

The Revolutions of the Arab Region

Socio-economic Questions at the Heart of Successful Ways Forward

Unexpected Revolutions?

The pace and rapidity of the change that the Arab region has witnessed since the beginning of 2011, with regard to the level of mobilization of people from various social groups and its spread across the region, and the relatively short period it took for toppling presidents and power figures that were characterized as untouchables

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for a long time, have brought a significant level of surprise to various stakeholders. These include the people in power themselves, the international community and the allies of the Arab countries, as well as the people participating in the mobilizations, whether organized in various forms of civil society groups or not. That said, it has been evident that the Arab region has been rapidly climaxing towards a certain kind of change. Indeed, the witnessed revolutions reflected the arrival of the region at a climax of a period that compounded political repression and lack of democracy with economic and social marginalization, high inequalities, and the violation of rights. This was associated with high levels of corruption and centralization of economic resources under the control of the few that were either part of the ruling family, party, or close to those circles. Corruption and

lack of accountability, which sometimes turned the state and national resources into private property for people in power, reached levels that could not be ignored or unfelt by the citizen.

The culmination of popular mobilizations in the streets and the ability of the people in the region to demonstrate in large numbers and demand change were not expected¹. Before the peoples' revolutions, analysts often considered that inevitable change in the region would possibly occur as a result of a combination of factors: shifts in the regional power balance, external political pressure, and more intensive internal pressure from civil society groups. Mass popular mobilizations were sidelined as a probable factor of change. The ability of the people to reclaim their right to have a say in the governance of their countries and to defend their human rights was not a popular consideration.

While the pace and form by which change came about was unexpected, the achievements were an accumulation of the efforts and struggles of various societal factions and civil society groups, including non-governmental organizations (NGOs), labor unions, opposition political parties, and citizens active in various forms of social and political networks. It is worth noting that since 2002 the region witnessed multiple forms of political dynamism, although within a limited framework and impact. Several Arab countries organized parliamentary elections, others local and presidential elections. This was paralleled with a certain level of increased dynamism among civil society groups and political movements, who monitored these processes or took part in them. Several



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official and civil initiatives and calls for reform were taken, including the Sana' Declaration in 2004, the Alexandria Bibliotheca Declaration in 2004, and the Declaration of the League of

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Arab States Summit in Tunisia in 2004. This emerging dynamism was interrupted in 2005 by the international community's reaction to the Palestinian parliamentary elections, which led Hamas to win the majority. These elections were perceived as an alarming sign that Islamic parties were ready to take over power in Arab countries open for democratic changes. This gave the ruling regimes strong arguments to convince their foreign partners, mainly the US and the EU, to compromise the demands for democratic reforms.

Since 2008 several Arab countries - specifically Egypt and Tunisia - have been witnessing new forms of social resistance at the community level as well as in industries and factories. These were spurred by the economic and social pressures resulting from the series of global economic, energy, food, and climate crises. These forms of resistance erupted in communities that were not previously considered part of the organized social resistance, especially communities in rural and periphery areas that are far from the center of organized efforts by civil society groups in general. Among the factors that shaped the climactic mobilizations, was the role of educated youth who were marginalized and excluded from the economic and productive cycles of their countries. Overall, the climactic popular mobilizations that Egypt and Tunisia witnessed, and towards which other Arab countries are

heading , cannot be explained by a specific set of factors, but ought to be kept open to be understood as a reflection of the amalgamation of various complementary elements that led to change, or were conducive to change.

Neo-liberalism and Authoritarian Rule in the Arab Region

Neo-liberalism has been the basis of economic models and formulae promoted and adopted in the Arab region, as is the case in many other developing regions and countries. Often, the former, deposed heads of states of Egypt and Tunisia, and the regimes they led, adopted neo-liberal economic liberalization unconditionally. This was one of the factors² that swayed the European Union, United States and other international actors to extend their support to these regimes, despite the fact that these regimes' governance approach fell short of all values of democracy, defense of human rights, socio-economic participation, and transparency that the West claims to hold³.

Neo-liberalism is built on an assumption that strongly links between economic liberalization and democratic transformation. This approach claims that by undertaking reforms of regulations pertaining to competition, investment, dispute settlement, etc., new economic stakeholders would play a bigger role in the national economy. Under this pretext, international trade liberalization has been presented as a necessary tool for promoting human rights and democracy abroad and ultimately for a more peaceful world⁴. It was part of the package, based on which external actors maintained their unquestioned support of oppressive regimes, to adopt this economic model. Yet economic liberalization including policies on trade liberalization, attracting foreign direct investment, privatization, tax reforms, and overall economic deregulation⁵, have been applied by undemocratic regimes in a way that is detached from actual national development priorities, and thus became tools for monopolization of economic powers and resources. Indeed, in many Arab countries,



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including Egypt and Tunisia, there remains a convergence between those in control of political power, major economic actors, and the owners of national economic resources. In Tunisia for example, economic resources were concentrated in the hands of the family of the former head of state. In Egypt the economic elite was a wider circle consisting of investors and businesspersons close to the head of state, who themselves took political office in various capacities.

Besides the narrow concentration of economic power, neo-liberalism and its instruments, such as free trade agreements and investment arrangements, have contributed to restricting the space available at the national level for participatory policy-making that engages local stakeholders and considers their priorities. This includes limitations on policies which favor productive sectors such as agriculture and manufacturing⁶, and restrictions on local governments' role in dealing with development challenges, such as employment and poverty eradication.

Developmental Questions Raised by the Current Revolutions

The revolutions in Tunisia and Egypt have precipitated processes of critical reflection on systems of political governance. Various stakeholders are part of this debate, including existent and new political parties, civil society organizations, labor unions, and groups that emerged as a result of the revolutions themselves representing a variety of youth voices, and adopting various forms of organization. There has been much focus on issues such as constitutional reforms, electoral laws and procedures, the powers of the legislative and judicial branches, as well as dealing with authoritarian institutions such as security agencies, besides many other important steps towards new and democratic governance. Tunisians and Egyptians are increasingly looking beyond specific individuals as the source of their political and social crises and are instead starting to tackle the institutional

reforms necessary to establish democracy, transparency, accountability and oversight, as well as to combat corruption⁷.

The sustainability of these democratic reforms will rest on the ability to establish a new basis for the relationship between the citizen and

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the state, rooted in the respect of rights, active participation, the existence of accountability mechanisms, and acknowledgement of mutual responsibilities. Indeed, building democratic governance systems necessitates thinking about a new social contract that establishes the foundation for a state that is rooted in the protection of human rights and the rule of law. Working towards a new social contract requires national processes of democratic policy dialogue and institutional reforms that revive the concept of consent or agreement by the citizen to social arrangements and public policies that are based on justice. This relationship between responsible and active citizens on the one hand, and accountable and democratic state institutions on the other, is the complementary basis of a new social contract.

This in turn entails a comprehensive process of reforms on the political as well as the economic, social, and cultural fronts. Both revolutions in Tunisia and Egypt have demonstrated the interlinkages between the political, the economic and the social. These revolutions, along with revolutionary movements in other Arab countries like Libya, Yemen, Syria, and Bahrain were triggered by factors of economic and social exclusion and quickly built up towards mass mobilizations behind political demands.

Economic and social questions ought to address the nature of the vision and model that is to be adopted by new governments and its

relation to the developmental challenges that the region faces. Indeed, the United Nations Commission for Trade and Development (UNCTAD) noted that “the current upheaval in North Africa and West Asia represents a day of reckoning for the trade and economic policy choices made in the region over the past decades, and this is an opportune moment for these countries (and others facing similar pressures) to rebuild neglected public institutions so they can lead the process of reshaping economic and labor governance”⁸.

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The disconnection between economic policies and the challenges related to governance and to poverty reduction, which include redressing social inequalities, creating employment, and developing the productive sectors, have characterized the region for the past decade and have been highlighted in several regional and international reports⁹. For example, in December 2009, the League of Arab States and the United Nations Development Program (UNDP) called on Arab states to adopt a new economic approach aimed at constructing a new social contract. The report entitled “Development Challenges in the Arab States: A Human Development Approach”¹⁰ recommended that Arab states undertake “a shift from a growth model based on oil and raw materials, to the model of a developmental state, where the measures of success are the performance of the productive sectors, the reduction of poverty and inequality, and job creation”. It also highlighted the need to ensure “the right to food for all Arab peoples through

a social contract that would commit rich Arab countries to support the process of eliminating hunger in the region as a whole”. Furthermore, according to UNCTAD¹¹, the current period presents an opportunity for “a re-assignment of macroeconomic policies for sustained growth in ways that trigger a virtuous circle of investment, productivity, income growth, and employment creation so that income gains from productivity growth are distributed equitably between labor and capital.”¹²

Accordingly, one of the institutional reforms to be considered includes a process that would kick-off a broad national dialogue on the establishment of a new economic and social model that reflects developmental challenges, prioritizes citizen’s rights, and redresses exclusion on various fronts. Such a process would need to be based on “national ownership”, which is one of the main principles of development effectiveness, and would necessarily be an inclusive process, on the national level, to elaborate economic and social visions, strategies, and policy interventions. It would be characterized by healthy and inclusive national dialogue that engages policy makers, political groups, civil society organizations, and citizen’s voices in general.

Questioning the Role of International Financial Institutions in the Region

International Financial Institutions (IFIs) have played a major role in shaping economic and social policies in various Arab countries. Contesting foreign conditionality on economic and social policy-making has been increasingly absent from public spheres in these countries. This absence is partly due to political repression and limitations on public participation in shaping policies, as well as the preoccupation of opposition political parties and civil society groups with fighting for their right to exist. Advice from the World Bank and International Monetary Fund (IMF), which has often been supported and implemented by other international actors, such as the European Union and the United States, was readily received by authoritarian regimes.

The IFIs were at the forefront of shaping the structural adjustment programs which developing countries, including Arab countries, adopted in the 1980s. A review of IMF documents suggests for example that consecutive governments under Ben Ali's regime had faithfully abided by IMF and World Bank conditions, including the firing of public sector workers, the elimination of price controls over essential consumer goods and the implementation of a sweeping privatization program¹³. Similarly, the IMF has had a major role in Egypt since the 1980s; workers and farmers have been especially hurt by the increasing prices and cuts in agricultural subsidies that were part of enforced conditions.¹⁴ These programs have promoted the reorientation of macroeconomic policies to focus on combating inflation, attracting foreign direct investment, and greater openness to trade and capital flows, while marginalizing

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employment and equitable income distribution.

Overall, these constraining foreign policy recipes escaped the scrutiny that could have been brought by a healthy and vibrant political economy context, had local stakeholders such as political parties, labor unions, and civil society groups been active participants on economic and social policy fronts¹⁵. It is important to note that in some cases, Egypt witnessed lively civil society debates on and effective campaigns against neo-liberal projects. This includes, for example, the move of the government under former Premier Minister Ahmad Nazif to privatize Egypt's health insurance system,

which was halted by the Administrative Court (in 2008) as a result of a campaign by civil society groups¹⁶.

The Role of the League of Arab States: Failures and Prospects

Decision-making within the League of Arab States (LAS) has been exclusively dominated by undemocratic and repressive governments. The LAS was thus unable to actively contribute to enhancing and shaping a constructive and effective debate around regional policies and cooperation. The fact that its member states were - and many still are - detached from their citizens, meant that as a regional institution, it also failed to address the challenges and aspirations of the people of the Arab region. Indeed, the inability of citizens to participate in national decision making procedures limits their capacity to affect regional processes as well. Yet, besides the unwillingness of the member states, the LAS also suffers from weak and ineffective institutional structures.¹⁷ If democratic and effective, such structures could have played a role in critically addressing regional socio-economic and development challenges. Successive LAS summits, including the two Economic and Social Summits (2009 and 2011) issued statements but lacked the capacity to implement decisions because of weak political commitment and weak institutional implementation mechanisms.

Such failures in the role of the LAS reflects, in part, what came to be described as an increasingly introverted approach and role by Arab states, which limited their interaction with each other and "ignored, dismissed, or rejected interaction with outside civilizations and different schools of thought"¹⁸. In the near future, regional integration and enhanced economic cooperation could be an effective tool to re-vitalize national economies. Economic cooperation among Arab countries need not adopt a mainstream neo-classical model of economic liberalization. Future cooperation ought to be effectively linked to the development challenges in the region, and build towards

a competitive bloc of Arab economies. An improved role for the LAS should be part of processes of reflection on the future of the Arab region. The role of Egypt is central in this process.

The Role of Civil Society Organizations in the Arab Region: Current and Future Prospects

For a long time, civil society organizations in the Arab region have faced many restrictions and violations with regards to their freedom of association and expression, and their independence. The civil society sector was systematically being destroyed by the regimes in power, seeking to restrict the emergence of any strong and effective opposition movements.

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The developments in the region have reinforced the role of civil society and social movements as key stakeholders in enriching and preserving the continuous struggle for democracy and freedom. The revolutions in Egypt and Tunisia signal a new era for the role of civil society organizations and their standing in relation to political power and to public policy making in general. Yet, the old status quo still prevails in other Arab countries where civil society organizations are still facing restrictions and repression.

When it comes to the space and opportunities made possible through the revolutions in Tunisia and Egypt, civil society organizations face multiple challenges. During the current transition period, civil society faces the challenge of protecting the changes and reforms acquired so far and preventing a retreat from the process of democratic change. Consequently, they should continue to pressure for further reforms. Moreover, civil society groups face the challenge of shifting from a defensive position to a more proactive

role in public life. They face the challenge of elaborating and promoting alternatives on all fronts: the political, social, and economic. Indeed, civil society is much closer to the processes of policy-making than before. They have a major role in ensuring that reforms integrate concepts of justice, human rights, non-discrimination, and equality.

Future strategies and work agendas of civil society organizations should consider engagement with the overall process of rebuilding the state, including setting the foundations of a new social contract. The process of democratic change requires an active role by civil society organizations in reforming the constitution or adopting a new one, reforming legislative structures including the electoral, association, media and communication laws, enhancing the right to access information, as well as other necessary legal reforms. Besides, civil society organizations have a major role in questioning the economic and social policies that were implemented under previous regimes, and promoting alternatives based on inclusiveness, non-discrimination, justice, and respect of human rights. In this regard, civil society groups should be aware of the influence of foreign interference in shaping economic and social frameworks. While cooperation with international actors, such as the IFIs and other donors and countries, ought to be welcomed, such cooperation must be based on clear national development agendas and should prioritize principles of democratic national ownership, mutual accountability, and strong partnership.¹⁹ This in turn necessitates respect of national policy processes; including the adequate time, resources, and space needed for establishing inclusive national dialogue.

The breadth of the challenges requires that civil society groups enhance inter-sectoral and cross-sectoral cooperation and shared thinking, as well as planning and working beyond the urban centers where activities and interventions have been so far concentrated, thus addressing rural and peripheral areas. They should also focus their support on voices

and communities that are often marginalized from the policy and law making processes, such as women. These challenges are linked with the ability to establish effective mechanisms of cooperation with other stakeholders. These include emerging labor unions, political parties, social movements and community movements, as well as new forms of organizations that might emerge among individuals that were actively present in the revolutions, especially young activists. Besides national spaces of engagement, the ability to nurture regional spaces of exchange, thinking, cooperation, and solidarity also promises significant added value. The spread of uprisings across the Arab region, carrying the same demands for dignity, rights, and freedom reasserts the regional dimension of the identities and a sense of belonging for the citizens of the region.

Finally, the role and the impact of civil society organizations ought to be objectively assessed based on the classic definition of their role as

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by which they occupy the space between the state and the market, and not as an alternative to either of them. Thus, the incapability of the state to effectively play its role ought to be addressed by civil society organizations, whose activities can sometimes complement the role of the state, but never replace it.

Endnotes

- ¹ Similar views expressed in: Marwan Muasher (2007), "The Arab World in Crisis: Redefining Arab Moderation", January 27, Carnegie Endowment.
- ² Other factors include positions on the Palestinian–Israeli conflict, on the fight against terrorism, on migration issues (when it comes to the EU), and others.
- ³ See Rym Ayadi, Silvia Colombo, Maria Cristina Paciello, and Nathalie Tocci, "The Tunisia Revolution: An Opportunity for Democratic Transition," MEDPRO commentary.
- ⁴ Daniel Griswold (2007), "Trade, Democracy and Peace: The Virtuous Cycle," (April 20), http://www.cato.org/pub_display.php?pub_id=10712 ; It is worth noting that in 2001, the Bush administration called for the democratization of the Arab region through promoting bilateral free trade agreements.
- ⁵ These are part of the package of neo-liberal policy reforms that came to be known as the Washington Consensus, see: <http://www.cid.harvard.edu/cidtrade/issues/washington.html>.
- ⁶ See Bhumika Muchhala (2011), "The International Financial Architecture and Free Trade Agreements: Roadblocks in the Path to MDG Achievement," Third World Network.
- ⁷ See Amr Hamzawy (2011), "What Egypt Must Do During Transition," The Pioneer (March 10), <http://www.carnegie-mec.org/publications/?fa=42768>.
- ⁸ UNCTAD policy brief (2011), "'Social unrest paves the way: A fresh start for economic growth with social equity'", referenced by "UNCTAD: Social unrest - an opportunity to reshape economic policies," published in SUNS #7107 (14 March).
- ⁹ See for example: "Development challenges outlined in new Arab States Report by UNDP and League of Arab States," (December 2009) <http://content.undp.org/go/newsroom/2009/december/development-challenges-outlined-in-new-arab-states-report.en.jsessionid=axbWzt8vXD9%3E?categoryID=349423&lang=en>.
- ¹⁰ Ibid.
- ¹¹ UNCTAD policy brief (2011), "'Social unrest paves the way: A fresh start for economic growth with social equity.'"
- ¹² Ibid.
- ¹³ Michel Chossudovsky, "Tunisia and the IMF's Diktats: How Macro-Economic Policy Triggers Worldwide Poverty and Unemployment," www.globalresearch.ca/index.php?context=va&aid=22867.
- ¹⁴ Gaye B. Muderrisoglu and Jonathan K. Hanson (2008), "Authoritarian States and IMF Conditionalities," see page 21.
- ¹⁵ Research has shown that dictatorships are more likely to enter into agreements with the IMF than democracies (Vreeland 2003); see as source reference 14.
- ¹⁶ See Yasmine Saleh (2008), "Journalists' Syndicate discusses 'historic verdict' on health sector privatization," <http://www.thedailynewsegypt.com/archive/journalists-syndicate-discusses-historic-verdict-on-health-sector-privatization.html>.
- ¹⁷ It is worth mentioning that the quorum in the League of Arab States was the total number of the countries and the voting process remained concessional until 2007, whereby the voting rules were changed. Now the quorum is 2/3 and the decisions can be taken with the majority of the 2/3 as well.
- ¹⁸ Marwan Muasher (2007), "The Arab World in Crisis: Redefining Arab Moderation."
- ¹⁹ These principles were core to the Paris Declaration and Accra Action Agenda, which the international donor community agreed to.