guide to Methods for Students of Political Science*.

²¹ Alexander Lawrence George and Andrew Bennett, *Case Studies and Theory Development in the Social Sciences*, BCSIA Studies in International Security (Cambridge, Mass.: MIT Press, 2005).

²² Ibid.

²³ Brady and Collier, *Rethinking Social Inquiry*.

process tracing and comparative case studies provides an ideal methodological framework that attempts to show the importance of complex historical processes and their linkages with theory.

In relation to the research methods, this thesis will use prominent historical analysis of Mexico and Saudi Arabia's as well as official documents, speeches, written statements and video concerning Saudi Aramco and PEMEX's establishment. It is important to acknowledge that the sources linked to the Saudi cases are limited due to language restraints; however the research is still feasible since Saudi Aramco provides most of its historical data in the English language.

In conclusion, the study aims to prove that the terms "energy nationalisms" and "resources nationalisms" are limited in scope and fail to explain the ideological interplays between oil and national identity during the nation-building process. Moreover, the cases analyzed in this research show the inherent causal proximity between oil and nationalism in the context of an oil bonanza. Due to its theoretical framework, this research will contribute to the existing literature concerning the functionality of oil in state and nation formation during the early 20th-century world order, clarifying that the interplay between oil and nationalism had the ideological and political power to shape a nation's path towards modernity.

Chapter I: Theoretical Framework

Attempts to connect oil and nationalism

Most of the existing literature that connects oil and nationalism takes as point of departure the fields of political economy and finance. Additionally, the following approaches about oil and nationalism consider that oil is by default a modern asset, this definition of modernity is understood only through the economic elements of modernity therefore it is important to clarify that the following frameworks understand modernity as an socio-economic process whose roots are attached to European industrialization, the second industrial revolution and the consolidation of capitalism.

Starting in the 19th century the world economic system has been impacted by industrial revolutions that led to the expansion of industry as a synonym of modernity and progress. By the end of the 19th century mass production became the core of the economic system transforming socio-political dynamics. These economic shifts restructured political and economic power within empires and new states. In this sense, it is relevant to look at oil as a strategic asset to industrialization. Charles Hall and Carlos Pascual's historical insights about energy resources highlight the importance of oil as part of Europe's second industrial revolution and its connection with the consolidation of capitalism as the global economic system.²⁴ Hence, oil represents a fundamental economic element within modernity but it also encompasses ideological content that directly deals with the state, the nation and nationalism.

²⁴ Charles A. S Hall and Carlos A Ramirez Pascual, *The First Half of the Age of Oil: An Exploration of the Work of Colin Campbell and Jean Laherrère* (Dordrecht: Springer, 2013), <http://public.eblib.com/choice/publicfullrecord.aspx?p=1082072>.

The importance of oil in contemporary nationalist policies can be found in the development of concepts such as “resources nationalism”, “oil nationalism” and “energy nationalism”. These terms frame oil as part of a nation’s plan to gain full control over its energy resources. Although these terms do not explicitly mention the connection between oil and modernity, they seem to take for granted that the production and consumption of oil is inherently part of the modern economic system. This connection is helpful to understand the role of oil in nationalism; however, it is limited since it only considers the economic side of modernity. Thus, in order to gain a clearer picture of the role of oil in the formation of modern nationalism, it is important to look at the interplay between oil and nationalism as a process that aids the formation of national identity in specific contexts.

The political economic linkages between oil and nationalism can be seen in Stefano Casertano’s insights on natural resources as national symbols that can be utilized as self-determination elements. Casertano claims that during civil wars or international conflicts, nationalism and natural resources can be merged to reinforce political goals.²⁵ However, Casertano’s main concern is about the fragmentation of oil-rich societies under a context of wealth inequality. According to him, local groups that have unequal accesses to oil-revenues tend to fight for natural resources as a way of self-determination. Casertano’s analysis is based on quantitative data that aims to find a correlation between civil wars and oil abundance. He goes into detail about African civil wars during the

²⁵ Stefano Casertano, *Our Land, Our Oil!: Natural Resources, Local Nationalism, and Violent Secession* (Wiesbaden: Springer VS, 2010).

1990s in order to prove such assumptions; however, this approach does not fully capture the idea that oil can be utilized as a tool of national identity for or against the state.²⁶

Resources nationalism

Trying to recognize the importance of oil in the decision-making process about nationalist policies towards the energy sector, there have been several attempts to discover the motives behind these policies. Hence, the term “resources nationalism” was developed within the political economy approach of international relations. Based on this framework, “resources nationalism” is defined by Paasha Mahdavi as a process of utility maximization backed by national leaders in order to achieve more profitable revenues.²⁷ From an economic perspective, he provides data regarding the nationalization processes of oil companies during contemporary times. This is to show that most of these procedures fail to achieve more profitable scenarios. Additionally he provides a concrete definition of “rentier state” as a state that is highly dependent on a single economic activity and that such activity is also the main source of taxation. In order to show some evidence he gives interesting examples using the cases of Iran, Venezuela, Brazil and Bolivia. It is important to highlight that the term “resources nationalism” can be applicable to any economic sector related to natural resources. For example, the case of Bolivia shows evidence about the rise of “resources nationalism” in the mining sector.

Interestingly, from all the cases shown in Mahdavi’s research Saudi Aramco seems to be an atypical case of nationalization process due to Aramco’s ability to generate profits based on partnerships with non-Saudi actors. In regard to Saudi

²⁶ Ibid.

²⁷ Paasha Mahdavi, “Why Do Leaders Nationalize the Oil Industry? The Politics of Resource Expropriation,” *Department of Political Science, University of California*, 2014, 2–50.

Aramco's unique policies towards the energy market, Giacomo Luciani supports Mahdavi and adds that Saudi Arabia was able to preserve its national policies during negotiation processes with other oil companies. Luciani's arguments are closely linked to Mahdavi's; however, he defines "resources nationalism" as "all policies undertaken by national governments to restrict access to resources and create a separation between international and domestic actors"²⁸

Energy nationalism

The term "energy nationalism" integrates all of the terms above in one single definition and also includes state-owned companies, history and political changes as fundamental factors within the development of energy nationalisms. In their study, Peigo and Ruas looked at the development of "resources nationalism" through historical events that reframed the concept.²⁹ They looked at the history of oil and concluded that oil is a special commodity, which had molded power structures in a unique way. For instance they mention cases of energy nationalism in Latin America, making an emphasis on Mexico and Brazil as important cases within the configuration of such a concept.

Even though Peigo and Ruas' research does not go into detail about the role of oil during state formation, they agree that oil companies no matter if private or public are fundamental players in the energy sector. According to them, since the 19th century oil companies have influenced the formation of new groups of interest such as the *Organization of the Petroleum Exporting Countries* (OPEC) in 1960, showing that oil has

²⁸ Luciani, "Global Oil Supplies."

²⁹ Noele De Freitas Peigo and Jose Augusto Gaspar Ruas, "Rethinking 'Energy Nationalism' a Study If the Relationship between Nation States and Companies in the Oil Industry."

a direct connection with the formation of political groups.³⁰ In this sense, oil influences diplomacy and other negotiation processes; nevertheless, the concept of “energy nationalism” fails to explain why individuals within a nation-state feel so connected with oil and how oil companies can spread ideological contents including nationalism. Hence, the insights provided by the term “energy nationalism” are important but unfruitful to understand the importance of oil in the ideological development of nationalism, in addition the concept does not fully capture the way certain national oil companies such as Saudi Aramco or PEMEX contributed to the formation of other forms of organizations and institutions.³¹

After revising the existing literature about the connection of oil and nationalism, or, more precisely, the shortcomings of the existing literature, it is evident that the authors mentioned previously acknowledge meaningful economic connections between the local and global market. Regarding such acknowledgement previous researches on the topic seems to have taken for granted concepts such as modernity, national sentiments, and popular unity, which is problematic if one aims to fully comprehend the interplay between oil and nationalism during state and nation formation. Thus, this thesis will examine the modernist theory of nationalism as a theory that can explain the ideological impacts of oil in the formation of Saudi and Mexican identities. Considering the time frame and the socio-political context of both cases, Giddens and Mann’s constructivist approaches about modernity offer themselves to study the linkages between oil and modernity. Likewise, Breuilly and Coakley’s insights concerning the state and the nation

³⁰ Ibid.

³¹ Coakley, *Nationalism, Ethnicity and the State*; Breuilly, *Nationalism and the State*.

are as well crucial to show the casual mechanisms produced by the interplay between oil and nationalism during state and nation formation.

Modernism

Nationalism has raised significant debates in various social science disciplines, which have prompted the formulation of different theoretical approaches regarding the roots of nationalism and its connections with the state. The today dominant approach is the modernist theory of nationalism that explains it as a consequence of social and political changes during modernity. Erick Hobsbawm, Michael Mann, and Anthony Giddens agree that modernity differs from previous historical periods because it transformed people's lives in unique ways.³² Mann and Giddens highlight the nation-state as one of the main features of modernity.³³ Mann explicitly underlines the transition from empire to state, which was the case in the Arab Peninsula after the collapse of the Ottoman Empire. Giddens adds that the distinctiveness of the nation-state relies on social organization via institutions; this important characteristic is illustrated by the establishment of the post-Revolutionary regime in Mexico.³⁴

Hobsbawm explains the rise of nationalism as a consequence of the industrialization process in Europe. Based on this argument, Hobsbawm situates economic interests as the primary cause of nationalism.³⁵ In the case of Saudi Arabia and Mexico oil had a particular impact on the configuration of economic interests. According to Hobsbawm, economic factors are the ones that triggered the development of elites who

³² Giddens, *Modernity and Self-Identity*; E. J Hobsbawm, *Nations and Nationalism since 1780: Programme, Myth, Reality* (Cambridge; New York: Cambridge University Press, 2015); Mann, *Global Empires and Revolution, 1890 - 1945*.

³³ Mann, *Global Empires and Revolution, 1890 - 1945*; Giddens, *Modernity and Self-Identity*.

³⁴ Giddens, *Modernity and Self-Identity*.

³⁵ Hobsbawm, *Nations and Nationalism since 1780*.

utilized traditions, history, religion and sentiments to control the masses. He also mentions that the political control imposed over the masses contains in itself unique modern elements.³⁶ The formulation of national language, history, and citizenship help to gain collective identification, following Giddens and Mann such identification can only take place via the spread of ideology.³⁷ The ideological diffusion takes the forms of nationalisms that aim to collectivize social sentiments and unify political interests. Mexican and Saudi Arabian state formations are relevant examples of this modern ideological mechanism, which encouraged the belief in the nation.

Following Hobsbawm economic interests create elites, but elites might take the form of royal families, national churches or other forms of collective representation. In this sense, Mexico's elite took the form of a single party system and Saudi Arabia adopt a monarchical system; thus elites do instrumentalize oil, but such utilization goes beyond materialism, meaning that oil in its ideological sense influences self-identification and consequently nationalism. Regarding the instrumentalization of ideology as the root of nationalism, it is important to mention John Breuilly and John Coakley's insights on nationalism, which complement the authors mentioned before as they go into detail about the political aims of nationalism.³⁸ Based on their core arguments national movements coexist under the state's apparatus or in the attempt to create one. Therefore, Mexico and Saudi Arabia's early 20th-century national politics displayed essential elements of either state reformation (Revolution) or state formation (Saudi state).

³⁶ Ibid.

³⁷ Mann, *Global Empires and Revolution, 1890 - 1945*; Giddens, *Modernity and Self-Identity*.

³⁸ Coakley, *Nationalism, Ethnicity and the State*; Breuilly, *Nationalism and the State*.

It is important to be aware that modernist theory of nationalism also includes other authors such as Ernest Gellner³⁹ and Benedict Anderson⁴⁰; however, their approaches are less useful in this specific context because they look at ideological formations to a lesser degree than the authors used in this thesis. They, for instance, do not explain the different sources of power and the peculiar elements of modern institutions to the extent of Mann and Giddens. Lastly based on the case study selection, Mann, Giddens, Hobsbawm, Coakley and Breuilly's frameworks about nationalism are ideal to fully capture the content within the interplay of oil and nationalism during state and nation formation.

Nationalism as institutions and ideology

In his book "The Sources of Social Power Volume 3" Michael Mann describes the evolution of sources of social power between 1780 and 1945⁴¹, his time frame is ideal since Saudi Arabia and Mexico state formation took place during this stage. Mann claims that there are four primary sources of social power, which are ideological, political, economic and military.⁴² In the cases investigated in this thesis, the ideological, political and economic are crucial to connect the national oil companies and the rise of nationalism. Following Mann, the ideological power involves the share of norms and values within social practices, and this also includes all types of "isms" or religion, which was specifically the case in Saudi Arabia with religion while in Mexico it was socialism. Mann's insights about ideological power include a high degree of institutionalization,

³⁹ Ernest Gellner, *Nationalism* (New York: New York Univ. Press, 1997).

⁴⁰ Benedict R. O'G Anderson, *Imagined Communities: Reflections on the Origin and Spread of Nationalism*, Revised edition (London New York: Verso, 2016).

⁴¹ Mann, *Global Empires and Revolution, 1890 - 1945*.

⁴² Ibid.

meaning that the spread of "isms" such as nationalisms has an intimate connection with the creation of organizations such as schools and labor unions, which aim to spread national sentiments and values which indeed was a priority for Cardenas and Ibn-Saud's national modernization processes⁴³.

Mann's definition of power has to be clarified. He asserts that power can be collective or distributive, authoritative or diffuse and extensive or intensive.⁴⁴ Interestingly, in the cases of Mexico and Saudi Arabia there are important similarities since both national formation processes involved a degree of collective power, an authoritative spread of norms and ideas. In the Saudi context power was intensive since it was predominantly targeted at certain tribal and religious elites but it required a high level of commitment to Ibn-Saud. In contrast, in Mexico power was intensive and extensive as the post-Revolutionary regime aimed to collectivize a large number of people but it also entailed an important degree of commitment towards the central authority. Following these forms of power, the comparative analysis and process tracing will show that PEMEX and Saudi Aramco were at the core of the development of such sources of power, supporting the consolidation of both national identities.

Following Mann's claims about institutionalized power, Anthony Giddens prominent book "Modernity and Self-Identity" describes that modernity has the following three elements: one is the separation of time and space that connects local agents to the global context, the second are disembedding mechanisms, which consist of symbolic token and expert systems and third the institutional reflexivity that regularized the use of knowledge in social life. Thus, it is fundamental to the links of Saudi Aramco and

⁴³ Ibid.

⁴⁴ Ibid.

PEMEX to the formulation of institutions, symbols, and mechanism that connect local individuals with modernity and the global system⁴⁵.

Going back to Mann, it is important to mention that for him economic power entails the transformation and consumption of raw materials, which require an intensive mobilization and distribution of labor.⁴⁶ Industrialization and capitalism are necessary elements within economic power; as a matter of fact, Saudi Aramco and PEMEX were providers of economic power during the nation formation process.⁴⁷ Finally, he establishes that political power is the centralization and control of particular territory; this was also the case in Saudi Arabia and Mexico during the consolidation of their national oil industries.

Nationalism and the state

In his book “Nationalism, Ethnicity and the State”, John Coakley claims that political forces are the main drivers of nationalism. He uses a mostly sociological approach to describe nationalist movements and their relation with race, religion, popular mobilization and social class.⁴⁸ By doing so, Coakley suggests that nationalism and the state maintain a coactive linkage that aims to reinforce each other. Coakley provides an extensive comparative analysis between different theories of nationalism in which underlines that nationalism can be utilized by elites or other power-seeking groups who

⁴⁵ Petroleos Mexicanos, “About PEMEX,” *PEMEX History*, n.d., <http://www.pemex.com/en/about-pemex/Paginas/default.aspx>; Saudi Aramco, “History of Saudi Aramco,” *Saudi Aramco*, April 2017, <http://www.saudiaramco.com/en/home/about/history.html>.

⁴⁶ Mann, *Global Empires and Revolution, 1890 - 1945*.

⁴⁷ Mohammad S. Khorsheed, “Saudi Arabia: From Oil Kingdom to Knowledge-Based Economy” XXII, no. 3 (Fall 2015): 147–66; Karim Meggaro, “The History of Mexican Oil, Part One – from Expropriation to Cantarell” (Mexico: Oil and Gas Mexico, 2011), <http://www.oilandgasmexico.com/2011/10/13/the-history-of-mexican-oil-part-one-from-expropriation-to-cantarell/>.

⁴⁸ Coakley, *Nationalism, Ethnicity and the State*.

aim to accomplish political power.⁴⁹ His argument regarding the utilization of nationalism by certain elites can be linked with the Saudi attempt to achieve political control and with the Mexican post-Revolutionary regime that aimed to integrate other political forces.⁵⁰ It is important to stress that he agrees that institutions and other non-state actors are involved in a multi-level social negotiation process, which shapes nationalism. Hence, this supports the argument that institutions such as Saudi Aramco and PEMEX in fact contributed to the development of nationalism.⁵¹

According to Coakley the concepts of state, racial group, nation and nationalism have to be clarified. Therefore, he defines them as follows: “a state is a self-governing territorial entity with a central decision-making agency which possesses a monopoly on the legitimate use of force in ensuring compliance with its decisions on the part of all persons within its borders”.⁵² This definition of state is akin with the one used by political economist to describe nationalist economic policies as those who aim to preserve the state’s power over other non-state actors.⁵³ It is important to consider that Coakley’s definition of nationalism can be linked to the way it is used in other disciplines such as political theory, finance and economy. This is particularly important during the formation of nation-states in the aftermath of revolutions or imperial disintegration. He understands

⁴⁹ Ibid.

⁵⁰ Madawi Al-Rasheed, *A History of Saudi Arabia*, 7. printing (Cambridge: Cambridge Univ. Press, 2008); Jonathan Charles Brown, *Oil and Revolution in Mexico* (Berkeley: Univ. of California Press, 1993).

⁵¹ Stuart Hall, ed., *Modernity: An Introduction to Modern Societies* (Malden, Mass.: Blackwell, 2011).

⁵² Coakley, *Nationalism, Ethnicity and the State* Pp.11.

⁵³ Edmund S. Phelps, *Political Economy: An Introductory Text*, 1. ed (New York: Norton, 1985).

nationalism as “a form of political mobilization that is directed at rectifying a perceived absence of fit between the boundaries of the nation and the boundaries of the state”.⁵⁴

With the notion that nationalisms are not static as point of departure, Coakley offers the idea about mobilization as a continuous process of self-identification. According to him this process depends on different factors that include: social class, history, religion, territory and culture. For him, social class is linked to labor stratification and thus labor allocation can be regulated through nationalism. Even though labor can create tensions among social groups, elites can instrumentalize nationalism towards the mobilization of people. This mobilization tends to incorporate non-elite groups into the political system. Based on these assumptions he refers to nationalism as a dynamic political force that can be used under different circumstances. Coakley also highlights the importance of analyzing the political message of religion, thus he identifies an inherent connection between religion and the state. Depending on the type of religion, the state shall be a mediator between the state and the religious authorities. In the case of Islam, he explicitly mentions how the formulation of public policy is essential to maintain political order. Moreover, he connects religion and the nation as self-reinforcing elements that help the development of historical continuity and legitimacy.

Modernist theories of nationalism situate the nation as a consequential element of human progress. Considering this progressive approach towards the development of nationalism, the formation of nations has an inherent proximity with economic development and industrialization. Although the economic argument in many cases can be simplistic and limited, John Breuilly’s book “Nationalism and The State” goes beyond

⁵⁴ Coakley, *Nationalism, Ethnicity and the State*.

such assumption in order to underline that the power of nationalism is based on politics and that not only economic factors can contribute to the formation of nations.⁵⁵ Breuilly's arguments deal with nationalism as a means towards exercising state power. As a political movement, nationalism can be used to justify the actions taken in favor of the nation. Hence, Breuilly claims that the nation needs an explicit and peculiar character and that the nation takes priority over all other interests.⁵⁶ Thus the nations shall be as independent as possible.⁵⁷ Both of these claims stress that the nation shall hold sovereignty; however, in order to preserve political unity and legitimacy popular support is fundamental. For him popular support is based on a sense of identity that supports national politics. Thus, considering this definition of popular supports and identity nationalism can challenge the state, as it was the case during the Mexican revolution⁵⁸.

According to Breuilly, mass politics are important elements within nationalism. Moreover, he highlights two types of mass politics: one that comes from above and another, which can come from below.⁵⁹ Disregarding which one applies to each case, national politics involved either one or the other in order to mobilize people. The mobilization process aims to establish contact with larger numbers of people for the sake of political inclusion. This political inclusion can take different forms, which suggests that national politics might not be always under a democratic premise. Breuilly gives a convincing example regarding this when he stresses that the formation of new labor force and the homogenization of economic relations have a direct impact on the connection

⁵⁵ Breuilly, *Nationalism and the State*.

⁵⁶ Ibid.

⁵⁷ Ibid.

⁵⁸ Don M. Coerver, Suzanne B. Pasztor, and Robert M. Buffington, *Mexico: An Encyclopedia of Contemporary Culture and History* (Santa Barbara, Calif.: ABC-CLIO, 2004).

⁵⁹ Breuilly, *Nationalism and the State*.

between the state and the people. Finally, Breuilly and Coakley seem to agree that the nation and the state are concepts that cannot be divorced.⁶⁰

Breuilly also considers religion a key feature within certain types of nationalism. He identifies traditional religious authorities as supporters or challengers of national politics, depending on the state's attitude towards such groups.⁶¹ Based on his examples, cases like Turkey during the 1920s show that Turkish nationalism opposed Islam. However, neighboring Greece is an example where the state and important clergies played a relevant role in the formation of the new state. Breuilly also touches on the formation of authoritarian national ideologies that mobilized people.⁶² Following this argument, authoritarian nationalism tended to instrumentalize religion and ideology in order to achieve economic interests. Saudi Arabia during Ibn-Saud's political consolidation shows how religion and ideology can be merged and instrumentalized upon the building of nationalism. The negotiations between Wahhabis religious leaders and the Saudi family had substantial impacts on the Saudi state formation, and it helped the spread of Saudi ideological conception of modernity based on economic and technological progress and traditional values.

It is also relevant to highlight the significance of history in the development of nationalism. Breuilly stresses this as part of an intellectual process to generate ideas, homogenize language and historicize the nation's past.⁶³ These processes seem to be happening at the same time the nations moves towards a more organized political environment. Mexico's modern history highlights the Revolution as a moment of

⁶⁰ Coakley, *Nationalism, Ethnicity and the State*; Breuilly, *Nationalism and the State*.

⁶¹ Breuilly, *Nationalism and the State*.

⁶² Ibid.

⁶³ Ibid.

liberation and self-identification. The post-Revolutionary historical constructions were possible by the introduction of national symbols such as PEMEX. In this matter, both PEMEX and Saudi Aramco also helped the formation of a more organized political environment. The formation of institutions around these national oil companies is linked to Breuilly's arguments about institutions and organizations.

Breuilly claims as well that professions such as businessmen and members of the bureaucracy have a direct influence on the development of nationalism.⁶⁴ Since both businessmen and state officials are already part of ruling elites, they tend to reinforce state's national policies, as it was the case during "El Porfiriato". Furthermore, he specifically mentions that the creation of public service careers and the establishment of universities and institutions of higher education are reinforcing mechanisms upon the consolidation of the nation. Lastly, it is essential to understand Breuilly's approach to nationalism as a political force that coexists with the state.⁶⁵ He maintains, "nationalism becomes either arbitrary (in support of the state policy) or mysterious (in support of some sort of cultural identity opposed to that cultivated by the state)"⁶⁶ This statement illustrates how in the case of Mexico revolutionary nationalism opposed the state and in the Saudi Arabian context it supported the formation of an entire new state.

⁶⁴ Ibid.

⁶⁵ Ibid.

⁶⁶ Ibid.

Chapter II: Saudi Aramco as driver of modernity and national identity

It is undeniable that Saudi Arabia has played a unique role in contemporary Middle Eastern politics. Mainstream discourses often list the Saudi state as the most influential petro-state in the world; however, these assumptions deserve a more careful analysis concerning the role of oil in the formation of the Saudi nation and thus its consolidation as a state. Aside of its economic and financial repercussions, oil represented a major historical cleavage in the history of Saudi Arabia. Quantitatively speaking, Saudi Arabia is the number one oil producer in the world; consequently its economic power has shaped its domestic and foreign affairs since the early 20th century.⁶⁷ There have been several attempts to understand the Saudi regime in the 21st century's geopolitical context; such efforts are mostly focused on the Saudi diplomatic power and its ties with the global energy markets.⁶⁸ These approaches do include oil as Saudi Arabia's main driving force towards international negotiations and domestic political cohesion; moreover, such assessments have also associated religious extremism and oil as a relation that sponsored global terrorism.

⁶⁷ U.S Energy Information Administration, "International Energy Statistics."

⁶⁸ Mohammad S. Khorsheed, "Saudi Arabia: From Oil Kingdom to Knowledge-Based Economy."

As an expression of modern Saudi Arabia state formation, the interplay between oil and the consolidation of the Saudi state in 1932 has been understudied. The dearth of literature is even more evident when looking at the creation of Saudi Aramco and its nationalization process between 1932 and 1950. The establishment of Saudi Aramco was a long process of international partnerships and diplomatic arrangements with the United Kingdom and the United States, which reconfigured the power relations among the Saudi leaders. Likewise, this process boosted the Saudi political elite to develop an unprecedented modernization campaign that shaped Saudi identity as well as reinforcing the state's legitimacy domestically and internationally.

After mentioning the importance of oil in the formation of the Saudi nation, the research aims to show that the historical interplays between oil and the Saudi family contain relevant modern features regarding a nation-building process that include oil as a source of nationalism, legitimacy, political order and social cohesion. Historically speaking, the consolidation of Saudi Arabia as a state entails several historical processes that deal with 19th century imperialism and 20th century state formation; nevertheless, within this context, the figure of Ibn-Saud as a political leader had an extremely intimate relation with the discovery of oil in the 1930s, suggesting that oil played a fundamental role in the nation-building process guided by Ibn-Saud and his followers. Ibn-Saud is historically known as the founder of modern Saudi Arabia; indeed, there are plenty of historical and bibliographic researches about his political and religious career; however, the purpose of this thesis is to show that Ibn-Saud's modernizing goals were largely intertwined with Saudi Aramco's ideological and social mechanisms upon nation formation.

Madawi Al Rasheed's narrative argues that the unification of the Arab peninsula in 1902 represented the beginning of modern Saudi Arabia; however, this claim appears to be inaccurate in the way it uses the term "modern"⁶⁹. In order to clarify what modern means amid nationalisms and state formation scholars, it is necessary to consider Breuilly's modernist theory of nationalism, Mann's insights of modernity and social sources of power and Giddens claims about modernity, highlighting that nationalism is a modern ideology and a social sources of power that is utilized by certain elites for political unity.⁷⁰ In this regard, the discovery of oil provided the Saudi elite with important elements of modernization, which reshaped Saudi national identity in unprecedented ways. Subsequently, taking into consideration such clarification, it is odd to think about Saudi Arabia as a modern nation before the 1930s. Hence, it is debatable to argue that the first conquests led by Abd al-Rahman Al Saud in 1902 were translated into the consolidation of modern Saudi Arabia, mainly because these firsts attempts to unify the peninsula were based on informal political alliances.

According to Mordechai Abir between 1902 and 1932 Ibn Saud's political legitimacy was under constant threat.⁷¹ Moreover, his political position was predominantly based on his alliance with the Wahhabi emirates. In this sense Abir agrees with Al-Rasheed about the lack of unification among social and religious groups during this period.⁷² Moreover, both also agree with Minawi regarding the fact that before 1918 the history of Saudi Arabia is fundamentally linked with the history of the Ottoman

⁶⁹ Al-Rasheed, *A History of Saudi Arabia*.

⁷⁰ Breuilly, *Nationalism and the State*.

⁷¹ Mordechai Abir, *Saudi Arabia: Government, Society and the Gulf Crises* (London: Routledge, 1996).

⁷² Hall, *Modernity*.

Empire.⁷³ Therefore the research aims to show that the Ottoman rule in the Arab peninsula failed to have full control over the region proving that in comparison with other former Ottoman lands, the creation of the Saudi nation encompassed unique elements linked with the interplays between oil and nationalism.

Connecting Minawi, Abir and Al-Rasheed's narratives the following subchapters will examine in more detail the unification of the Saudi Kingdom under the guidance of Ibn Saud and the intimate proximity that oil played during the 1930s. In order to underline that modern Saudi Arabia has been extremely influenced by the creation of Saudi Aramco it is relevant to look at the Arab peninsula as a region of holy cities, imperial competition, and tribal disputes. In such a context the study aims to prove that the establishment of Saudi Aramco had the power to contain, regulate and organize all of the elements mentioned above by reshaping Saudi identity vis-à-vis modern elements of nationalism such as the regulation of religion, the mobilization of people, the creation of social classes and the development of education under a centralized bureaucracy. Thus, Saudi Aramco's impacts on Saudi identity infer that 20th century Saudi nationalism was peculiar form of modern nationalism, which was ultimately linked to oil.

Imperialism: The Ottoman rule and pre modern Saudi Arabia

The Ottoman Empire's expansion into the Middle East represented a sea change in the political and social relations among multiple religious and ethnic groups. The Ottoman imperial policies towards Islam and other social groups were in constant change. As any other empire, Istanbul's policies were diverse and different depending on the timeframe and political or economic contexts. However, between 1900 and 1918, the

⁷³ Al-Rasheed, *A History of Saudi Arabia*; Mostafa Minawi, *The Ottoman Scramble for Africa Empire and Diplomacy in the Sahara and the Hijaz* (Stanford: Stanford University Press, 2016); Abir, *Saudi Arabia*.

Ottoman attempts to control and modernize the Hijaz region faced critical challenges.⁷⁴ The Ottoman imperial attempts to govern the Arab peninsula show that there were previous attempts to introduce modernity in political and economic terms; however there were unsuccessful and did not represent a major shift in the lives of the peninsula's inhabitants. Therefore, this research aims to highlight that the interplay between oil and nationalism was crucial for the development of modern Saudi nationalism. More precisely, the creation of Saudi Aramco implicated unprecedented changes for the social and political life in the region, suggesting that Saudi Aramco's modern elements shaped the Saudi identity and achieved something that no other political entity was able to complete, thus it is crucial to trace back previous Ottoman endeavors to control the region and the political instability that those attempts created.

Since the first Ottoman conquest in 1517 the Arab peninsula remained under relative isolation. In contrast with other Ottoman provinces, Istanbul's control over this region was mainly limited to Mecca and Medina.⁷⁵ Thus, the lands that belong to contemporary Saudi Arabia were never fully under control of a particular empire. In contrast with other territories such as today's Syria, Egypt or Jordan where local elites sponsored by the Ottomans had sufficient political control to collect taxes, arrange trade and organize political representation, the Arab peninsula was for many centuries a land of bedouins and tribal groups that had no allegiance towards a central authority. This is an important feature in order to understand the consolidation of the House of Saud during the decline of the Ottoman Empire and the development of the modern Saudi nation.⁷⁶

⁷⁴ William Ochsenwald and Sydney Nettleton Fisher, *The Middle East: A History* (New York: McGraw-Hill, 2011).

⁷⁵ Martin Strohmeier, "Fakhri (Fahrettin) Paşa and the End of Ottoman Rule in Medina (1916-1919)," *Turkish Historical Review* 4, no. 2 (January 1, 2013): 192–223, doi:10.1163/18775462-00402005.

⁷⁶ Minawi, *The Ottoman Scramble for Africa Empire and Diplomacy in the Sahara and the Hijaz*.

The constant impediments to complete the construction of the telegraph line in the Hijaz region during the late 19th century highlights that the Ottoman Empire failed to modernize the Arab peninsula at least in economic and infrastructural terms.⁷⁷ This was mainly due to its relative power over religious and tribal leaders since according to Minawi, in 1880 the negotiations between Sultan Abdülhamid II and the British telegraph companies focused on the dangers caused by the bedouins underlining the Sultan's lack of legitimacy in this specific region.⁷⁸ This is particularly important to understand since before the rise of the Saudi rule, the Hijaz, the Najd and other regions of contemporary Saudi Arabia did not hold a central unifying power. In Abir's words, "Saudi Arabia was a land of nomadic people that did not have a sense of common history"⁷⁹. Such a political context suggests that before the rise of the House of Saud's, it is hard to envision the idea of a Saudi nation.⁸⁰

The Ottoman Empire political and economic failures in the peninsula show that modernization, as described by Mann or Giddens, cannot be spread by purely economic ways. The Ottoman reforms were in nature European and modern but were inefficient in ideological terms; therefore modernization in the Arab peninsula could only crystallize after the discovery of oil and the creation of Saudi Aramco as a holder of modern ideological elements. As it will be discussed in the following chapter Saudi Aramco's ideological power had substantial impacts in Ibn-Saud's tribal alliances, religious policies, and diplomatic stand during Saudi Arabia's state formation.

⁷⁷ Frederick F. Anscombe, *State, Faith, and Nation in Ottoman and Post-Ottoman Lands* (New York, NY: Cambridge Univ. Press, 2014).

⁷⁸ Minawi, *The Ottoman Scramble for Africa Empire and Diplomacy in the Sahara and the Hijaz*.

⁷⁹ Abir, *Saudi Arabia*.

⁸⁰ Ibid.

The rise of the Saudi regime as a powerful elite that managed to create a nation and thus a state in a context of imperialism, political instability, and tribal disputes confirms Mann, Breuilly and Coakley arguments about the elite's efforts to instrumentalize nationalism. However, before the Saudi family gain power Saudi identity was almost impossible to imagine. This is because; between 1744 and 1888 the Sharifs and other local chiefs imposed by the Ottomans were unable to integrate the Najd, which represented a significant political threat during the Hajj.⁸¹ The unsuccessful attempts to secure the Hajj illustrate that during the 19th century nomadic groups were in constant violent conflict. In this sense, the political control of Mecca and Medina in the Hijaz region was very limited and lacked political stability⁸².

Given limited Ottoman control over the peninsula, in 1902 Ibn Saud's capture of Riyadh showed that even before the end of the First World War the Ottoman control in the region was decreasing. Minawi argues that the Ottoman rule was compromised during what he calls "new imperialism" of the late 19th century. According to his definition, the Ottoman Empire entered the concert of Europe in the end of the 19th century, reshaping the inter-imperial mechanisms in strategic borderland of the Empire including the Hijaz. The Ottoman centralization policies before the Great War had little impact on the way important cities in the Arab peninsula were governed. The Ottoman involvement in European imperial competition led the empire to finally lose the war and collapse in 1918 after the Treaty of Sevres.⁸³ Before 1918 the Sykes-Picot agreement, Great Britain and France had divided the former lands of the Ottoman Empire into quasi-colonial spheres

⁸¹ G. L. Simons, *Saudi Arabia the Shape of a Client Feudalism* (London: Macmillan, 1998), <http://search.ebscohost.com/login.aspx?direct=true&scope=site&db=nlebk&db=nlabk&AN=4508>.

⁸² Anscombe, *State, Faith, and Nation in Ottoman and Post-Ottoman Lands*.

⁸³ M. Sukru Hanioglu, *A Brief History of the Late Ottoman Empire*. (Princeton: Princeton University Press, 2010), <http://www.SLQ.eblib.com.au/patron/FullRecord.aspx?p=457815>.

of interest.⁸⁴ This diplomatic agreement is relevant because it influenced the rise of nationalism across the Middle East. Likewise, the collapse of the Ottoman Empire and the imminent formation of nation-states can be connected to Mann's insights about the end of imperialism and the transition to a nation-state system during the early 20th century.⁸⁵

The consolidation of the House of Saud's before the oil-boom (1902 – 1933)

According to Fisher and Ochsenwald, the Kingdom of Saudi Arabia was officially founded in 1932 under the leadership of Ibn Saud; from then until his death in 1953, he ruled the territory as an absolute monarch.⁸⁶ He managed to achieve the first oil concessions that led to the formalization of oil production in 1938. In this sense, the discovery of oil marked a major cleavage in Saudi national narrative. The foundation of Saudi Aramco and its nationalization process suggests that the Saudi national identity became attached to oil. Subsequently as will be argued below, Aramco would solidify Saudi national identity by incorporating modern elements in the national project. Hence, the historical narratives prior and after 1938 need to be revised in order to have a more detailed picture concerning the development of the Saudi nation and its consolidation as a regional power and a strategic ally of the West.

Ibn Saud was born in 1880 in a family with important political control in the peninsula. At the age of 21 he decided to recover his family's lands taken by the Ottomans.⁸⁷ During the First World War he was able to persuade the Wahhabi religious

⁸⁴ Michael Darlow and Barbara Bray, *Ibn Saud: The Desert Warrior Who Created the Kingdom of Saudi Arabia* (New York NY: Skyhorse, 2012).

⁸⁵ Mann, *Global Empires and Revolution, 1890 - 1945*.

⁸⁶ William Ochsenwald and Sydney Nettleton Fisher, *The Middle East: A History* (New York: McGraw-Hill, 2011).

⁸⁷ Darlow and Bray, *Ibn Saud*.

leaders to gather military forces and avoid internal disputes. The Wahhabi movements date back to the 18th century and it aimed to revive orthodox Islamic traditions in the Salafi tradition.⁸⁸ By using Salafism Ibn Saud changed the nomadic customs of many tribal groups in the peninsula. The Wahhabi-Saudi alliance was essential to consolidate a military allegiance strong enough to conquer other regions in the peninsula; moreover, the agreement helped Ibn-Saud to negotiate geopolitical disputes with European powers, which contributed to his efforts to develop the Saudi oil industry.⁸⁹ Ibn-Saud religious creed gave Saudi Arabia a unique status during its modernization process, while the oil industry boosted the creation of Western institutions and modern forms of public administration, the Saudis remain conservative and religious, meaning that modern Saudi identity was a marriage of oil, economic development, religion and kinship. Therefore, it is relevant to highlight how the interplay between oil and the nation influenced the Wahhabi-Saudi alliance during the early development of the oil industry stressing the fact that Saudi Aramco became an institution capable to balance domestic religious tension and foreign political and economic constraints.

In 1902, Ibn Saud took control of Riyadh. From then on, he started strengthening his rule over other cities. The alliances with ulamas and other religious figures were essential to create a strong army and avoid disloyalty.⁹⁰ Preoccupied with World War One, the Ottomans decided to give relative autonomy to the Saudi rule. In 1914 the relative political autonomy granted by Istanbul helped Ibn-Saud agenda to negotiate military and economic support from the British by 1915 he was receiving 5,000 pounds

⁸⁸ Tarek Masoud, "Varieties of Wahhabism," *Middle East Law and Governance* 2, no. 1 (February 1, 2010): 106–12, doi: 10.1163/187633610X12538730567125.

⁸⁹ Paul Arts, Carolien Roelants, and Donald Gardner, *Saudi Arabia: A Kingdom in Peril* (London, 2016).

⁹⁰ Al-Rasheed, *A History of Saudi Arabia*.

per month to fight Ibn Rashid, whose cooperation with the Ottoman Empire threatened to divided Ibn-Saud's tribal leadership.⁹¹ The House of Rashid was a historical ally of the Ottoman Empire that controlled the Nejd region during the second half of the 19th century. The constant involvement of several empires in the Arab peninsula illustrates Mann's claim about modern globalization, which involves the expansion of empires but also the rise of nation states. In this regard, Ibn Saud's diplomatic interaction with Western empires shows that nation-states and empires were in constant transformation during the first half of the 19th century. By 1921, British support for Ibn-Saud tipped the scales in his favor in his conflict with Ibn-Rashid, which led to the consolidation of his military efforts to control the peninsula. In the 1920s the main British preoccupation was to delineate northern borders with Jordan, and this was finally achieved under an agreement in 1925. At this time Ibn Saud political control became more stable in terms of territorial control.

Ibn-Saud's alliance with the Wahhabi leaders represented a major element in this political plan to unify the peninsula. Additionally, he managed to collect taxes and establish the first Wahhabi schools. This important alliance was only temporary, though, taking into consideration that between 1925 and 1930 several Wahhabi followers began revolting against the Saudi rule.⁹² From a theological point of view, Wahhabis claim that modernity has a negative impact on Islamic traditions and thus it is imperative to return to the ancient traditions of Islam in order to change society. Aside from the Wahhabi religious aims, the Saudi regime managed to counterbalance religious extremisms by introducing modern institutions such as universities and hospitals, exposing that Saudi

⁹¹ Darlow and Bray, *Ibn Saud*.

⁹² Al-Rasheed, *A History of Saudi Arabia*.

identity could be modern and traditional at the same time. The balance between state policies towards modernization and Wahhabi orthodoxy presents Saudi Arabia entrance to modernity.⁹³

The role of Saudi Aramco in the Saudi identity: oil based nationalism after 1933

In 1933 Ibn-Saud signed an agreement with the *Standard Oil Company of California* (SoCal), subsequently, the *California Arabian Standard Oil Company* (Casoc), to manage the first Saudi oil concession. During Ibn-Saud nationalization process Casco's name was changed in 1944 to *Arabian American Oil Company* (Aramco).⁹⁴ During Casco's first years the Saudi government faced financial issues; however, this ended in 1938 when the oil production reached 21.3 million barrels per year.⁹⁵ The economic profits gained before 1940 gave Ibn Saud diplomatic power to maintain Saudi self-reliance during the Second World War oil shortages. Moreover, Ibn Saud's political powers started to be institutionalized by the creation of several ministries. In this sense, the newborn oil company reshaped the Saudi political elite in a very profound way.

The history of Saudi Aramco highlights the intimate relation between the Saudi King and his ability to control tribalism, religious affairs and other political issues within the country. The roots of Aramco were clearly attached to Western influence; nonetheless, Western intentions to consolidate the regime do not explain the full impact that oil had on the kingdom's legitimacy and political mobilization towards nation formation. To show a

⁹³ Giddens, *Modernity and Self-Identity*.

⁹⁴ Saudi Aramco, "History of Saudi Aramco."

⁹⁵ Ibid.

more detailed picture of this relationship it is imperative to bring together the history of Saudi Arabia during the long 19th century mentioned in the previous chapter and its rapid transformation after 1933; likewise, it is essential to look at the narratives regarding Saudi nationalism and how such idea came to develop during the early 20th century.

Al-Rasheed and Abir's arguments on Saudi oil summarize the political and economic implication of oil between 1930 and 1940. Both authors suggest that oil had a crucial impact on Saudi modern history. Aside from its political and economic consequences the ideological role of oil can be more visible in the values and ideas portrayed by Saudi Aramco. In this regard, Saudi Aramco became the modern driving force that influenced the development of the Saudi nation as it is today. Such modernization process became clear during the late 1940s with the creation of schools and the development of infrastructure that connected the country for the first time in history.

Since the Arab peninsula had no central authority before 1933, Saudi nationalism helped to consolidate a modern state. Considering this, the rise of Saudi nationalism was mainly about being independent from foreign rule (imperialism) and to reinforce the monarchy's political power.⁹⁶ Thus, the establishment of Saudi Aramco as a synonym of national identity has an intrinsic connection with the consolidation of the Saudi state. Aramco became a symbol of identity not only because it brought economic prosperity but also since it encouraged other states to recognize Ibn Saud. This is shown in Al-Nafjan's diplomatic compilation regarding U.S-Saudi relations.⁹⁷ In it, he shows a change in the

⁹⁶ Breuilly, *Nationalism and the State*.

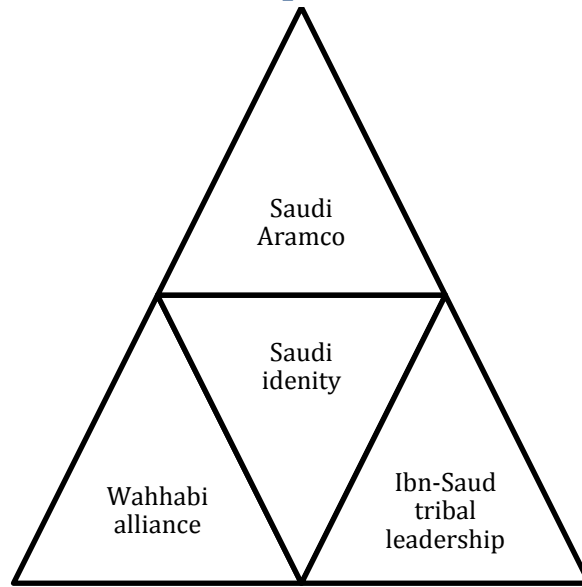
⁹⁷ Fahad Mohammed Nafjan, *The Origins of Saudi-American Relations: From Recognition to Diplomatic Representation (1931-1943)* (Riyadh: Arab Scientific Publishers, 2009).

U.S position towards the Saudis after 1933, which coincides with the discovery of oil and the foundation of Aramco's early stages.

For Breuilly political mobilization is part of the development of nationalism, and for Mann industrialization allows the growing division of labor. Between 1933 and 1950 Saudi Aramco triggered the creation of new labor activities, as explained by Ann T. Jordan, since 1933 Saudi Aramco began to open research centers that aimed to acquire foreign knowhow to encouraged the development of Saudi oil experts, this educational development shows that Aramco was a major elements within Saudi attempts towards modernity.⁹⁸ In addition to the creation of new Saudi professions, Aramco funded the creation of social organizations that aimed at the inclusion of the Saudi elite to the global business management world; such social organizations were an institutionalized method to mobilize certain Saudi elites that were disconnected with the global context. Thus, Aramco transformed the labor market and mobilized Saudis towards modernity. The marriage of Saudi Aramco ideological content, Ibn-Saud tribal arrangements and Wahhabism forms a trias that shaped the nation formation of modern Saudi Arabia (see figure1). This trias demonstrates that identity formation in the Saudi context was inherently linked with the introduction and spread of modernity, not only in economic terms.

⁹⁸ Ann Jordan, *The Making of a Modern Kingdom: Globalization and Change in Saudi Arabia* (Long Grove, IL: Waveland Press, 2011).

Figure 1: Saudi nation formation process



Saudi Aramco modernization process was not only focused in the oil sector, thought. In 1940 the company initiated a process of agricultural modernization that intended to achieve food security in the desert.⁹⁹ Jordan describes this as a process of “Saudization” as a way to develop domestic political and economic capabilities in order to avoid foreign control.¹⁰⁰ In this matter, it is evident that Saudi Aramco was a sources of economic power but also ideological since it strengthened the emotional and moral solidarity among Saudi subjects. Hence Saudi Aramco was a source of institutionalized ideological power whose goal was to modernize the Saudi nation, yet under a conservative creed based on religious social order and traditional values.

In contrast with other economic sectors, oil denotes modernity in more straightforward way. Human progress in the 20th century was profoundly attached to the production of oil. Thus, Saudi Aramco unlike other companies influenced Saudi identity

⁹⁹ Saudi Aramco, “History of Saudi Aramco.”

¹⁰⁰ Jordan, *The Making of a Modern Kingdom*.

and the way it portrays itself. This can be seen in the way the Saudi elite adapted to the creation of modern forms of political order. During the 1940s, institutions such as the Ministry of Finance were indeed enhanced by Saudi Aramco as a symbol of progress and unity among Saudi elites.¹⁰¹ Ibn Saud negotiation process to establish a national oil company prompted the development of infrastructure, a modern state bureaucracy that aimed to regulate religion, society and politics within the kingdom. In this sense, the foundation of Saudi Aramco symbolized the Saudi nation as a modern political entity that, as shown above, based its collective identity, in addition to tribal structures and Islam of the Salafist orientation, on the production of energy (oil).¹⁰²

Between 1945 and 1950 Aramco helped to create health facilities, communication networks, universities and housing projects. As Abir mentions, the role of the ulamas started to decrease as the Saudi national project became more linked to Aramco's principles.¹⁰³ Chad Parker provides evidence concerning the development of infrastructure that began to connect cities, ports and villages. In his book "Making the Desert Modern" Parkers underlines that U.S diplomatic backing was fundamental for Ibn Saud's consolidation.¹⁰⁴

Since 1900 the U.S and other European countries acknowledged that the empowerment of Ibn Saud was the only way to develop an oil industry in these territories. As shown earlier, the peninsula had no historical record of a central power, which is the reason why the great powers encouraged the rise of the Saudi family. In contrast to other cases in the Middle East such as in Iran, the establishment of Saudi

¹⁰¹ Saudi Aramco, "History of Saudi Aramco."

¹⁰² Al-Rasheed, *A History of Saudi Arabia*.

¹⁰³ Saudi Aramco, "History of Saudi Aramco."

¹⁰⁴ Chad H. Parker, *Making the Desert Modern: Americans, Arabs, and Oil on the Saudi Frontier, 1933 - 1973*, Culture, Politics, and the Cold War (Amherst, Mass.: Univ. of Massachusetts Press, 2015).

Aramco was based on an agreement among equals between the British, the Americans and the Saudis. The oil arrangements were equal not only in material terms but also in the way diplomatic recognition was conducted. After 1933, the Saudi regime was capable to solve many of its territorial issues with Kuwait and Yemen. Fahad M. Al-Nafjan's narratives of Saudi – U.S diplomatic relations show that the modernization process of Saudi Arabia was mainly triggered by Aramco's ideological pursuits of achieving national unity.¹⁰⁵ Following Giddens and Mann, institutions are core elements within the spread of any ideology besides there are specific features of modernity; hence, between 1930 and 1950 Saudi Aramco became an institution that organized and spread an ideological content that blended tradition and modernity.¹⁰⁶

Overall, Saudi Aramco helped to balance religious orthodoxy, strengthen the state's power, build institutions, transform social relation, integrate cities and spread modernity, suggesting that Giddens, Maan, Breuilly and Coakley's insights about modernity and nationalism suggesting that Saudi Aramco was a the center of the modern Saudi nation formation. Saudi Aramco's prominent role in the Saudi nation formation demonstrates that the discovery of oil represented a major historical point of departure to conceive today's Saudi identity; likewise, it shows that the interplay between oil and modernity sparked the development and consolidation of the Saudi political project. As a matter of fact, Saudi political aims were connected with Saudi Aramco's establishment as a symbol of national unity and pride. In this sense, the development of modern Saudi nationalism also shows that oil can contain interesting ideological power in a context of oil abundance.

¹⁰⁵ Nafjan, *The Origins of Saudi-American Relations*.

¹⁰⁶ Mann, *Global Empires and Revolution, 1890 - 1945*; Giddens, *Modernity and Self-Identity*.

Chapter III: PEMEX: National symbol of post-Revolutionary Mexico

Petróleos Mexicanos (PEMEX) is one of the biggest energy companies in the world.¹⁰⁷ During the 1980s, PEMEX positioned Mexico in the top 5 oil producing countries in the world. The history of this state-owned company is relevant not only concerning its profound economic impact during what some economist called the “Mexican Miracle” of the 1970s but also in the way it reshaped Mexico’s identity during the consolidation of the modern Mexican state between 1917 and 1950.¹⁰⁸ The establishment of PEMEX in 1938 symbolized the consolidation of a long and complicated social and political revolution, which ideological diversities incorporated into a new national project that rested on socialism expressed in a single party system. The nationalization of oil became a central event in Mexico’s official discourse; likewise, the institutionalization of the socialist post-revolutionary regime via the formation of Partido Revolucionario Institucional (PRI) in 1929 had a great proximity with the spread of PEMEX ideological contents among Mexico’s collective memory. In a manner, the national control over oil became a symbol of national pride and self-identification just as important as the Independence Day in 1810. The 18 of March of 1938 turned out to be a national celebration that reconfigured modern Mexican history. This date exemplifies the consolidation of the post-revolutionary Mexican state as a political model based on corporatism, social mobilization and the welfare state, which ended Mexico’s historical vulnerability to foreign interference. Hence, the establishment of PEMEX requires a

¹⁰⁷ OECD, “Public Procurement Review of Mexico’s PEMEX” (Paris: OECD, 2017), <http://www.oecd.org/gov/ethics/public-procurement-review-PEMEX.pdf>.

¹⁰⁸ Karim Meggaro, “The History of Mexican Oil, Part One – from Expropriation to Cantarell.”

careful historical analysis regarding the interplays between oil and Mexico's modern national identity during the presidency of Lazaro Cardenas.¹⁰⁹

In spite of a detail historical process regarding the interplay between oil and the nation, it is relevant to consider the roots of the Mexican revolution as a social and political process that aimed to transform Mexico's perennial history of foreign rule and political instability.¹¹⁰ The end of "El Porfiriato" and the institutional consolidation of the post-revolutionary period renovated every aspect of Mexico's political life. Mexico's transformation was possible not only by the creation of labor unions, the introduction of national education and the creation of a unified presidential system but also by the establishment of PEMEX as a company that explicitly belongs to the Mexican people.¹¹¹ The analysis of PEMEX's ideological attributions is fundamental to capture the important role of oil during Mexico's modern state formation. In this sense, the people's perception of oil went from being a curse to a public blessing, whose potential was based on the nation's control over such energy resource. Thus, supported by president Lazaro Cardenas socialists dogmas, the figure of PEMEX during Mexico's nation formation served as a an ideological vessel to spread modernity and socialism among Mexicans, which lead to social integration and the creation of a popular imaginary insofar as oil remained under Mexican sovereignty. In this sense the formation of PEMEX had significant ideological consequences on the development of the Mexican nationalism, suggesting that the interplay between oil and the nation contained relevant ideological elements linked with modernity and self-identification.

¹⁰⁹ Petroleos Mexicanos, "About PEMEX."

¹¹⁰ David Craven, "Lineages of the Mexican Revolution (1910–1940)," *Third Text* 28, no. 3 (May 4, 2014): 223–34, doi: 10.1080/09528822.2014.899789.

¹¹¹ Coerver, Pasztor, and Buffington, *Mexico*.

The roots of the Revolution: Social fragmentation and foreign

Intervention

Mexico became an independent country in 1810 after 300 years of Spanish rule. As any other new Latin American nation its political and social identities were in constant change during its first 100 years of independence. Affected by repeated foreign military interventions, and internal political instability, the Mexican state was by and large in the hands of foreign elites that had relative control over the Mexican territory.¹¹² The long-standing political and social instability came to an end during the rule of President Porfirio Diaz between 1876 and 1911. Political stability was mainly achieved using military power and via the empowerment of foreign and local elites whose economic interests had connections with French, American and British imperialist economic policies.¹¹³ As a matter of fact, Diaz's economic policies augmented the historical inequalities between landowners and peasants. Despite, his effort to "modernize" Mexico via the introduction of industry, railways and other types of infrastructure the country socio-economic systems was still based on agriculture. Hence, hacendados and other small industrial titleholders controlled local political allegiances. In contrast to the post-revolutionary regime, Diaz's modernization process was unable to control the ethnic, social and political cleavages created by inequality and sectarianism. Based on historical facts, it is certain that Diaz's modernizing mission decreased Mexico's national sovereignty and increased the social discontent among multiple social groups ¹¹⁴.

¹¹² Burton Kirkwood, *The History of Mexico*, 2010, <http://ebooks.abc-clio.com/?isbn=9780313366024>.

¹¹³ Pablo Serrano Alvarez, *Porfirio Diaz Y El Porfiriato: Cronologia (1830 - 1915)* (Mexico: INEH, 2012).

¹¹⁴ Heinz Gollwitzer, *Europe in the Age of Imperialism, 1880-1914* (New York: Norton, 1979).

Called by many historians “El Porfiriato”, this period of Mexican history was characterized by the sellout of Mexico’s natural and economic resources to foreign elites.¹¹⁵ The rapid transformation of the Mexican economy is well recorded by John Skirius, who, regarding the involvement of U.S. entrepreneurships in the railway sector, noted an investment of about \$650 million in 1909.¹¹⁶ In fact, during this period, Mexico’s economic growth was fundamentally boosted by the creation of modern financial institutions and the constant move of capital flows from the U.S, France and the U.K. The economic involvement of foreign elites in the Mexican economy was so profound that journalist William Randolph Hearst wrote, “ I do not see what is preventing us to own all Mexico”. This exhibits the enormous influence and the imperialist attitude U.S elites had towards Mexico during Diaz’s presidency.

Concerning these economic parameters, Mexican revolution scholars such as Von Metz, Centeno, Orozco and Hart agree that Diaz’s modernization process increased the historical tension between social groups. ¹¹⁷ This argument is also mention by Michael J. Gonzales historical accounts about Porfirio Diaz’s liberal reforms, which created political and social discontent. While the economic reforms brought wealth for a few, the country faced tremendous social issues that include illiteracy, religious persecution, inequality and ethnic segregation. Although between 1890 and 1910 the Mexican economy was not as industrialized as most European economies, the small industrial process funded by

¹¹⁵ Pablo Serrano Alvarez, *Porfirio Diaz Y El Porfiriato: Cronologia (1830 - 1915)*.

¹¹⁶ John Skirius, “Railroad, Oil and Other Foreign Interest in the Mexican Revolution, 1911-1914” 35, no. 1 (2003): 25–51.

¹¹⁷ John M. Hart, *Revolutionary Mexico: The Becoming and the Process of the Mexican Revolution*, 5th ed. (New York: ACLS Humanities, 1987), <http://quod.lib.umich.edu/cgi/t/text/pageviewer-idx?c=acls;cc=acls;rgn=full%20text;idno=heb02702.0001.001;didno=heb02702.0001.001;node=heb02702.0001.001%3A3;view=image;seq=15;page=root;size=100>; Leticia López Orozco, “The Revolution, Vanguard Artists and Mural Painting,” *Third Text* 28, no. 3 (May 4, 2014): 256–68, doi:10.1080/09528822.2014.935566; Brigada von Mentz, “Trabajo Minero Y Control Social Durante El Porfiriato. Los Operarios de Dos Poblaciones Contrastantes” 50, no. 3 (2001): 555–607; Mabel M. Rodríguez Centeno, “Fiscalidad Y Café Mexicano. El Porfiriato Y Sus Estrategias de Fomento Económico Para La Producción Y Comercialización Del Grano (1870-1910),” *Historia Mexicana* 54, no. 1 (2004): 93–128.

Diaz led to the rise of new social classes that began to challenge the social and political situation.

After Diaz's overthrow in 1911, the country went into a series of factional conflicts caused by the central government's lack of legitimacy. This issue of legitimacy was persisted from the end of the Revolution in 1917 until the late 1930s when Lazaro Cardenas was able to pacify and institutionalize important national symbols that included PEMEX. Gonzales analysis of the international consequences of the Mexican Revolution suggests that the magnitude of the conflict reshaped both internal and external dynamics. According to him, this revolution was part of the three most important revolutions in the 20th century, the others being, the Russian and Chinese revolutions. Despite, Mexico's revolutionary complexity the end of the violent conflict led to important legal accomplishments. Indeed, the proclamation of the 1917 Constitution embodied fundamental political and ideological principals concerning the exploitation of natural resources, particularly oil.¹¹⁸ These norms contained the inviolability of the nation's territory and that the production of natural resources must be in the interest of its people, this legal protection can be connected with Breuilly definition of nation. Moreover, it denoted that national natural resources are part of the nation sovereignty, which is also linked with Breuilly's claims on nationalism.¹¹⁹ These legal declarations illustrate that the formation of the modern Mexican identity was based on economic independence, self-determination and autonomy, these three elements became evident during the creation of PEMEX as an institution that protected and spread such ideological premise.

¹¹⁸ Camara de Diputados, "Mexican Constitution," Pub. L. No. 27, § 3, 1 1 (1917), <http://www.ordenjuridico.gob.mx/Constitucion/articulos/27.pdf>.

¹¹⁹ Breuilly, *Nationalism and the State*.

It is very important to mention that Cardenas political legacy deals with the development of a different type of modernity. In contrast to the one applied during “El Porfiriato,” Cardenas modernization process was guided by the incorporation of mass politics and socialism as main elements of nation formation. In fact, these essential elements were present in Mexico’s most relevant post-Revolutionary institution PEMEX. This institution became an ideological element whose power went beyond material gains, since PEMEX prompted the unification and organization of political forces, social groups and economic actors.

Oil, Revolution and modernity: from “El Porfiriato” to “Cardenas”

Without the Mexican Revolution, the conceptualization of PEMEX would not have been possible. As industrial revolution influenced the transition between mercantilism and capitalism, the 19th century was a period of oil exploration across the world. Mexico was no exception; by 1860 many national and foreign actors were aware of the prospect of finding oil deposits in the country. Despite the importance of oil in the international area, the Mexican people knew almost nothing about this new asset. It is certain that oil represented economic progress for many foreign companies and politicians during Diaz’s regime; however, the creation of PEMEX in 1938 changed this economic conception into an ideological element of national identity. Likewise, the consolidation of the post-Revolutionary regime showed that oil contained a unique ideological power within the development of the Mexican nation.¹²⁰ Therefore it is fundamental to study the ideological evolution of oil during Mexico's revolutionary era emphasizing the role of oil as the synonym of national identity and modernity.

¹²⁰ Brown, *Oil and Revolution in Mexico*.

By selling out important economic sectors, Porfirio Diaz economic agenda aimed to achieve high profits from Mexico's natural resource abundance, as was the case with the only industry, which was mainly own by American and British companies. The first oil exploration began in 1868 with the collaboration of American and British geologists.¹²¹ In 1884, the Gulf of Mexico became an important area of research for many foreign companies. The attempts to find oil had to do with the development of new technologies in the United States that provided more efficiency to the process. In the same year, Porfirio Diaz passed a law that allowed the underground exploration and extraction of oil near Veracruz. These first drillings were possible due to the previous introduction of the railway between Veracruz and Mexico City in the late 1890s. By 1901, another bill known as "the petroleum law" was approved by President Diaz to grant concessions regarding the exploitation of oil.¹²² After 1901, Edward L. Doheny and Weetman Pearson became central actors in the Mexican oil industry. According to Buffington et al. The two businessmen invested heavily in exploration and production, which reached its peak during the years of the revolution between 1911 and 1917.¹²³

It is important to consider that during the end of the 19th century U.S economic interest in Latin America was influenced by the introduction of oil as a strategic component of the industrialization process. During this period of capitalism, oil became the primary economic asset in any production system reshaping and boosting modernity in economic, political and social terms.¹²⁴ The importance of oil is illustrated in George

¹²¹ American Oil & Gas Historical Society, "Offshore Petroleum History," *Offshore History*, 2016.

¹²² John Skirius, "Railroad, Oil and Other Foreign Interest in the Mexican Revolution, 1911-1914."

¹²³ Coerver, Pasztor, and Buffington, *Mexico*.

¹²⁴ Stephanie LeMenager, *Living Oil: Petroleum Culture in the American Century*, Oxford Studies in American Literary History 5 (Oxford New York Auckland Cape Town Dar es Salaam Hong Kong Karachi Kuala Lumpur Madrid Melbourne Mexico City: Oxford University Press, 2014).

Philips's book "Oil and Politics in Latin America," which highlights the U.S interests to expand oil markets on the continent.¹²⁵ This claim is also recognized by Meggaro's analysis of the Mexican oil industry between 1900 and 1922; according to his research in 1919 Royal Dutch Shell bought Mexican Eagle Oil Company for \$75 million dollars.¹²⁶ Three years later Mexico became the world's second-largest oil producer in the world. This period of high revenues for foreign oil companies came to an end in 1938 after President Cardenas intervened in the negotiations between Mexican workers and the oil companies.¹²⁷

The economic interest of the U.S and other European powers regarding the extraction of Mexican oil encountered resistance during the establishment of Cardenas political regime. This resistance represented the end of imperialist economic policies in Mexico and the rise of a nation-state, whose primary interest was to preserve its sovereignty; this political and economic transition is explained by Mann's insights on the fall of emperies and the expansion of nation-states.¹²⁸ Lázaro Cardenas was born in a middle-class family in the center of Michoacán; his political career began after he became governor of his state in 1928.¹²⁹ During his period as a governor, he revealed a strong socialist ideology among his close political circle. He was a charismatic leader whose motto was to bring social equality and land redistribution.¹³⁰ Between 1928 and 1934 Cardenas started to gain more and more support by the people, which is why

¹²⁵ George Philip, *Oil and Politics in Latin America: Nationalist Movements and State Companies*, Cambridge Latin America Studies 40 (Cambridge: Cambridge Univ. Press, 1982).

¹²⁶ Karim Meggaro, "The History of Mexican Oil, Part One – from Expropriation to Cantarell."

¹²⁷ Brown, *Oil and Revolution in Mexico*.

¹²⁸ Mann, *Global Empires and Revolution, 1890 - 1945*.

¹²⁹ Frank McLynn, *Villa and Zapata: A History of the Mexican Revolution*, History (New York: Carroll & Graf, 2002).

¹³⁰ Camara de Diputados, "Lazaro Cardenas Profile" (Gobierno de Mexico, 2001), http://www.diputados.gob.mx/LeyesBiblio/muro/pdf/cardenas_perfil.pdf.

Plutarco Elias Calles, who is considered the founder of PRI, tapped him to become the next president in the 1934 elections.¹³¹

After serving as governor Cardenas became a messianic figure to many indigenous populations. Even before he was elected as presidential candidate, people from Michoacán gave him the nickname “Tata” which means protective father. Lazaro Cardenas was born in a low class family, his family had indigenous ancestry and he did not have access to higher education. These limitations, however, suited him well to interact with the majority of Mexicans.¹³² It is unquestionable that Cardenas’ charisma was an important complement with his political interest to modernize Mexico in his way. He believed this required the full application of Mexico’s rule of law, the mobilization, and inclusion of all social groups and the development of a socialist ideology.¹³³ Hence, such pillars were at the core of Cardenas’ influence on modern Mexican identity. It is certain that he had a unique ability to conceptualize Mexico’s social challenges, he firmly believed in agricultural reforms, the development of a national education and the creation of labor unions. Francisco Jose Mujica’s personal diaries explain Cardenas’ ideological background and his intentions to transform and unify Mexico.¹³⁴ In his personal diaries, Mujica narrates Cardenas’ trips to Veracruz in 1933, where the foreign oil companies had absolute control of the national territory. Mujica claims that those trips changed Cardenas’ political position towards foreign actors. Following from this, Cardenas was shocked by Mexico’s lack of sovereignty and national determination.

¹³¹ Craven, “Lineages of the Mexican Revolution (1910–1940).”

¹³² Camara de Diputados, “Lazaro Cardenas Profile.”

¹³³ Enrique Krauze, “Lazaro Cardenas: El Mito y el Hombre,” mp4, *Televisa Serie Presidentes* (Mexico, 2014), <https://www.youtube.com/watch?v=F9vkM3qBcTY>.

¹³⁴ Camara de Diputados, “Lazaro Cardenas Profile.”

Cardenas' ideological background had enormous impact on the implementation of constitutional article 27 against foreign oil companies. Historians such as Gonzales agree that Cardenas' political sentiments molded the Mexican identity in profound ways.¹³⁵ Listening to Lázaro Cárdenas' presidential speech in 1938, on what became Nationalization Day, it is clear that oil stopped being a symbol of imperialism and rather became a symbol of national unity. During a trip to Veracruz, he declared "It is necessary that all groups of the population be imbued with a full optimism and that each citizen, whether in agricultural, industrial, commercial, transportation or other pursuits develop a greater activity from this moment on"¹³⁶ This small quote reflects the social inclusion during Cardenas's administration. More precisely it shows that the post-Revolutionary regime had important elements of socialism. In this sense, the establishment of PEMEX boosted the introduction of a socialist idea of modernity that reshaped Mexican nation identity.

Mexican Oil nationalism: the creation of PEMEX

To fully understand the role of PEMEX during the construction of the post-revolutionary regime, it is fundamental to mention that the modern Mexican state had three main premises; it was presidential, corporative and socialist. Thus, PEMEX was a bridge between the president, union leaders, and the welfare system; this bridge was only possible due to PEMEX economic and ideological power. Based on the idea that oil can bring societies to modernity, PEMEX ideological and economic components were very necessary for the consolidation of the regime. Moreover, PEMEX ideological side contained significant elements of identity boosting the formulation of the modern

¹³⁵ Michael J. Gonzales, *The Mexican Revolution, 1910 - 1940*, 1. ed, Diálogos (Albuquerque: Univ. of New Mexico Press, 2002).

¹³⁶ Lázaro Cardenas, *Expropiación Petrolera*, mp3 (Mexico: Archivo General, 1938), Camara de Diputados.

Mexican nation. In this sense, modernity shaped the nation and the nation adapted to modernity. Thus, it is useful to trace the main historical events during oil nationalization and the way it reconfigured different socio-political actors at many levels, which certainly was PEMEX prominent contribution to the formation of modern Mexican nationalism.

Lorenzo Meyer argues after 1938 Mexico experienced the rise of the so-called "revolutionary nationalism," which made it possible to mobilize masses and achieve political control over them. The mass mobilizations were a unique element in comparison with "El Porfiriato." The post-Revolutionary mass politics reduced the tension among social groups and homogenized the different political ideologies at least inside the PRI. Likewise, the continuity of the revolutionary ideology belonged to PRI's ability to control regional and local actors. Starting with Cardenas in 1938 and until Miguel Aleman's presidency, the institutionalization of the Revolution made possible the selection of governors, senators, and deputies in the entire country. Interestingly, the political and economic functionality of PRI's regime was possible due to the PEMEX financial consolidation in the international markets. Beside PEMEX profitability the nationalization of oil gave legitimacy to a state that experienced socio-political fragmentation in the aftermath of the Revolution.

The establishment of PEMEX in 1938 involved different players and levels of influence. After Cardenas's nationalization speech, thousands of Mexican went out into the streets to celebrate a victory against foreign intervention. It is relevant to mention that popular sentiment fused by oil nationalization was channeled by PRI's institutional arrangements with unionist leaders, regional governors and entrepreneurs. These

institutional connections are a clear example of PEMEX influence of Mexico's corporatism policy. Wiarda defines corporatism "as a system of social and political organization in which major societal groups or interests are integrated into the governmental system"¹³⁷ In this regard; the nature of PEMEX has linkages with the development of labor unions, universities, and the welfare system. The creation of *Sindicato Revolucionario de Trabajadores Petroleros de la Republica Mexicana* (SRTPRM) in 1935 was an important element in the nationalization process; moreover, after 1938 this union became essential in the creation of others unions that helped the regime to consolidate its ideological and political aims.¹³⁸ Thus, it is feasible to claim that PEMEX facilitated the development of Mexico's corporatist ideology.

The role of PEMEX in the state formation process was possible due to Cardenas ability to institutionalize mass politics, homogenize education and conglomerate different political forces into one single ideology. A major factor in the development of mass politics was the creation of union labors and land redistribution. Hence, Cardenas land reform and social mobilization can be linked with Breuilly arguments regarding nationalism and mass politics.¹³⁹ According to Hart, during Cardenas's presidency eight million acres were assigned to peasants¹⁴⁰. The socialist motto behind the land reform influenced the formation of agrarian unions that had strong links with the heirs to Emiliano Zapata's movement during the early 1900s.¹⁴¹ Cardenas's land reforms provoked the discontent of conservative groups that included the Catholic Church;

¹³⁷ Howard J. Wiarda, *Corporatism and Comparative Politics: The Other Great "ism,"* Comparative Politics Series (Armonk, NY: Sharpe, 1997).

¹³⁸ Grupo Milenio, "Radiografia del Sindicato Petrolero," 2013, http://www.milenio.com/politica/Radiografia-sindicato-petrolero_0_133786862.html.

¹³⁹ Breuilly, *Nationalism and the State*.

¹⁴⁰ John M. Hart, *Revolutionary Mexico: The Becoming and the Process of the Mexican Revolution*.

¹⁴¹ Coerver, Pasztor, and Buffington, *Mexico*.

nevertheless, after the oil expropriation, many clergy leaders supported Cardenas decision. Aside from what motivated the Catholic groups to support the nationalization, the formation of PEMEX helped to avoid tensions between the state and the Church. Gledhill argues that the nationalization of oil in 1938 had a strategic impact on the inclusion of traditional political actors.¹⁴²

PEMEX, unlike other oil companies, was not only an economic actor. PEMEX indeed is a political and social institution whose primary objective centered on bringing towards a variety of social and political forces into the production of oil. The institutionalization of PEMEX was possible via the inclusion of PRI political forces; moreover, PRI ideological message had a significant connection with the modernization of the country.¹⁴³ The link between PRI and modernity determined the establishment of other modern institutions such as universities. Even before the oil nationalization, the party of the Revolution sponsored the creation of technical colleges and high schools to train Mexican petroleum engineers. The establishment of universities supports Giddens's claims about the role of institutions in the self-identification process, and also shows that Mexico's entrance to modernity was substantially influenced by PEMEX ¹⁴⁴.

In 1936, President Lazaro Cardenas founded the National Polytechnic Institute offering various degrees in economics, engineering, and mathematics.¹⁴⁵ During the inauguration ceremony, President Cardenas stated the following; "the task of this institution will be to generate engineers and technicians in specialized areas to strengthen

¹⁴² John Gledhill, "'The People's Oil': Nationalism, Globalization, and the Possibility of Another Country in Brazil, Mexico, and Venezuela," *Focaal* 2008, no. 52 (January 1, 2008), doi: 10.3167/fc1.2008.520104.

¹⁴³ Héctor Aguilar Camín, Lorenzo Meyer, and Luis Alberto Fierro, *In the Shadow of the Mexican Revolution: Contemporary Mexican History, 1910 - 1989*, Translations from Latin America Series (Austin: Univ. of Texas Press, 2001).

¹⁴⁴ Giddens, *Modernity and Self-Identity*.

¹⁴⁵ Secretaria de Educacion Publica, "The History of IPN" (Gobierno de Mexico, 2014), <http://www.poi.ipn.mx/English/Paginas/History.aspx>.

the development of the nation.¹⁴⁶ It is relevant to mention that in 1939 a year after the oil expropriation the first petroleum engineers graduated. Thus, the formation of PEMEX and the oil nationalization were not sporadic events; rather they were part of a larger strategy to develop a Mexican nationalism based on socialism, modernity, and progress.

The influence of PEMEX in the Mexican imaginary has connections with the past territorial losses of the 19th century, which prevailed in the minds of elites and masses.¹⁴⁷ Mexico fought many wars against European powers and the United States leading to the constant erosion of Mexico's sovereignty. During the reign of President Antonio De Santa Ana Mexico lost almost half of its territory causing a mass resentment against the United States.¹⁴⁸ Additionally, Mexico also defended itself against France and Britain when President Benito Juarez refused to pay the interest rates imposed by these countries. Mexico's experience regarding imperial interventions found a symbol in PEMEX as a Mexican company with the power to face foreign threats. Therefore, it is fruitful to understand PEMEX as an institution that channels the memory of the people into a new idea of Mexican modernity. Mexico's entrance to modernity was possible by the introduction of important ideological elements linked with socialism and corporatism. The introduction of these elements is connected with Mann's arguments regarding the sources of social power.¹⁴⁹ As a matter of fact, PEMEX was an institution that confined economic, ideological and political power, which explains its crucial role in the reconfiguration of the Mexican nation.

¹⁴⁶ Secretaria de Educación Pública, "The History of IPN" (Gobierno de México, 2014), <http://www.poi.ipn.mx/English/Paginas/History.aspx>.

¹⁴⁷ Aguilar Camín, Meyer, and Fierro, *In the Shadow of the Mexican Revolution*.

¹⁴⁸ Brown, *Oil and Revolution in Mexico*.

¹⁴⁹ Mann, *Global Empires and Revolution, 1890 - 1945*.

The most accurate example of PEMEX's ideological power took place in 1936 with the creation of the Confederation of Mexican Workers whose central aim was to protect workers from labor abuses.¹⁵⁰ It is important to mention that during this decade most of the biggest companies were owned by foreign capital. As noted previously, one of the primary motives for the Revolution had to do with labor strikes suggesting that the creation of the Confederation of Mexican Workers was in fact very efficient to achieve social cohesion among Mexican labor force.¹⁵¹ It was also in 1936 when the Union of Petroleum Workers began operations; this Union was very active during Cardenas's legal dispute with foreign oil companies. Vicente Lombardo Toledano was a central character in the formation of the union in this decade, he firmly believed in Marxism, and he became a pillar to accommodate all labor sectors under the new regime.¹⁵²

PEMEX: the pillar of Mexico's modernization

The consolidation of mass politics, the creation of Union and the establishment of a stable presidential system would not have been possible without PEMEX endeavors to modernize Mexico.¹⁵³ It is undeniable that oil companies are one of the most profitable companies worldwide; however, during the 1930s PEMEX served as an economic pillar and also as a driver of modernity. Mexico's path towards modernity included the creation of a welfare system that provided national education, healthcare, land redistribution and in some cases even housing. The utilization of PEMEX revenues was not only strengthening Mexico's economic outlook but was also sending a message of modernity

¹⁵⁰ Philip, *Oil and Politics in Latin America*.

¹⁵¹ Craven, "Lineages of the Mexican Revolution (1910–1940)."

¹⁵² Richard Tardanico, "Revolutionary Mexico and the World Economy: The 1920s in Theoretical Perspective," *Theory and Society*, 1, 13, no. 6 (1984): 757–72.

¹⁵³ Carlos Nazario Mora Duro, "Mito E Interpretación de La Revolución Mexicana: Mariátegui Y Haya de La Torre" 5, no. 1 (2014), http://relacso.flacso.edu.mx/sites/default/files/docs/2014-02/mito_e_interpretacioin_de_la_revolucioin_mexicana.pdf.

to the people. As Giddens claims¹⁵⁴, modernity and institutions are very connected with ideology and social values; such connection became evident during the consolidation of institutions in charge to regulate education and to develop social security. Organizations such as the Ministry of Education and the Mexican Institute of Social Security had an enormous impact on the development of the Mexican nationalism; their impacts were not only financial but also symbolic regarding the country's imaginary regarding oil wealth and Mexico transition to modernity.¹⁵⁵

After the oil nationalization, the international context helped PEMEX to gain more productivity. The begging of the Second World War gave Mexico the opportunity to diversify its market, and at the same time, it provided leverage towards the U.S historical attempts to intervene in Mexican national affairs.¹⁵⁶ This diplomatic leverage reinforced Mexico's national sovereignty, going back to Breuilly's definition of the nation¹⁵⁷, PEMEX provided to the Mexican state important ideological and economic instruments upon the consolidation of the nation's sovereignty.

PEMEX high productivity in the 1940s made possible PRI's vision to modernize infrastructure and create labor. Albeit the economic benefits, Mexico aspired to consolidate a political rhetoric of foreign independence, self-determination, and nationalism, which legitimized the state's power. This legitimization process was largely influenced by the corporatism. In this regard, Richard Tardanico explains how populist-nationalistic views became symbols within every Mexican institution.¹⁵⁸ By using

¹⁵⁴ Giddens, *Modernity and Self-Identity*.

¹⁵⁵ John M. Hart, *Revolutionary Mexico: The Becoming and the Process of the Mexican Revolution*.

¹⁵⁶ Richard Tardanico, "Revolutionary Mexico and the World Economy: The 1920s in Theoretical Perspective."

¹⁵⁷ Breuilly, *Nationalism and the State*.

¹⁵⁸ Richard Tardanico, "Revolutionary Mexico and the World Economy: The 1920s in Theoretical Perspective."

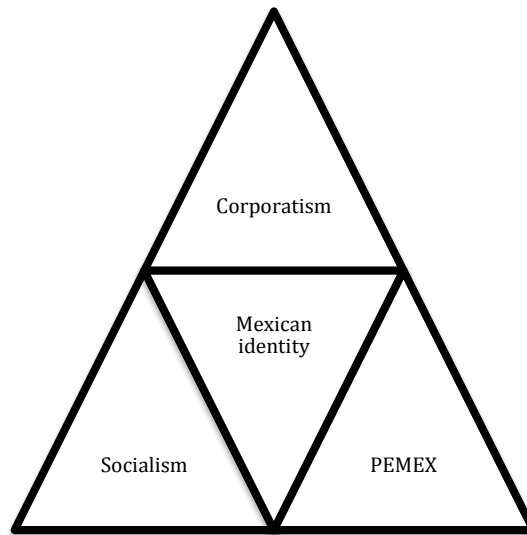
oratory and national symbols, he claims that despite the elites intentions to favor middle and lower classes the Mexican system manipulated the revolution's rhetoric to legitimize its authoritarian rule. The democratic or non-democratic status of the post-Revolutionary regime is not the aim of this research; however, it is useful to highlight the way national symbols and oratory were utilized and diffusion via modern institutions.¹⁵⁹ Thus, the spread of modern Mexican nationalism was presented in the creation and development of almost all state institutions.

Like the Saudi Arabian case the establishment of PEMEX illustrates that once oil becomes institutionalized, it contains important ideological elements that reshaped the nation formation in post-Revolutionary Mexico. Moreover, as mentioned in the Saudi Arabia chapter, PEMEX became the core of Mexican identity formation after 1938. Ideologically, the nationalization of oil displayed a marriage of oil, socialism and corporatism, which became the pillars of the Mexican post-Revolutionary regime. In this sense, this ideological trias (see figure 2) allowed Cardenas to achieved political stability, economic growth and social cohesion, which at the same time reinforced the state's power. Thus as Coakley mentions the interplay of oil and nationalism in the Mexican context helped to develop a nationalist ideology that reinforced the state and vice versa.¹⁶⁰

¹⁵⁹ Frank MacD. Spindler, "The United States and Revolutionary Nationalism in Mexico, 1916–1932: Smith, Robert Freeman: Chicago: The University of Chicago Press, 288 Pp., Publication Date: May 9, 1972," *History: Reviews of New Books* 1, no. 1 (October 1972): 10–10, doi:10.1080/03612759.1972.9954944.

¹⁶⁰ Coakley, *Nationalism, Ethnicity and the State*.

Figure 2: Mexican nation formation process



Modern Mexican organizations had critical linkages among institutions; as for example in the case of the Ministry of Education and PEMEX. After 1938 PEMEX mission and vision established that the production of oil would encourage prosperity, PEMEX workers were constantly giving speeches about the importance of Mexican education and its connection with achieving a better future. On the other hand, primary school texts books edited by the Ministry of Education developed a narrative of patriotism and nationalism concerning oil nationalization.¹⁶¹ Nationalism was reinforced during classes and holidays, after 1938 the 18 of March became a national holiday so important that schools organized large events to commemorate the acts of patriotism and nationalism started by President Lazaro Cardenas. On 19 of March, large congregations of institutions and labor Unions joined the narrative regarding oil nationalization. At this point, many revolutionary players had died, but the revolution's narrative was still present not only in the minds of political actors but also in the institutional core of the political

¹⁶¹ Martha Porras de Hidalgo, ed., *La Literatura de La Revolución Mexicana*, 1. ed (México, D.F: Editorial Porrúa, 2010).

system.¹⁶² Institutions had a unique power to shape individuals and from all the institutions built after the Revolution PEMEX was the most important. In fact, PEMEX national discourse influenced other institutions and therefore the masses. Overall, PEMEX was the primary symbol of modernity and nationalism within the process of nation formation.

Conclusion

This thesis showed that most of IR literature about oil and nationalism uses political economy frameworks to study why oil and the nation have an intimate proximity; however, as argued in this the research such connections fail to capture how the interplay between oil and nationalism was of fundamental importance during the nation and state formation process. To what extent did oil influence the Saudi and Mexican nation formation process? The cases studied here highlight that, indeed, it influenced and reconfigured both national identities in profound ways, which suggests that the interplay between oil and nationalism goes beyond political economy approaches.

After analyzing the development and establishment of PEMEX and Saudi Aramco, it is clear that oil played a central role in the nation formation of Mexico and Saudi Arabia during the early 20th century. Particularly, oil was an institutional and ideological element within the Saudi and Mexican projects to achieve modernity. Based on Mann's claims about ideology as power, Saudi Arabia and Mexico's entrance to modernity had a vital connection with oil and its ideological elements. Looking at the comparative analysis, Saudi Aramco and PEMEX are the most relevant examples in

¹⁶² Aguilar Camín, Meyer, and Fierro, *In the Shadow of the Mexican Revolution*.

history of how oil can trigger some of the features describe by Breuilly and Coakley approach on different forms of nationalism. The comparative study showed that the institutionalization of oil influenced other socio-political spheres during the consolidation of both regimes; conjointly, as argued by Giddens, it reconfigured the Saudi and Mexican identity by introducing features of modernity in the process of defining self-identity.

In Saudi Arabia, Saudi Aramco was a strategic institution whose ideological connotations regulated tribal relations, moderated Wahhabism and sponsored modernization in the country. Whereas in Mexico PEMEX became a vessel for spreading socialism, corporatism and modernity giving stability to the long standing conflicts between social classes and political groups. As a matter of fact, this shows that the independent variable (oil) triggered the consolidation of both regimes, although their contexts were very different, proving that oil's ideological power can influence nationalism and thus nation-state formation. Finally, the research shows that the interplay of oil and nationalism entails several ideological elements that have the power to reshape identity not only by economic means but also by way of its connection with modern ideological elements.

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