

A4 | AFTER THE ARAB SPRING

The uprisings of 2011 (described widely as the ‘Arab Spring’) have had a decisive impact on the Arab world. The scale of these changes was not predictable even a decade ago, when the neoliberal security state, exemplified by the Mubarak regime in Egypt, appeared to be deeply entrenched in the entire region. The ‘Arab Spring’ of 2011 was not a sudden development, as it is often made out to be. It was the culmination of festering discontent in the region against authoritarian regimes – and the discontent exploded into active rebellion, fuelled by declining conditions of living and growing unemployment (especially among the youth). The resistance included different political and social strands. These different social and political forces, in different ways – at times working in tandem and often in antagonism to each other – contributed to the final upsurge that washed away the visible faces of the old regimes.

Neoliberal policies and the decline of the welfare state

There has been a singular failure to appreciate (at least in the mainstream discourse) that the revolutions represented a rebellion not just against local dictators, but against many elements of the global neoliberal project (Mackell 2011). The huge mobilizations in Egypt and Tunisia, in 2011, did want to bring down the regimes of Mubarak and Ben Ali. But that was not all; they were also mobilized against rising unemployment (approximately 25 per cent of the young people in the Middle East and North African region officially lack a job) and skyrocketing food and fuel prices (Jannin and Forontini 2013).

To make better sense of what is happening today, it would be useful to begin by tracing the history of the Arab region from the immediate post-colonial period (from the 1950s and 1960s).

A number of regimes in the Arab region, in this period, combined authoritarianism with a redistributive welfare state. The development of nascent welfare systems within an authoritarian framework of governance was an important feature, in the post-colonial period, in many countries of the region (Coutts et al. 2013: 52). Egypt, Tunisia and Libya are all examples of this trend. These states consolidated power under what were essentially dictatorships, by trading development for the political loyalty of key social forces (Dahi 2011). In a way, these regimes ‘bought’ legitimacy for themselves through the promotion of a range of welfare measures. Many of these states developed fairly strong social protection systems that guaranteed access to education, health, housing, food, etc. to significant sections of the popula-



Image A4.1 Tahrir Square, Egypt: demands of the revolution (Bert de Belder)

tion. Also, as a consequence, they developed a strong public-sector-driven infrastructure.

The relatively stable equilibrium began to unravel after a couple of decades. GDP growth rates generally rose till the late 1970s and then began declining in the 1980s. An important contributory factor was the growing repressive character of the regimes, which attempted to suppress popular discontent against the corrupt practices of those who were closely allied to the power structures of the regimes. Importantly the decline in economic conditions of the vast majority of the people coincided with the incorporation of this region into the global neoliberal system. Neoliberal prescriptions were applied, leading to the privatization of public goods like water, electricity, housing, health and education. By steadily retracting redistributive policies while maintaining authoritarian governance, the regimes started losing the veneer of legitimacy. Paradoxically, for a brief period after the onset of the neoliberal reforms, aggregate economic indicators improved, but at the expense of equity (Erakat 2013).

The neoliberal agenda was promoted in all countries of the region, at the behest of international financial institutions. Combined with declining oil revenues from the mid-1980s, this led to the dismantling of the welfare state apparatus in the region. In Egypt, for example, liberalization and structural adjustment policies severely undermined what was once a highly developed social protection system. Social protection provided by the government to vulnerable segments of the population shrank. Equitable access to education

and healthcare was severely affected. Concurrently, people faced increased economic hardships as a consequence of the continuous rise in the cost of basic services such as water, electricity and transportation as a result of increases in fees levied on services provided by the government (Majdo 2007).

Structural adjustment programmes imposed in the region did not stop at just the dismantling of public services. They led to wide-ranging reforms of the economic systems. Many countries in the region had started building self-reliant capacity in vital sectors of the economy, including industry and agriculture. The path to self-reliance was facilitated by technological aid from the then Soviet bloc. After the fall of the Soviet Union, countries of the region – as was the case for low- and middle-income countries (LMICs) in many other regions – lost their bargaining power vis-à-vis global capital and were forced to unequivocally follow the prescriptions doled out by agencies such as the World Bank and the International Monetary Fund (IMF).

For example, beginning in the 1990s, IMF-led structural adjustment programmes saw the privatization of the bulk of the Egyptian textile industry and the slashing of its workforce from half a million to a quarter-million. Further, wages stagnated while the price of living escalated owing to the dismantling of social security measures (Mackell 2011).

Praise from the IMF

The IMF pressed for a clear policy shift in the region, thus dismantling vestiges of the welfare state. The IMF's prescriptions for the region can be understood from an excerpt of a speech delivered in 1996 by the then managing director of the IMF, Michael Camdessus, at the annual meeting of the Union of Arab Banks:

To begin with, we tell them [governments in the Arab region] that they must pursue disciplined and predictable fiscal and monetary policies. In particular, government deficits must be reduced to a point where they can be financed in a non-inflationary way and do not crowd out private investment or require the drawdown of foreign assets. For many countries in the region, this will require strengthening the tax base – by reducing import duty exemptions, replacing high trade taxes with broad-based consumption taxes, and improving tax administration. It will also require reducing expenditure – by curbing the growth of the government wage bill, and cutting such unproductive expenditures as subsidies and defence spending. Privatization has an important role to play in this regard. At the same time, governments need to improve the quality of expenditure – by redirecting spending toward education, health, and well-targeted social safety nets. (Camdessus 1996)

These prescriptions were followed avidly by virtually all countries in the region and the IMF acknowledged such compliance with fulsome praise. In 2008, Ben Ali in Tunisia received praise from the then IMF chief, Dominique

Strauss-Kahn: ‘Economic policy adopted here is a sound policy and is the best model for many emerging countries.’ In 2010 (a mere few weeks before Mohamed Bouazizi’s self-immolation in Tunisia sparked the beginning of the Arab Spring) the IMF again commended Ben Ali’s commitment to ‘reduce tax rates on businesses and to offset those reductions by increasing the standard Value Added Tax (VAT) rate’ (the most regressive form of taxation). The IMF also continued to advise Tunisia to ‘contain subsidies of food and fuel products’ (Bond and Sharife 2012).

Change and continuity

A political analysis of the different social and political actors that forced the downfall of the old regimes (at least their visible faces) is beyond the remit of this chapter. Suffice it to say that they inhaled their own power and potential and exhaled to overthrow leaders who hitherto had seemed invincible. But their exhalation was not sufficient to knock down the entire regime in one blow (Prashad 2013). In Egypt, the bulk of the neo-authoritarian regime has survived the end of the Mubarak era, not only in terms of the military taking over but also as far as the ruling elites (with the exception of the Mubarak clan and the top echelons of the regime) (Pioppi et al. 2011: 4). The situation is more fluid in other countries such as Tunisia and Libya. It would not be wrong to say, however, that even in places where the old regimes have not been able to claw back power, they remain a powerful force.

States are not built only above ground, but grow deep roots that are often



Image A4.2 Demanding the end of the old regime; Tahrir Square, Egypt (Bert de Belder)

as hard to identify as they are to unearth. Old social classes with ties to all political branches find themselves standing upright regardless of who takes power, as long as it is not the working class and its working-poor ally. The bourgeoisie is intimately linked to the military through family ties and through close business arrangements, and it is the bourgeoisie as well which has been able to incorporate itself into the moderate (elite) sections of political Islam. Its interests are held intact despite the transformation. The bourgeoisie's view of the world is helped along by its intellectual and political allies on the international stage (the bankers, the IMF, the ratings agencies and of course the governments of the North and the Gulf Arab monarchies). They urge the new regimes to follow older policies poured into new concepts to sweeten them for political consumption, thus ensuring that there are unchanging elements that maintain power regardless of who is now in charge.¹

Rebuilding the neoliberal agenda

Gathering around the new regimes, aggravating their limitations, are forces of global capital and of Northern imperialism who have objectives in mind other than the needs of the Arab people. The revolts of 2011 rattled the USA, whose main pillars of stability – the Gulf Arab monarchies and Israel – had been threatened by the power shifts. The NATO–GCC (Gulf Coordination Council) intervention in Libya allowed the North to hoist its own social forces back into the saddle. In fact, not long after the coalition of domestic rebels and NATO forces toppled Gaddafi's regime in Libya, multinational corporations in security, construction and infrastructure turned their sights from Iraq and Afghanistan to Libya (Coutts et al. 2013: 55).

The popular unrest seemed likely to spread via Bahrain into the other Gulf monarchies. The removal of Mubarak and the potential threats to Assad in Syria and Hussein in Jordan would have encircled Israel with 'untested' Islamic regimes. This had to be forestalled, which provided the urgency of the NATO intervention. Now the North could re-establish itself as the friend of freedom after the ignominy of seeing its allies (France's Ben Ali and the USA's Mubarak) being ousted.

Via the IMF and through its military subvention, the USA has been able to re-enter the everyday management of Egypt and Tunisia – despite the continued antipathy of the people to US meddling (as the chants against US ambassador Anne Patterson in 2013 and the attacks on US consular facilities in Libya and Egypt in 2012 establish). It is these imperialist manoeuvres which enable the old social classes to comfort themselves about their immortality.

The IMF and the World Bank continue to exert influence in the region. Despite protests, they persist in pushing a neoliberal agenda on the population. An IMF working paper that studied the turbulence of the Arab Spring notes that the situation is bleak for the population. Nonetheless, it suggested the need to implement 'a growth-friendly fiscal adjustment to reduce generalized subsidies,

bolster investment, and strengthen targeted social safety nets’ – everything that the IMF has pushed for in the past several decades (Khandelwal and Roitman 2013: 10). A more recent paper reiterates: ‘Countries need prudent economic management, paired with bold reforms to create an enabling environment for private sector-led growth, to safeguard the promise of the Arab transitions for better living conditions and job creation on a meaningful scale’; and further that: ‘Expenditure-side reforms should include redirecting social protection from expensive and inefficient generalized subsidies to transfers that better target the poor and vulnerable’ (Ahmed 2014).

Political Islam is incapable of challenging these old social classes (and unwilling to do so). It has links to them, and it does not sufficiently grasp the enormity of the economic challenge that it has so cavalierly claimed it can solve. Between the Ennahda party led by Rached Ghannouchi in Tunisia and the now deposed presidency of the Brotherhood’s Mohamed Morsi there is no difference in terms of their solicitude to the IMF and their inability to craft a pro-people alternative. There is no social democratic agenda even: demanding an annulment or a radically renegotiated odious debt and crafting proposals for capital controls to harness foreign direct investment rather than allow it to run riot in the real estate and financial sectors. It did not help Morsi’s government that it chose to emphasize the creation of a socially conservative state through sectarian means, rather than stand up for what the people wanted – a more democratic civil society and a more just economy. Social policies driven by religious rhetoric did not resonate well with a population that had united to depose a long-standing authoritarian leader. Rather than lead the people against the policies of the old regime, the Morsi government attacked the people, only to make it easier for the military to return. It was a missed opportunity because the Islamists had a narrow vision for their rule, and they misread the situation and reversed the tide of history as a result.

Conclusions

The spectacular fall of major Arab leaders in 2011 created impatience among the population. But revolutionary waves work at a different pace. They do not work in the short term alone. The Mexican Revolution, for instance, began in 1910 and lasted for two decades. Only when Lázaro Cárdenas took power in 1934 did the dust settle. The Soviet Revolution began in 1917, but did not find its feet (and then only barely) before 1928. The overthrow of the autocratic government occurs in the short term, the consolidation of the new regime takes place in the medium term and then the economic and cultural changes required to set up a new dispensation take place in the long term.

The totality of the Arab Revolution is a ‘civilizational’ uprising against the dispensation that they have had to live under: a two-headed force, with one head representing neoliberal economic policies and the other the security state. It was an uprising for a political voice, certainly, but not for a political

voice alone. This was a revolutionary process against economic deprivation and political suffocation.

Note

¹ The term deep state comes from Turkish – *derin devlet*. The term has now travelled; see, for example, E. Woertz, 'Egypt: return of the deep state', *Open Democracy*, 20 January 2014.

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