

Social justice in the Arab region between street politics and political paths

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Index

Social justice between popular movements and political paths in the Arab region: Introduction	7
Why is the neo-liberal project continuing in the Arab region?	29
Capitalism and social justice: The adopted capitalist approach denies social justice	47
The state and social justice in the Arab region: A crisis of policies or structure?	61
Civil society, social movements, and social justice in the Arab region: The cases of Lebanon and Tunisia	79
Transparency and social justice: The cases of Egypt and Morocco	95
Challenges facing social justice powers in the Arab region	115
What about social justice?	
The Arab Spring between European intervention and Arab aid	131
From slogans to reality: International financial institutions and the struggle for social justice in the Arab region	147

Social justice between popular movements and political paths in the Arab region¹

Introduction

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The four years that followed Arab uprisings, of which social justice was a main demand, have witnessed a number of changes whether on the domestic level in each individual country, on the regional level, or as far as the global reaction to these uprisings is concerned. The uprisings and subsequent changes have undoubtedly had an impact on the social justice discourse and the policies related to it in one way or another, especially when these uprisings are seen to be the product of pressing social and economic demands that required a substantial restructuring that transcends the prevalent patterns of economy and development and that critiques the current social structure and its classicist nature.

The concept of social justice was reflected in the discourse of several Arab political platforms whether partisan, parliamentary, or presidential, yet this discourse remains detached from actual policies on the ground and some of them were even at times not in line with social justice to start with. Some of the approaches only focused on one dimension of social justice such as, for example, fair wages which being a main component of the comprehensive concept of social justice cannot be presented as the only demand. The result is that other social justice indicators, which are linked to an entire set of social and economic rights, are overlooked like the right to public services such as education and healthcare. At other

1 This introduction sums up discussions that took place in a roundtable held in Tunisia in March 2015. The content was updated upon the publication of the book. Participants in the workshop: Mohamed Elagati, Wael Gamal, Heba Khalil, Laila al-Riahi, Fathi Al-Chamkhi, Al-Arabi Habashi, Ahmed Zoubdi, Omar Samir Khalaf, Abdel Nasser Gabi, Gilbert Ashkar, and Salameh Keileh.

times, social justice is dealt with in a broad or abstract manner that is not linked to realistic policies and indicators that ensure its achievement. This becomes obvious in the way citizens' social and economic demands are seen as group-specific and unrelated to the political scene, hence can be postponed until an actual political change takes place.

This introduction attempts at analyzing the status of social justice in the post-revolution Arab region through a number of angles: identifying the opportunities and challenges that accompanied this development on the domestic, regional, and international levels as well as regarding the structure of the state and the role of civil society, regional and international responses to the revolutions, and the impact the revolutions have had on the issue of social justice. What follows are the main points to which the workshop has arrived.

First: Opportunities

On the international level:

While the social justice discourse was internationally confined to leftist powers and linked to the escalation of ideological conflict between the Soviet Union and the global left on one side and the United States and the capitalist system that was mainly the product of the Washington Consensus on the other side, the situation changed in the late 1990s and the early 2000s. The negative impact of capitalism and the neoliberal policies to which it gave rise led to the emergence of an international tendency to review those policies based on the fact that social justice is an indispensable component of any stable society or political system and that the conceptual boundaries of social justice are in themselves in constant transformation since they are subject to ever-changing cultures and value systems². This resulted in a broader perception of social justice as it came to be linked to the characteristics of the welfare state, the provision of public services, the state's role in

² Social Justice in the OECD, How Do the Member States Compare? Sustainable Governance Indicators 2011, p11: <http://goo.gl/iNFIVa>

regulating the market, and relationship between social and economic conditions.

The growing influence of the World Bank and the International Monetary Fund and the negative impact of their policies empowered leftist powers in Europe and not only provided them with the opportunity to criticize international financial organizations, but also enabled them to make political gains in several countries. For example, the Coalition of the Radical Left –Syriza came to power in Greece after securing 36.34% of the votes³ through a different leftist discourse that condemned austerity measures and abandoned catchy ideological slogans and ambiguous terminology and did away with classical hostility towards capitalism and liberalism while focusing instead on actual social justice demands⁴. This constituted a positive development on the structural level and led Greece and other countries to revise cooperation policies with the European Union and other entities and how beneficial they are to each country. Other countries outside Europe have been resisting the global system through social protection and healthcare programs such as China and several Latin American states. Those countries support local markets and adopt different developmental indicators. As for Europe, social justice became one of the major concepts that determine what choices voters would make, especially in countries with conditions similar to those of Greece such as Italy and Spain⁵.

On the theoretical level, studies dedicated to examining the impact of the global economic systems in democratic transitions were linked to the wave of democratic transitions that accompanied the end of the Cold War. Those studies were inspired in their main assumptions and theories by the experiences of countries that went through this transition, in which the external factor played a major role, especially

3 “The Greek Party Syriza Negotiates to Form a Government Coalition [Arabic].” *AlJazeera.net*, January 26, 2015: <http://goo.gl/88vuLu>

4 “A New Left: The Meanings and Repercussions of Syriza’s Victory [Arabic].” *Al Ahram’s Democracy*, February 6, 2015: <http://goo.gl/V8NBoV>

5 “Greece: If We Get Out of the Euro Zone Spain and Italy Will Follow [Arabic].” *AlArabiya.net*, March 14, 2015: <http://goo.gl/o2HF75>

economically, even if only at the margins of this transition. The global economic system was the governing framework for many post- Cold War democratic transition processes and was, in fact, a main incentive for democratic change, especially in the former Eastern Bloc countries, or at least guaranteed the prevention of reversal to the former situation, especially in Sub-Saharan Africa.

Interest in the impact of external factors, including the economic, on democratic transitions relatively receded in the early 2000s then this interest was revived in the aftermath of the political developments that accompanied uprisings in the Arab region⁶.

On the regional level:

Arab region that have not witnessed uprisings, especially influential ones like Saudi Arabia and the rest of Gulf states, adopted a confused stance on the revolutions that took place in neighboring countries. On the surface, those countries seemed to have accepted the revolutions as a matter of fact, yet their stances on Bahrain and Yemen were not the same as their stances on Syria, Egypt, and Tunisia. This gave the chance to opposition factions in those countries to highlight this contradiction and the state reacted with improving the social and economic conditions of the people even though they took the form of bribes in order to avoid the exportation of the Arab Spring. The contradiction in the stances of Gulf countries towards the Arab Spring gave countries that witnessed uprisings a space to maneuver that could have been used in a better way had it not been for the illusory religious-secular conflict that regimes started using to overshadow social and economic demands. This has probably taught activists and social movements never to be dragged into imaginary battles.

Among the most prominent manifestations of the development of social activism in the Arab region is what happened in Iraq

6 Hanaa Ebeid. "After the Conditionality: The Impact of the Global Economic System on Democratic Transition Phases [Arabic]." *Al-Siyassa al-Dawlia*: <http://is.gd/MMwkbu>

and Lebanon in 2015 and which offered a new pattern of social activism that directly focused on economic and social demands. This development started in Lebanon with the garbage crisis then transcended it to include other issues such as the relationship between municipalities and state treasury, electricity, and public ownership of coastal property as well as revived old issue such as wages⁷. In this context, the movement can be considered a result of the deterioration of the social conditions of the Lebanese people as the middle class dwindled and the impoverished segment expanded owing to successive political conflicts on the domestic level and general turmoil on the regional level on top of which is the war in Syria. Social movements linked with the garbage crisis emerged at a time when sectarian polarization was at its peak, especially that state institutions are practically run by sectarian parties in a way that makes the state unable to make decisions without going back to those parties and at times entire projects are suspended until all parties approve them and divide the benefits amongst themselves⁸.

Activism in Lebanon was preceded by a protest wave in Baghdad and Southern Iraq where demonstrations were staged in response to calls by civilian factions. Protestors condemned corruption, deterioration of services, and unemployment and called upon the state to take effective measures towards dealing with their grievances. Protests swept the center of Baghdad and other cities such as Karbala, Najaf, Basra, Hillah, Nasiriyah, and Diwaniyah for three consecutive weeks despite tight security measures to call for the reformation of the judiciary and the exclusion of state institutions from sectarian-based division of power⁹.

In both cases, citizens focused on the civilian and popular nature of the protests in a sectarian context and insisted that

7 Samer Frenjeh. "Levels of Activism in Lebanon [Arabic]." *Al-Hayat*, September 15, 2015: <http://goo.gl/avQiLG>

8 "Repercussions of Social Activism and Dimensions of the Vacuum in Lebanon [Arabic]." October 16, 2015: <http://rawabetcenter.com/archives/13735>

9 "Iraq's sweeping Protests Call for Reforms [Arabic]."

social and economic rights are inseparable from political demands.

On the domestic level:

Developments in the social justice discourse were seen through the way the issue became linked to intellectual visions of youths who adopted the approach of looking for alternatives and through the way citizens started organizing themselves in new initiatives, organizations, and syndicates so that the demand for social justice became part of the daily struggle while several state institutions started to adopt the social justice discourse even if on the surface. Leftist factions made it to post-revolution parliaments and committees in charge of drafting post-revolution constitutions, which paved the way for social justice to become a major component of policies and legislations.

On the structural level:

Most political parties and institutions attempted to place social justice on their agendas even if in a brief manner. Some of them devised policies that they considered just or at least more just than already existing ones and others made sure to offer a totally different approach from that adopted by former regimes. However, other changes related to the distribution of wealth and power needed to be applied before aspiring for equality and social justice.

Egypt and Tunisia led neoliberal transformation in the region in accordance with the policies of international financial institutions. This transformation was a main trigger for a social resistance that started expanding gradually until it culminated with the Arab Spring then continued its influence in the post-revolution era¹⁰. In the light of the developments taking place in several European countries such as Greece and Spain, resistance to international financial institutions emerged and so did calls to review the policies of these institutions which proved incongruent with European human rights charters. There was also a tendency to tackle the issue of money smuggled by

10 Wael Gamal. "Arab Dignity Revolutions: Post-Neoliberalism Visions [Arabic]." Arab Forum for Alternatives, Cairo 2012, p.43.

former presidents of Arab Spring countries and to change several laws to that end.

In this context, member states of the G8 signed an agreement with Arab region in transition— Egypt, Tunisia, Libya, Morocco, and Yemen—which came to be called the Deauville Partnership through which G8 countries were to help Arab region in transition economically. Even though the mechanisms of this partnership are not very different from those of international financial institutions, it did contain some social justice components such as development, job opportunities, and the empowerment of women and youths¹¹.

On the level of state institutions:

State institutions adopted a social justice discourse when the revolutions erupted and started negotiating with labor powers and protest movements. While the reason for this change was a desire to put an end to protests and activism, a number of representatives of social movements were included in state institutions whether as ministers or officials in charge of restructuring trade unions and other entities that deal with labor rights.

Civil society and activism:

The revolutions that erupted in the Arab region triggered a broader debate on the weak intellectual and political basis on which the neoliberal project was founded¹² and the issue kept coming back to the forefront with every strike and protest, especially pertaining to labor rights, and with every campaign that focused on the distribution of wealth. This issue has since 2011 imposed itself on post-revolution heads of state, yet it has so far been tackled with ambiguity.

11 “The Deauville Partnership with Arab region in Transition [Arabic].” UK Government: <https://goo.gl/vgbjBJ>

12 For more details see how Arab revolutions constituted an extension of not a departure from the context to which the global financial crisis (2007-2008) gave rise in “Arab Spring and the Concepts of Development and Economic and Social Rights [Arabic]” by Wael Gamal in *Arab Dignity: Visions of Post-Liberalism*. Cairo: Arab Forum for Alternatives, 2013.

The significance of civil society is underlined in the way former regimes had constantly targeted it with or without reason. Civil society organizations contributed to raising popular awareness of the importance of struggling for rights. Despite their limited resources, research organizations play a major role in spreading awareness about the economic and social impact of policies, which becomes particularly obvious in Egypt and Tunisia and to a lesser degree in Algeria and Morocco despite the presence of powerful movements that resist state policies which undermine social justice.

Second: Challenges

On the international level:

In the light of the current global financial system, the World Bank and the International Monetary Fund are the two dominant economic powers under the auspices of the United Nations. The two institutions were faced with a series of criticisms in the past few years owing to their intervention in the domestic affairs of countries, including Arab Spring countries which had started adopting the policies of both institutions throughout the years the preceded the eruption of the revolutions. These policies include subsidy cuts, market liberation, and empowerment of the private sector. Such policies could look better on state budgets and could improve development indicators, yet there is no guarantee that the same would apply to social justice, especially in the light of overbearing austerity measures that accompany these policies as was the case with Greece, which suffers from a financial crisis since 2007-2008. The policies of the two institutions involved constant intervention on the part of far right government that promote the constant pumping of billions of dollars mainly targeting the banking and construction sectors. Annual budget deficit had reached 12.5% of the Gross Domestic Product (GDP), which is four times the percentage allowed by the European Union (3%), and foreign debt reached 130% of the GDP, which is double the percentage allowed by the European Union (60%)¹³. Greece finally had to resort to the

13 Sabah Naaoush. "Financial Convergence in the Euro Zone: Text and Practice [Arabic]." Al Jazeera Center for Studies, January 22, 2012: <http://goo.gl/nojpob>

International Monetary Fund and the European Commission, which only want Greece to continue fulfilling its commitments regardless of the impact on social justice.

Some analysts believe that the Greek crisis could have been contained through the European Union, whose economy amounts to 16,000 billion dollars, had the member states possessed the will to do so. However, lack of trust among world powers and the refusal of their people to bear the burden of the European Union, as was the case in Germany, thwarted this kind of solution¹⁴. This means that certain powers within the global system work on maintaining the difference between countries and even consolidating them as a means of preserving the global financial system as it is under the pretext of maintaining stability.

The Greek political scene following the coming to power of Syriza can be best described as a skirmish between the leftist government and European donors. Syriza pledged to reject austerity measures, increase wages, and curb price hikes. The party was, therefore, in a position of either fulfilling its promises or paying state debts. Threats by the Greek government of withdrawal from the Euro Zone and return to the local currency, the drachma, and nationalization of the banking sector aimed at putting pressure on the European Union, especially Germany. However, Syriza was faced with a striking rigidity on the part of the European Union, which resulted in confining Syriza's attempts to adapting the Greek to a global situation even if under new terms. The price was approval of austerity measures proposed by financial institutions in return for aid. This of course would be detrimental to social justice, also one of Syriza's electoral promises.

The Greek scene developed a great deal as Alexis Tsirpas resigned after losing one quarter of the left-leaning MPs in the August 14 referendum on the third bailout deal that included an aid of 86 billion euros and which he had reluctantly accepted in

14 Karen Abul Kheir. "The Storm of Sovereign Debts: Greece... the First Victim of the global 'Lack of order' in the European Continent [Arabic]." *Al-Siyassa al-Dawlia*: <http://goo.gl/hf9Lhj>

July¹⁵. Tsirpas's government had called for early elections after losing the parliamentary majority in August following the signing of the bailout agreement with the European Union and the World Bank. In the elections held in September 2015, Syriza won once more despite signing the agreement, which demonstrated the people's determination to achieve economic reforms, eliminate corruption and tax evasion as two of the main problems that gave rise to the Greek crisis, and reversing austerity measures as the party promised in its first electoral campaign.

As for the Arab scene, there is little dialogue on foreign debt, especially in the absence of a real political will to restore looted money and hold its smugglers accountable. The Deauville Partnership also deals with the region as one single block and greatly interferes in proposed projects. For example, the stock market initiative launched under the auspices of Deauville Partnership aimed at providing guarantees for bonds and stocks issued by countries going through democratic transition to global markets in a way that reduces the cost of issuance. Despite their importance in improving economic conditions, these projects do not directly contribute to solving chronic problems such as inflation, unemployment, and declining growth rates. The Deauville Partnership was initially expected to provide an opportunity of real cooperation through investment and trade and economic ties, not just through limited financial aid.

It is noteworthy that the Deauville Partnership was not only a G8 initiative, but also included influential parties such as the International Monetary Fund, the African Development Bank, the Arab Fund for Economic and Social Development, the Arab Monetary Fund, the European Investment Bank, the European Bank for Reconstruction and Development, the Islamic Development Bank, the OPEC Development Fund, and the World Bank among others. Those are, in fact, the main partners since they are the ones that work on achieving its goals. The

15 "Greek elections: A Road Map [Arabic]." *Euro News*, September 17, 2015: <http://goo.gl/ZsvPyS>

Deauville Partnership recommends a set of economic packages that adopt free market policies and consider economic reform possible through liberating trade, opening markets, attracting direct foreign investment, privatizing the public sector, and imposing austerity measures¹⁶. These are the same policies Arab region had adopted and which resulted in a remarkable rise in poverty and unemployment rates and led to the prevalence of marginalization and social injustice. That is why the importance of the Deauville Partnership or other similar agreements, whether European or international, lies in its ability to restrict the freedom of involved countries so that they cannot make independent decisions that are not in line with the terms and conditions of financial institutions. For this reason, such agreements are seen as a main challenge to the changes Arab people demanded when they started their uprisings in Tunisia in late 2010¹⁷.

On the regional level:

The influence of rentier oil-rich countries started increasing in a way that enabled them to contain any protests similar to ones that erupted in Arab Spring countries. This was done either through gifts and money to their people or through supporting post-revolution regimes that obviously do not prioritize social justice. The growing influence of Gulf States in Arab Spring countries was demonstrated in their military intervention in Yemen and in attempts at convincing them to do the same in Libya. This implies a restriction, and possibly elimination, of the space occupied by social justice advocates in these countries as supporting the state in its war becomes the topmost priority.

On the domestic level:

Relative acceptance of the policies of internal financial institutions, especially austerity measures, was seen in the

16 US Department of State. "Deauville Partnership with Arab region in Transition". Economic Summits: G8 Summit 2012: <http://is.gd/dKgjjR>

17 Heba Khalil. "European Union Policies and Social Justice in Arab region: What Did the European Union Learn from Arab Revolutions: A Critical Study [Arabic]." In *Social Justice: Concept and Policies after Arab Revolutions*. Cairo: Arab Forum for Alternatives, 2013, p.32.

cases of the new regimes in Egypt and Tunisia. This was demonstrated in subsidy cuts under the pretext of reducing costs. Both regimes, whose legitimacy is linked to a great extent to fighting terrorism, keep passing new labor and investment laws that are bound to be hard on the citizens. In fact, those regimes bluntly state that citizens need to bear with a set of harsh measures until the critical stage through which the two countries are going passes, not taking into consideration that citizens have been bearing with these measures for decades and that critical stages are never passed. For example, the draft national reconciliation, or economic reconciliation, law proposed by Tunisian President Beji Caid Essebsi in mid-July 2015 stirred much controversy. The law allows the pardoning of businessmen linked to the former regime and who are involved in corruption cases or benefited from the rampant corruption during the ben Ali era. The powerful reaction the law triggered among the public has delayed its ratification by the Tunisian parliament¹⁸.

On the level of state institutions:

State institutions shifted from a seemingly supportive discourse that attempted to contain the revolutions to one that criminalized related movements and linked them to chaos under the pretext of maintaining stability. In some cases, state institutions even acted as if they are in one camp against the society and any form of activism it produces.

For example, following Mubarak's ouster the ruling authorities in Egypt issued a set of laws that criminalize protesting activities starting with law number 34 for the year 2011 through the law that criminalized protests, sit-ins, and strikes until in 2013 interim president Adly Mansour issued a law that regulates the right to assembly and which gives the Ministry of Interior the expansive powers in dealing with protestors and sets a number of broad criteria under which protestors can be accused of

18 "Controversy over the Economic Reconciliation Law in Tunisia [Arabic]." *BBC Arabic*, September 8, 2015: <http://goo.gl/QzUVBw>

breaking the law¹⁹. It is noticeable that such laws are always issued following sweeping protests and social movements as was the case in January 2011 and June 2013.

Civil society and activism:

Despite the continuation of social activism in most Arab Spring countries and civil society attempts at organizing initiatives and establishing organizations that serve social justice, yet those remain limited struggles that are restricted by state intervention. Activities by civil society organizations are also thwarted by attempts at reproducing pre-revolution policies whether through criminalizing protests or linking protestors to foreign agendas.

Third: Strengths related to social justice

On the international level:

The coming to power of the left in Greece and possibility of the same happening in Spain and Italy and the emergence in Southern Europe of calls for rescheduling debts and renegotiating about the impacts of joining the Euro Zone indicate that the European Union might also reconsider its policies towards Arab Spring countries. In other words, the European Union can finally acknowledge the aspirations of Arab people towards social justice and sets the stage for cooperation between the left in Southern Europe and its counterpart in the Southern Mediterranean. The victory of British leftist politician Jeremy Corbyn in Labor Party elections came as a surprise since he was considered by many observers as a marginal candidate. Corbyn is known for his opposition to the restrictions the conservative government plans to impose on syndicates²⁰. Debates inside the US Democratic Party in the electoral context also presented a new discourse outside the mainstream which exercises powerful control on the American political discourse. This new discourse tackles social justice

19 "Egypt New Protest Law Gives Security Free Rein [Arabic]." *Amnesty International*, November 2013: <https://goo.gl/XnQnam>

20 "Britain: Jeremy Corbyn Wins Leadership of Labor Party [Arabic]." *BBC Arabic*, September 12, 2015: <http://goo.gl/Z2Xwcl>

through a vision that does not stem from the capitalist framework.

Even international financial institutions revised their discourse following the eruption of Arab revolutions as they started criticizing the absence of social justice in the pre-revolution era. This new discourse seemed more in line with the aspirations of Arab people, which was obvious in International Labor Organization speeches that criticized the policies of the World Bank and the International Monetary Fund as the main reasons for the inequality that eventually led to the eruption of revolutions in the region.

Discussions started on the possibility of retrieving money smuggled abroad and modifying laws to make this possible. Several Arab and international activities were held to discuss this matter such as the first and second rounds of the Arab Forum on Asset Recovery. Several European governmental committees were also established to work on legislations that would make recovering the money possible.

The establishment of the Deauville Partnership with Arab Spring countries constitutes a European acknowledgement of the fact that old formulas cannot persist following the revolutions and that packages that overstep crucial problems are not feasible. Because they linked political changes with economic and social conditions, several European countries were hesitant in their support of post-revolution regimes especially with these regimes escalating their clampdown on social and economic movements.

There is also a positive development on the structural level. This is shown in Greece's revision of cooperation policies with the European Union and other entities and in the healthcare and social protection programs in China and several Latin American countries.

On the regional level:

The ability of rentier oil-rich states to control the region is quite weak and alliances in the region are also being reshaped. This offers an opportunity for the Arab left to redirect the conflict from

its sectarian path to that of the struggle for social and economic rights and which transcends ethnic and sectarian boundaries. It becomes obvious that several regional issues are no longer under the control of these countries and that there are several contradictions in their approaches to Yemen, Libya, and Syria and in their prioritizations of these issues. These countries can be easily considered an integral part of the prevalent global system that enables states to work against the best interest of their people and to overlook issues related to social justice, dignity, and freedom. The movements that emerged in Lebanon and Iraq attempted to learn from Arab revolutions in the way they focused on social and economic demands while brushing aside sectarian affiliations even within the context of the rise of extremist groups in both countries.

On the level of state institutions:

The structure of state institutions has proven throughout the past four years to be quite fragile. That is why it is possible to anticipate that these institutions either change their policies and modify their structure out of belief in the inevitability of social and economic change or collapse altogether in favor of future movements that would lead this change.

Civil society and activism:

There is a general development in awareness of the significance of civil society and a belief that partial reform would not work and so is following the same pre-revolution policies, which gradually leads to faith in the necessity of social justice. Another development is linked to the emergence of analyses that examine the concept of social justice and underline the bias of policies in Arab Spring countries. This is done through academic writing, research studies, the discourse of the left, center-left, and even the center-right.

Fourth: Weaknesses related to social justice

On the international level:

Arab Spring countries are increasingly seeking technical aid and meanwhile international financial institutions are expanding their aid. In fact, personnel from these institutions are to be found in most ministries in Arab Spring countries where they work as technical consultants and promote the financial policies of the state.

Europe is working on restricting Greece so that it would fulfill its obligations towards the European Union, which means that some sort of coalition is formed to face any attempt on Greece's part to operate outside the prevalent economic system. European efforts are exerted in this regard to reach a compromise as far as Greek sovereign debts are concerned. These efforts are inclined towards reducing interests on debts and not the debts themselves since the issue is not only about Greece, but rather about an economic conflict between Northern and Southern Europe about the practicality of the Euro Zone. Southern European countries are looking towards getting the same facilities that Greece might get²¹.

The rise of the global private sector as an integral part of global financial and economic policies and the hegemony of financial markets constitute a danger to economic and social conditions and have a negative impact on social justice. In these cases, governments speak on behalf of their allies the investors and give precedence to facilitating investment and encouraging the private sector to take part in development and even in providing basic services. All this comes at the expense of movements that call for workers' rights, the modification of labor laws, and programs that would provide economic and social security.

On the regional level:

There is a remarkable rise in the level conditionality imposed by Gulf states in relation to encouraging direct foreign investment

21 Wolfgang Streeck. "On Disbanding the Euro Zone and Rescuing Europe [Arabic]." *Al-Hayat* website from *Le Monde*, March 11, 2015: <http://is.gd/bCSeL7>

in Arab Spring countries and which is seen by those states as the most successful approach. This was demonstrated in Egypt's Economic Conference, which was held under full Gulf auspices and based on which a set of labor and investment laws were prepared to respond to the needs of investors rather than those of local market. This meant more corruption as well as allocating more lands through direct order and with no monitoring or accountability. Some Arab Spring countries started criminalizing strikes and imposing harsh restrictions on other protest activities such as demonstrations and sit-ins as a means of catering to investors' needs. Some think that Saudi Arabia and the United Arab Emirates are in fact playing a bigger role than that of the World Bank and the International Monetary Fund in the way they impact the regimes in the region and encourage more adoption of market policies, hence subordination of the countries that give in to this influence.

On the domestic level:

There a return in the discourse that encourages reconciliation with former regimes and businessmen affiliated to them. Despite the development of the social justice discourse, debates on this issue are still not profound enough to ensure actual implementation on the ground.

The policies in most Arab Spring countries are contradictory with the social justice discourse as they cater to the plans of the World Bank and the International Monetary Fund and which also publicly declare that citizens have to bear with harsh measures.

Some post-revolution parliaments were disbanded and others featured limited presence of leftist factions, which meant a decline in the social justice discourse which then became confined to empty slogans that are echoed by reformists and conservatives alike.

Arab Spring countries have been witnessing a decline in the syndicated activities and protests in general with activism violently suppressed and the security grip growing tighter. Meanwhile, conservative and reformist powers are dominating

post-revolution parliaments and a legitimacy conflict is going on between the parliament and street power while progressive powers still lack a mechanism to manage this conflict.

There is a decline in the social justice discourse in favor of the war on terror discourse in Egypt, Syria, Yemen, and Tunisia with varying degrees. There is a constant tendency to trade justice and freedom for security, hence eventually losing both. Meanwhile, policies remain focused in serving rentier economies, which in turn widen social gaps, turn public services into commodities, and encourage monopolies.

The left is generally weakened and it is not possible to achieve social justice in the absence of a powerful left. Added to this is the fact that a number of leftists have started adopting the war on terror discourse which is known for its role in the decline of the social justice discourse. The left is further weakened with the growing tendency towards economic subordination and suppression of social movements.

On the level of state institutions:

State institutions have started to monopolize the concept of patriotism which made it much easier to accuse opposition factions of attempting to destabilize national security and undermine the state. This is demonstrated in the campaigns launched against activists.

Civil society and activism:

A number of campaigns are launched against civil society and post-revolution initiatives. Regimes take advantage of the war on terror discourse to tarnish the image of organizations and activists that are accused of receiving foreign funding. In the light of the hegemony of the state and businessmen allied to it in the media, those organizations do not get a chance to defend themselves.

Conclusion and recommendations:

It is necessary to gather social and rights movements, syndicates, and research centers in the Arab region under the same banner in an

attempt to propose alternatives to the prevalent capitalist system. There was a proposal to establish a website that gathers all efforts pertaining to social justice and that examines the concept of social justice and offers examples of policies that are capable of serving it, and methods of implementing social justice. This website can be called the Arab Network for Social Justice.

Battles for the establishment of social justice are continuous and so is the process to build a community where the economic does not take precedence over the political and where capitalism is transcended and new values are promoted. That is why it is extremely important to identify the conditions based on which policies that cater to social justice are founded and to examine ways of establishing institutions that would contribute to consolidating social justice. It is important to discuss how acceptable the idea of social justice is in the Arab region. For example, social justice as a concept is more accepted in the Maghreb while there are communities in which a culture of popular equality prevails. On the other hand, some countries provide high standards in several sectors such as education, healthcare, and social policies, especially oil-rich countries, not out of faith in the social justice issue, but rather as a bribe to tempt citizens into giving up other rights particularly ones related to citizenship and political transformation.

It is noticeable that there are differences in the core of the dispute between armies and religious groups. In the Maghreb this dispute is intellectual and ideological while in Egypt it is political and based on strong polarization between two parties that are equally conservative, which in itself is detrimental to social justice.

A number of good ideas emerged after the Arab revolutions and can be implemented on the ground such as economic conference of political parties. This idea can be developed to a regional or international conference that discusses social justice on regular basis. All active players, organizations and research centers that work on social justice and human rights associations can be invited to these conferences and can help political parties to formulate their economic platforms in a way that supports social justice.

It is necessary to discuss ways of dealing with aid provided by international financial institutions through presenting the concept of

social justice as a political and technical one, not just ideological. It is equally important to think of ways of breaking away from global markets and the prevalent economic system, which requires the mobilizations of political, popular, and social powers. It will be helpful to organize domestic or regional conferences on alternative economies.

Social and political powers working on social justice need to learn from the experiences of several countries across the region in order to develop just policies. This includes the social housing project during Habib Bourguiba's era in Tunisia, the education project during Gamal Abdel Nasser's era in Egypt, and healthcare programs in Jordan and some Gulf states. It is necessary to create a powerful framework that gathers indebted countries so that they can revise their debts and figure out ways of dealing with them since at the moment coordination is only done in the level of donor countries.

The international dimension is an integral part of formulating policies that support or obstruct social justice. Domestic struggle is not enough without regional and international coordination and without facing the recommendations and conditions of international financial institutions. This requires forming a coalition of developing countries that can put pressure on international financial institutions through restricting their activities or imposing an alternative agenda. This front should include representatives from organizations, movements, and alternative associations. Here comes the role of social movements in establishing global alliances that support those entities or take part in founding some of them so that those alliances can in the future constitute a lobbying power that puts pressure on international financial institutions and can eventually replace them.

This book tackles a number of issues related to the aforementioned analysis in more details through nine chapters that examine regional issues or comparative case studies in the Arab region. The titles of the chapters are as follows:

1. Why is the neo-liberal project continuing in the Arab region?
2. Capitalism and social justice: The adopted capitalist approach denies social justice.

3. The state and social justice in the Arab region: A crisis of policies or structure?
4. Civil society, social movements, and social justice in the Arab region: the cases of Lebanon and Tunisia.
5. Transparency and social justice: The cases of Egypt and Morocco.
6. Challenges facing social justice powers in the Arab region.
7. What about Social Justice? : The Arab Spring between European intervention and Arab aid.
8. From slogans to reality: International financial institutions and the struggle for social justice in the Arab region.

Why is the neo-liberal project continuing in the Arab region?

Wael Gamal

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Social justice and a change of economic policies in favor of the marginalized were at the core of the uprisings that started in the Arab region in late 2010, yet even in the midst of these uprisings governments did not fundamentally deviate in their policies from the neoliberal path. Arab revolutions called for fighting corruption, fair wages, establishing a social security network, increasing expenditure on public services especially education and health, and restructuring the tax system. However, changes made in these respects remained limited and mostly superficial as state priorities remained centered around handling budget deficits and cash management coupled with an increased tendency towards foreign loans in the absence of transparency and popular or parliamentary monitoring. As popular pressure gradually receded, the neoliberal project came back to dominate economic policies and started venturing into fields that were not accessible to it before 2011. The prioritization of foreign and local investment also came back to the forefront once more.

This paper deals with the development of the neoliberal project before and after Arab revolutions and how marginal changes in economic policies reflected the continued dominance of this project. The paper will attempt to place Arab neoliberalism within the framework of the global neoliberal project in a way that demonstrates how the latter is resuming its policies regardless of any seemingly obstructing transformations in individual countries, as was the case with Greece to cite one example. The paper will examine the “there is no alternative” rhetoric which obstructs attempts at introducing a project that is radically different from the neoliberal one or even attempts at introducing changes within the already-existing economic policies. The paper then tackles the reasons why not even

minimal reforms were introduced to respond to demands of the protestors and of political/social/economic alliances in an attempt to examine the inflexibility of the neoliberal project itself and how this has contributed to its continued dominance. The paper will finally work on delineating the basic outline for changes in economic policies towards social justice.

The neoliberal Arab project: Internal and external debate

In September 2007, the International Finance Cooperation (IFC), part of the World Bank Group, announced that Egypt is the top reformer in economic policies: “Egypt greatly improved its position in the global rankings on the ease of doing business, with reforms in five of the 10 areas studied by the report”²². Those areas include “strengthened property rights, enhanced investor protections, increased access to credit, eased tax burdens, and expedited trade while reducing costs,” all part of the Washington Consensus, known to be the main pillar of the neoliberal project.

The same report mentioned other countries such as Saudi Arabia, which that year ranked 23rd in terms of making it easier to do business and was on the list of the top 10 reformers according to the report’s criteria. The report also mentioned Tunisia as one of 11 countries that implemented three or more procedures that the IFC describes as reforms. In November 2008, Tunisian dictator Zein al-Abdedin ben Ali awarded director of the International Monetary Fund Dominique Strauss-Kahn the Order of the Tunisian Republic “in appreciation of his intellectual capabilities and his contribution to supporting economic development on the global level”²³. Strauss-Kahn responded by lauding the economic policies in Tunisia and which he described as “a role model that should be followed by several emerging countries”²⁴.

It is easy to trace the Washington Consensus recommendations in most Arab countries if not all of them, variations mainly

22 <http://is.gd/vxyfns>

23 <http://www.turess.com/assabah/15751>

24 Ibid.

depending on balances of power, capitalist developments, and position in the global market. The ten recommendations, drafted by John Williamson²⁵, are as follows:

1. Low government borrowing. Avoidance of large fiscal deficits relative to GDP;
2. Redirection of public spending from subsidies (“especially indiscriminate subsidies”) toward broad-based provision of key pro-growth, pro-poor services like primary education, primary health care and infrastructure investment;
3. Tax reform, broadening the tax base and adopting moderate marginal tax rates;
4. Interest rates that are market determined and positive (but moderate) in real terms;
5. Competitive exchange rates;
6. Trade liberalization: liberalization of imports, with particular emphasis on elimination of quantitative restrictions (licensing, etc.); any trade protection to be provided by low and relatively uniform tariffs;
7. Liberalization of inward foreign direct investment;
8. Privatization of state enterprises;
9. Deregulation: abolition of regulations that impede market entry or restrict competition, except for those justified on safety, environmental and consumer protection grounds, and prudential oversight of financial institutions;
10. Legal security for property rights.

Adaptations of the neoliberal project in the Arab region varied from one country to another, yet in all cases the pressure exercised by global capital played a major role in making this project dominant in the region. The neoliberal project was marketed via several global financial institutions, on top of

25 John Williamson, “In Search of a Manual for Technopols,” in *The Political Economy of Policy Reform*, ed. John Williamson. Washington: Institute for International Economics, 1994

which was the world's most influential trio—the World Bank, the International Monetary Fund, and the World Trade Organization—which not only pushed for adopting the neoliberal project, but also kept commending its success as was the case with Egypt and Tunisia. While global pressure was the main impetus behind adopting neoliberal policies, local dynamics in each Arab country played a major role in consolidating the influence of those policies, especially in the light of alliances forged by ruling cliques in the past few decades.

The trio was party to the drafting of economic policies in Egypt, Tunisia, and Jordan among other countries starting from the 1970s through the post-Second Gulf War era until the remarkably fast transformation towards neoliberalism in the past decade and a half.

Neoliberalism in the Arab region turned into a ruling project that was associated with signing bilateral trade agreements, joining the World Trade Organization, and responding to pressures and promises from the World bank and the International Monetary Fund. This project was part and parcel of the US aid to Egypt for decades whether on the economic or military level. The neoliberal project consolidated the economic and political hegemony of international corporates and the political and military powers that support them. Adam Hanieh²⁶ underlines the six main policies through which the foreign hegemony project was restructured. These included the European Partnership policies and the merging of production sectors here and there in order to redirect North African economies towards European capital in a way that makes the Mediterranean subordinate to Europe through trade and direct foreign investment²⁷. Meanwhile, the United States invested in its alliances in the Gulf region and Israel then empowered the neoliberal project through the Qualifying Industrial Zones (QIZ) agreement with Egypt, Jordan, and Israel.

26 Adam Hanieh. *Lineages of Revolt Issues of Contemporary Capitalism in the Middle East*. Chicago: Haymarket Books, 2013.

27 Ibid.

However, the neoliberal project was also concerned with governance even on the global level. True, the neoliberal project was a reaction to the financial crisis faced by the long Keynesian global economic prosperity that took off in the early 1990s, yet it was at the same time representative of a project that aimed at restoring the hegemony of capital-owning classes. Several theories attempt to explain the reasons for the rise of neoliberalism such as the Social Structure of Accumulation (SSA), which focuses on the fluctuation between growth and depression in capitalist economies. According to Richard Seymour, “political and economic elites contrive a set of institutions favorable for capital accumulation, setting off a period of sustained growth until such time as they exhaust themselves, and an intractable crisis results in a paradigm shift. This is said to account for long cycles of capital accumulation and by shifts between ‘liberal’ and ‘regulatory’ paradigms”²⁸. Other theories argue that the rise of neoliberalism is the manifestation of the growing hegemony of capital on the ideological, pragmatic, and political levels. In all cases, attempted explanations always underline the central political nature of the neoliberal project especially as far as governance and the balance of power are concerned. For Adam Hanieh, neoliberalism involves much more than a list of economic procedures that the free market demands, but also constitutes a radical restructuring of class relations. As for support for the neoliberal project inside the Arab region, Hanieh argues that global neoliberalism triggered the emergence of domestic powers that found it in their best interest to support the new status quo²⁹.

In addition to foreign influence, domestic factors also played a major role in the rise of neoliberalism in the Arab region. While those factors varied in accordance with the economy of each country in the region, one common denominator was the redesigning of the social structure and modifying governance projects in order to handle the complex economic and political

²⁸<http://is.gd/YC6LOQ>

²⁹ Adam Hanieh.

crisis. Added to this is the growing influence of funding entities and increasing regional intervention in the affairs of a number of countries in the region.

Support for the neoliberal project took several paths and was triggered by a variety of motives in the Arab region. For example, in Gulf countries, the oil revenue crisis and signs of popular indignation at the political and ideological governance foundations in this area led the state to look for solutions outside the oil sector. Those solutions included external expansion towards the global market and alliances with advanced capitalist centers in the US, Europe, Japan, and East Asia through acquisitions³⁰.

In Egypt, the rentier state faced a grave crisis throughout the last years of the Mubarak era. The 1990 Gulf War had already rescued Mubarak's regime through the reduction of external debts in return for taking part in the war in addition to signing the IMF agreement that initiated an expansive privatization plan and a set of austerity measures throughout the 1990s. However, the crisis persisted and was, in fact, aggravated. One of the solutions proposed at the time was allowing another party to participate in governance: businessmen³¹.

The plan for bequeathing power to Gamal Mubarak, which was one of the main triggers of Egypt's January 2011 revolution, was presented as the main channel through which the neoliberal project, started in 2004 with the appointment of Ahmed Nazif as prime minister, can kick off. In fact, the earlier phases of shifting to neoliberalism gave rise to new partners in governance, mainly new businessmen who started looking for adequate political representatives and not the other way round. The state was inclined to accept the alternatives proposed by those new partners to overcome the crisis, thus it decided to support them and back their plans with a set of policies that

30 For more on the crisis of rentier economies and state solutions see Christopher Davidson's *After the Sheikhs: The Coming Collapse of the Gulf Monarchies*.

31 For more information see Samer Suleiman's *Strong Regime, Weak State: The Management of the Financial Crisis and Political Change in the Mubarak Era* [Arabic]. Cairo: The General Association for Cultural Palaces, 2013.

enabled them to use a sizable portion of the country's resources. These new businessmen chose Gamal Mubarak as their political representative. Accumulation by dispossession and the privatization of public services in favor of those businessmen expedited the process of shifting to neoliberalism in what came to be described as one of the most typical examples of conforming to the Washington Consensus with the blessings of the global financial trio.

Egypt was not the only country where the world of bureaucracy and security, which dominated the post-independence state, allied with that of emerging businessmen. The Tunisian experience is quite similar to that of Egypt, both being commonly labeled "crony capitalism" and both later considered by the World Bank following the toppling of Ben Ali and Mubarak a form of "state capture." Therefore, the Egyptian and Tunisian growth rates previously praised by the financial trio have quickly proven a failure as the procedures thought to have rescued their economies were shown to have widened social gaps and increased the suffering of marginalized classes.

Neoliberalism and Arab revolutions:

The financial crisis that hit the United States in 2007-2008 then extended to the entire world is a milestone in the neoliberal project. Despite its expansion across the world, the neoliberal project was not a success. Neoliberalism did lead capitalist accumulation to the point of growth and prosperity typical of the global capital cycle. In fact, global capitalism had never witnessed this kind of upsurge, manifested in three decades of continuous growth, since the late 1960s. This was shown in the German and Japanese cases in the 1980s followed by South East Asia, also known as Asian Tigers, in the 1990s. Then the decline started until it reached Russia in 1998 and was followed by the Dot-com bubble in the US then the economic crisis in Argentina in 2000 and 2001. The seemingly successful financial system was the very same source of the financial crisis. It is against this backdrop that revolutions erupted in Tunisia, Egypt, Libya, Yemen, and Syria while other countries witnessed

uprisings that did not lead to toppling the regime such as Jordan, Morocco, Bahrain, and Kuwait.

When the global financial crisis took place, the first reaction from heads of state in the Arab region was to stress that it will not affect the region. Some Egyptian ministers even went as far as claiming that the Egyptian economy might benefit from the crisis like what happened to the Egyptian stock market during the Asian crisis in 1997-1998. In the beginning, foreign currency reserves and lack of a direct link with declining economies protected some Arab countries from an economic collapse, yet after a while the impact of the global financial crisis started showing in the Arab region. This was demonstrated in the decline of direct foreign investment, remittances, and tourism as was the case with Egypt and Tunisia. Gulf States were affected in a more profound manner owing to their close ties with the global market and to accumulation in Europe and the United States.

Like what happened in the global context, ruling classes intervened through pumping a set of incentives to rescue their partners in governance and accumulation. This was paralleled by an incredible hike in the prices of foodstuffs on the global level with the subsequent inflation causing growing indignation. While the IMF was still praising growth rates in Egypt and Tunisia as successful examples of the neoliberal project and market economy, social and labor resistance groups were gradually rallying to act against the manifestations of neoliberalism.

In Egypt, labor protests can be traced back to 2004, when Ahmed Nazif became prime minister, but a remarkable development was seen in 2006 and 2007 with the strikes staged by textile workers. At the same time, several countries in the region witnessed a series of protests whether spontaneous or organized by laborers and trade unions such as Jordan, Tunisia, and Morocco. The protests aimed at fighting policies that led to decreasing wages and subsidies and increasing prices. In Jordan, protests focused on increasing fuel prices. In Tunisia, 2008 witnessed a miniature version of the 2010 and 2011 uprisings with the protests that erupted in the mining area and the general strike called for by the Tunisian General Labor

Union which played a major role in the battle against ben Ali. The working class in Egypt also played an important role in toppling Mubarak through the strikes staged by the transportation association, the Post Authority, and Suez Canal workers among others.

The crises faced by the rulers was, therefore, intertwined with the rising indignation of the subjects who had been increasingly suffering from poverty, marginalization, unfair distribution of wealth, corruption, price hikes, and unemployment until the uprising reached its peak in 2011.

The project continues: The indications

A revolution is political when the focus is on changes in government leadership and forms of governance while a revolution becomes social when it attempts to seize power from a certain class that only serves its own interests. American theorist Hal Draper offers another type of revolution: a political revolution with a social spirit in the sense that its political demands are the culmination of a social uprising against monopoly of power. Draper notes that the distinction between the political and the social is extremely difficult since they merge together in varying degrees. This could be the ideal definition of the Egyptian revolution and other revolutions in the region as a reaction to the failure of the neoliberal project adopted by the ruling authorities. Through demanding the establishment of social and political democracy and the redistribution of wealth, the revolutions constituted an uprising against neoliberalism.

That is why Arab revolutions inspired the whole world, for they were far from confined within the borders of the Arab region and sent shockwaves across the world to become the main impetus behind a series of subsequent protests against financial corruption, austerity measures, and social inequality³². Yet five

32 Richard Javad Heydarian. *How Capitalism Failed the Arab region: The Economic Roots and Precarious Future of the Middle East Uprisings*. London: Zed Books, 2014.

years after the eruption of Arab revolutions, Arab countries did not seem to have changed their neoliberal policies. In fact, those policies seem to have become even harsher and the same applies to the neoliberal project on the global level.

After the toppling of Mubarak and ben Ali, social justice became the main popular demand that while taking different shapes in each country mainly revolved around creating job opportunities, offering better public services, eliminating corruption, and dealing with the problems of wages and prices. While a few political changes, demonstrated for example in constitutional amendments, seemed radical at the beginning, they were after all dictated from above and economic policies remained in congruence with the neoliberal project or rather an extension of it. The policies of the Washington Consensus, therefore, remained dominant on the ground.

The Arab region was not different from the rest of the world in the way it reacted to the crisis. After billions of dollars and euros were pumped to rescue corporates and banks (the same happened in Gulf state, on top of which was Saudi Arabia, where money was used to contain public indignation in the aftermath of the Arab Spring), the following phase witnessed the implementation of austerity measures and the withdrawal of the state. An expenditure projection report reveals that there were two phases of state spending patterns since the beginning of the global financial crisis. In the first phase (2008-2009), most governments offered financial incentives and increased public spending. However, 2010 witnessed budget cuts even though the public had at the time become more susceptible to suffering the effects of the crisis, thus needed state support, according to a recent study by the South Center and Columbia University about austerity policies in 187 countries since 2010³³.

33 Isabel Ortiz, Matthew Cummins, Jeronim Capaldo, Kalaivani Karunanethy. The Decade of Adjustment:

A Review of Austerity Trends 2010-2020 in 187 Countries. Geneva: The South Center, Initiative for Policy Dialogue (IPD), Columbia University International Labor Office ESS Working Paper No. 53, 2015.

Based on the study, austerity measures have been intensifying in the Arab region, especially regarding fuel subsidies and foodstuffs in the past five years. In Egypt, Algeria, Jordan, Lebanon, Morocco, Tunisia, and Yemen, there have been measures for cutting subsidies and selling fuel at market prices. There has also been a tendency to reduce wages in the Arab region since Algeria, Egypt, Jordan, Morocco, and Tunisia are working on “reforming” the government system through wage reduction and layoffs. This was demonstrated in Egypt through, for example, the new Civil Service Law which triggered a wave of protests by civil servants.

Tax reforms, on the other hand, hardly extended to high incomes. For example, the capital gains tax on bourse was frozen after protests from the financial sector lobby. Algeria is planning to reduce tax exemptions while Egypt is about to impose a value-added tax, which expands the range of indirect taxes that constitute a burden on the poor.

Table 1.1

Country	Subsidy cuts	Wage cuts	Targeting social security network	Pension “reforms”	Work reforms	Health care	Consumption tax increases	Privatization
Algeria	*	*			*		*	
Egypt	*	*			*		*	
Jordan	*	*	*	*	*		*	
Lebanon	*		*	*		*	*	
Morocco	*	*		*	*		*	
Tunisia	*	*	*	*	*			
Yemen	*	*						
Total	7	6	3	4	5	1	5	0

**Austerity measures in the Middle East and North Africa
2012-2015**

Source: South Center and Columbia University

It is obvious that the study indicates absence of any privatization plans in the seven Arab states, yet this most likely means selling public sector companies to a major investor only. There are plans in Egypt to offer shares of state-owned holding companies in the stock market and there is an expansion of partnership between public and private sectors in most of the countries in public services on top of which are healthcare, education, electricity, water, and sewage.

In Egypt and Tunisia, where ruling parties were toppled and transition of power was not accompanied by civil war, ruling elites gradually reappeared after protests subsided and businessmen started regaining their privileges while no development was visible in terms of fighting corruption.

In Tunisia in 2015, a law was passed to authorize the capitalization of three public banks that went bankrupt as a result of lending businessmen during the ben Ali era and not getting the money back. At the same time, another law allowed reconciliation with businessmen charged with corruption and embezzlement of public funds.

In Egypt, a court ruling exempted the banking sector from the maximum wage law while the stock market lobby intervened more than once to suspend market taxes. Egypt and Tunisia were the first to apply legal modifications that would allow reconciliation with corrupt businessmen and would not allow citizens to contest government contracts which was the way several corrupt contracts were discovered following Mubarak's ouster.

In the Gulf, the drop in oil prices drove states to start austerity measures that aim at reducing public expenditure. According to IMF statistics, budget surplus in the member states of the Gulf Cooperation Council (Saudi Arabia, United Arab Emirates, Qatar, Kuwait, Bahrain, and Oman) dropped from 182 billion US dollars in 2013 to only 24 billion in 2014. Saudi Arabia, Bahrain, and Oman recorded a deficit in the 2014 budget for the first time since the start of the global financial crisis in 2009 and the oil barrel lost 50% of its price since mid-2014, which might

deprive Gulf States of revenue estimated at 275 billion US dollars, according to the IMF.

This year, the United Arab Emirates liberated fuel prices and increased electricity prices in Abu Dhabi in a move expected to save hundreds of billions of dollars and Kuwait started selling several oil products at market prices, reduced expenditure by 17%, and is planning to increase the prices of fuel, water, and electricity. Meanwhile, Saudi Arabia is looking into putting “non-urgent” projects on hold and introducing changes to energy subsidies. Fuel prices in Saudi Arabia are, in fact, among the lowest worldwide. Qatar, Oman, and Bahrain are no exception since they are also studying the possibility of expenditure and subsidy cuts.

While Gulf countries can be justified since oil is their main source of revenue, the drop in oil prices could offer an opportunity for a country like Egypt. However, instead of channeling the difference in oil prices towards spending on healthcare and education in accordance with constitutional pledges, the Egyptian government still prioritized reducing budget deficits in compliance with a direct recommendation by the World Bank.

Why haven't Arab neo-liberals offered concessions?

The question that poses itself is why the Egyptian revolution has not resulted in a substantial change in pre-revolution status quo. Even with the ability to contain popular indignation and the relative withdrawal of social powers that constituted a major component of the revolution, the structural crisis created by the neoliberal project is still persistent and might get worse. Wasn't it logical for ruling elites to learn the lesson and offer some concessions for the sake of achieving stability? Why is the neoliberal project, which has proven problematic and inefficient, continuing in the same, if not a harsher, manner?

It is noteworthy that this phenomenon is by no means exclusive to the Arab region since the neoliberal project is still continuing across the world despite its inability to overcome the

accumulation crisis. Several factors have contributed to the continuation of the neoliberal project:

1- Receding influence of popular movements: The counter-revolution took advantage of the developments that took place in some Arab Spring countries such as Syria and Libya to accuse revolutionaries of planning to undermine the state. Initiating campaigns to restrict freedom of speech, issuing laws that prohibit protests and strikes, weakening trade unions, and lack of diversity in the political scene triggered a remarkable decline in protests even when compared to the Mubarak era. This is the case in the rest of the Arab region with varying degrees and the result is the absence of bottom-top pressure for change and reform. Based on examples from history, change, including to neoliberalism, does not usually take place smoothly or gradually, but only through intensive lobbying and ferocious conflicts. For example, the shift to the welfare state was only achieved following a world war and enormous damage and the shift to neoliberalism was replete with conflicts, wars, military coups, and popular resistance. In the absence of groups that lobby for change, this change becomes much harder.

2- The inflexibility of the social structure of accumulation: The interests of the current ruling alliances are characterized by rigidity, which makes it hard for them to offer any concessions to popular resistance movements without sacrificing one the alliances' major components. In the case of Egypt, the old partnership between the security apparatus and businessmen is still an obstacle since it is not possible to open corruption files without going through this partnership. Meanwhile, the partners, under pressure from the crises of governance and accumulation, work on securing their positions. This explains the series of modifications that took place before and after June 2013 to protect the process of accumulation by dispossession in public services and lands through removing executive regulations such as modifying the Tenders and Bids Law so that projects are directly assigned to business tycoons and companies affiliated to Mubarak's interests' network. Similar entanglements can be detected in the structure of the ruling elite that represents the

social structure of accumulation and which renders any social concession, no matter how minor, a threat to the ruling alliance that might result in a survival conflict, Egypt being an exception owing to the status of its army.

3- Foreign intervention: The rigidity of domestic interests drove the ruling elite in Egypt to refuse some of the procedures that the IMF accepted as a means of containing popular indignation and dealing with the consequences of economic inequality. The IMF, for example, objected to freezing the capital gains tax on bourse since it saw it as fair and required to increase revenue. The IMF stance caused some form of undeclared tension between the two parties. In this case, local interests were even stronger than the cautious stand the IMF is known for. What happened is that the IMF, together with its two partners in the trio as well as new partners such as the European Bank for Reconstruction and Development, has managed to equip the Arab region with the ability to sustain the neoliberal project and then use it to overcome the crisis caused by the Arab Spring. The reaction of the IMF following the toppling of the ben Ali and Mubarak regimes was fast and quite unique in the sense that it did not focus on the political, cultural, generational, or technological aspects that were used in explaining the context within which the uprisings erupted. Instead, it focused on economic policies through the Deauville Partnership with Arab Countries in Transition, launched by the G8 in 2011, and whose papers were prepared by the IMF. The partnership reveals the main aspects of the economic policies that were being restructured following the 2011 shock. First, the partnership offers a framework for six countries: Egypt, Jordan, Libya, Morocco, Tunisia, and Yemen. This means that it included countries where regimes were not toppled such as Morocco and Jordan and excluded countries that witnessed popular uprisings such as Bahrain. It dealt with the six countries in a collective manner. Second, while funding and loans constitute a major component of any partnership between the Arab region and financial institutions (negotiations with the IMF included most of these countries and agreements have already been reached with Jordan, Morocco, and Tunisia), but the Deauville initiative is concerned with the general economic,

political, and social tendencies. On the level of rhetoric, international financial institutions acted with extreme flexibility. Officials from the IMF and the World Bank were quick to underline the role of poverty, unemployment, inequality, and corruption in the eruption of the 2011 revolutions and several domestic and regional research centers followed suit. In the beginning, the reaction to rescue the hegemony and interests structure that serve these institutions was to rephrase the problem after acknowledging it then look for a technical solution. Concepts like containment growth and social justice, which seemed quite far-fetched for these institutions, were introduced. However, the general framework was maintained including austerity measures and prioritizing the reduction of budget deficits under the banner of “financial disciplining” and getting back direct foreign investment. Meanwhile, general policies were almost the same as before, maybe only milder until they took off at full speed after the withdrawal of revolutionary movements such as in Egypt in mid-2013. At that time, the very problems that were acknowledged before as the reason for the uprisings started to be overlooked. This can be seen in the way IMF reports went back to defending the ben Ali and Mubarak regimes in an attempt to absolve itself from the stigma of supporting regimes that intensified economic inequality. It is impossible to separate the stance of these financial institutions from social structures of accumulation in Gulf States which were amongst the main parties in the Deauville initiative from the start. The United Arab Emirates was even negotiating with the IMF on Egypt’s behalf after July 2013. Gulf states rank first in loans and investments in Egypt and are, in this regard, closely linked to the drafting of particular investment laws that protect their interests as well as supportive of the counterrevolution on the political, economic, and ideological levels.

4- The pragmatic problems of the alternative: This does not only mean the alternative that can be offered outside the social structure of accumulation, but also the one offered from the point of view of the structure itself. In the context of the current crisis, global capitalism and its domestic manifestations were not able to offer an alternative that would solve the problem of

neoliberalism and provide new horizons for accumulation and profits. This is what makes ruling classes keep rotating in the same vicious circle. Ruling classes promote Margaret Thatcher's slogan "There is no alternative" to strip their opposition factions and advocates of change of their legitimacy. It is noteworthy that despite constant attempts at obstructing their efforts, popular movements managed to present a number of alternatives to the economic system and which are inspired by international experiences in self-administration, cooperative economics, education and healthcare development, priorities of public expenditure, and ways of dealing with government debts. The factions offering such alternatives are still, however, faced with a set of pragmatic problems. The Syriza experience in Greece highlights the magnitude of domestic and global challenges that can result in besieging and eventually defeating initiatives that offer radical alternatives to neoliberalism since it lacked the balances of power that would allow it to develop and defend its agenda.

Capitalism and social justice: The adopted capitalist approach denies social justice

Salameh Keileh

Leftist writer and thinker

Talk on social justice always revolves around domestic demands and the feasibility of those demands on the domestic level. However, this approach is quite unrealistic since the structure of the domestic economy is part of the global economy and is controlled by the centers of influence where the capital is situated. This means that every tendency for social justice on the domestic level is inevitably subjected to the stances of the hegemonic echelon in the capitalist system as a whole.

Capitalism is a globalized system where different parties are subordinated to the interests of influence centers that are determined by the concentration of capital. Because the relationship between the centers and other parties is basically one of exploitation, those parties always suffer from poverty, unemployment, and marginalization. This requires the involvement of the capitalist classes inside the subordinate countries and which are in turn subordinates to the centers since they do not compete with them in the production of commodities, but rather assist in the distribution of their commodities. This renders the local capitalist system forced to maintain the poverty, unemployment, and marginalization of the people in order to serve their own interests as well as the interests of capitalist centers.

Social justice attempts to bridge the gaps resulting from the capitalist system. This study, like the previous one³⁴, will start with the abstract meaning of social justice which basically

34 See *Social Justice: Concept and Policies after the Arab Uprisings* [Arabic]. Arab Forum for Alternatives and Rosa Luxemburg Foundation, North Africa Bureau, 1st edition: 29-38. The book is an anthology of papers presented at the conference held in Cairo on May 18-19, 2014. The paper presented by the author of this article is entitled "Social Movements and the Concept of Social Justice in Arab revolutions [Arabic]."

revolves around a “dignified life” away from class distinctions and the dominant economic system. The concept of social justice has multiple meanings since each class, ideology, and political faction defines it differently. For example, liberals define social justice as a means of improving the living conditions of the underprivileged while maintaining the prevalent capitalist system and preserving its stability. This is what happened in developed capitalist countries following the Great Depression in 1929 and which led to the creation of the welfare state which relatively continues till the present moment. This also happened in a different way with the national independence regimes, headed by nationalist socialist parties. Some liberals attempted to achieve a similar model even though few of those attempts proved to go beyond propaganda as was the case with several Islamist factions, like the Muslim Brotherhood, following the Arab uprisings. Those factions only used the social justice discourse when they came to power, yet did nothing to change the system from rentier economy to productive economy or to improve the living standards of the people.

Leftist factions use the term social justice frequently and are the ones who made it part of the Arab revolutions starting from Egypt where the slogan became “Bread... Freedom... Social Justice.” Yet, social justice was still dealt with within the context of the capitalist system, rather than as a means of overstepping this system altogether. So, instead of admitting that the capitalist system is the problem, the existence of this system remained a given, and only very limited amendments, if any, were possible³⁵. Even those possibilities of a slight change started fading away as the political aspect took precedence over the social as demonstrated in the conflict between a civil and religious state (the conflict against the Muslim Brotherhood), the war on terror, and the focus on concepts like “the homeland” or “the state.”

35 A leftist approach to social justice can be examined in Ibrahim al-Eissawi’s “Social Justice and Developmental Patterns: Special Focus on the Egyptian Case and Revolution [Arabic].” Arab Center for Research and Policy Studies. 1st edition, April 2014.

Social justice, therefore, remained only a part of a reformist agenda, which in itself is not clear, and the concept gradually turned into a sheer decoration for factions and/or political platforms that want to be called “leftist.”

To arrive at a definition of social justice, I have attempted in a previous paper to highlight the way the local economic system widens the gap between classes and how social justice is not possible as long as the status quo is still maintained³⁶. This paper will tackle the international economic system as an obstacle to social justice and will underscore the link between this system and its local counterparts with both being based on exploitation and accumulation of profit while overlooking the welfare of average citizens or even profiting at their expense³⁷. That is why all tendencies to achieve social justice have boiled down to developing the conflict with imperial centers and attempting to be liberated from them as was the case in Socialist experiences like the Soviet Union, Cuba, China, Vietnam and others as well as attempts led by “national independence” regimes.

All attempts at achieving social justice focus on the dominant economic system and raise the question of whether this system can accommodate any form of social justice or it has to be overstepped altogether in order to reach that end. This necessitates examining local economic systems that were formed under the hegemony of global capitalism to investigate why they caused poverty, unemployment, and marginalization, hence inequality. That is why social justice is associated with a societal project that bridges the gap between classes. It is also contingent upon achieving the kind of economic development— industrial, agricultural, and societal—that has been monopolized by global capitalism. Social justice, therefore, depends on a class structure that is different from that imposed by the capitalist system and that, in fact, oversteps it. This is because local economic systems are created to serve global

36 Salameh Keileh, p.36.

37 See Pierre Jalée. *Pillage of the Third World* [Arabic translation from French]. Al-Ketab al-Arabi for Printing and Publication.

capitalism that mainly depends on stripping its local subordinates of their resources, thus triggering poverty, unemployment, and marginalization.

This paper will examine two stages: the first starts with the expansion of capitalism, the start of colonialism and the way both shaped the economic system of colonized countries and the second focuses on the current situation following the changes capitalism has undergone, especially in the 1970s through dominating local systems of subordinates.

PART ONE:

Our countries were not shaped through independent development, but rather through the development of Europe and the adoption of capitalism in some of its countries following the Industrial Revolution and the dominance of industry as the main tool of production. With industry becoming an indispensable component of global development³⁸, nascent industrial countries needed to secure their needs of raw materials such as cotton, silk, gold, and wheat, to create markets for their products, and to import capital for global pillage³⁹. That is why those countries made a point of stopping the expansion of industry beyond its borders and factories to ensure the absence of competition whether in raw materials or markets. It was, therefore, necessary to stop any form of development in countries that had not managed to develop prior to colonization and found it harder to start developing after the hegemony of imperial capitalism⁴⁰. This was actually Mohamed Ali Pasha's problem when he decided to introduce industrialization and herald Egypt into the modernist

38 This reflects Marx and Engels' view that capitalism would initiate modernism in the world; see *The Communist Manifesto* [Arabic translation]. Moscow: Dar al-Taqadom, pp. 22-23.

39 See Lenin. *Imperialism, the Highest Stage of Capitalism*. Moscow: Dar al-Taqadom, pp. 82-118.

40 Ibid, pp. 118-34.

era⁴¹ as his project was stopped at its tracks before it went beyond the borders of Egypt and provided that it does develop industry locally.

Capitalist centers, therefore, set out to shape the local economies of their colonies in a way that serves their interests. This was mainly done through maintaining the traditional economy that had not previously allowed development such as a backward agricultural system, the dominance of feudal lords, and the concentration of trade and crafts in cities that were also dominated by feudal lords. The general intellectual environment was also backward with a simplistic understanding of religion, basically manifested in the regular practice of rituals and partial knowledge of religious laws, with the exception of cities, in which merchants promoted a fundamentalist approach to religion.

Capitalist systems were interested in employing agriculture to serve its interests so when they, for example, needed cotton, silk, and wheat, they imposed or encouraged the cultivation of these crops, which resulted in a shortage in other crops needed for local consumption. Those systems also focused on expanding the classes that would need their products like merchants and members of the elite and encouraged the teaching of fields like administration and banking. This led to the establishment of a local capitalist system that operates with a “complementary” or subordinate economic sector comprised of trade, services, and banks while industrial development was overlooked. The economy of the colonies, therefore, adapted to the structure established by colonial powers⁴².

Agriculture (feudal/rural) remained the prevalent system while cities were created as margins of modernism imposed by colonial powers which resulted in a countryside suffering from poverty and illiteracy and a modernized urban landscape. A

41 See Guy Fargette. *Méhémet Ali, le fondateur de l’Egypte moderne* [Arabic Translation by Mohamed Refaat Awwad]. Cairo: National Center for Translation, 2008.

42 Salameh Keileh. *Obstructed Development: The Ordeal of Capitalist Development* [Arabic]. 2nd edition. Cairo: Dar Rawafed for Publication and Distribution, 2015.

working class was created, but was plighted with poverty and exploited by the capitalist class. The countryside, which constituted 80-90% of the society and was continuously pillaged by feudal lords, witnessed a series of upheavals and the same happened in cities where workers started demanding better living standards and higher wages. Yet the majority of the people continued to suffer from poverty, illiteracy, diseases, and marginalization, while the class of feudal lords and merchants formed the ruling class and continued to serve colonial interests. Therefore, both the state and the colonial power united to suppress the aspirations of the people and to obstruct development.

The formula imposed by colonial powers and implemented by local capitalism widened the gap between capitalists, who monopolized markets, industry, and technology, on one hand and the underdeveloped communities that maintained the same backward agricultural system and only managed to establish a minor industrial sector that was almost solely based on crafts on the other hand. The withdrawal of colonial powers did not really make a difference since the capitalist classes replaced them. The subsequent growing inequality between the center and the peripheries⁴³ enabled the capitalist class to consolidate its power with the support of imperial powers that still needed to maintain the system they established⁴⁴ and while the centers kept prospering, the peripheries remained impoverished and marginalized.

The persistence of this situation drove the people to clash with the authorities and the imperial powers supporting them as they started demanding better living conditions for workers and farmers, agricultural reform, and free education, which all necessitated undermining the established system. The same demands were promoted by communist and nationalist parties, whose agendas focused on changing the economic system and

43 See Samir Amin. *Unequal Development: An Essay on the Social Formations of Peripheral Capitalism* [Arabic translation by Borhan Ghalioun]. 1st edition. Beirut: Dar al-Taliea, 1974.

44 See Salameh Keileh. *Socialism or Barbarism* [Arabic]. 1st edition. Beirut: Dar al-Konouz al-Adabeya, 2001.

stripping the capitalist class of its powers. Communist parties that established socialist systems and “national independence” parties attempted to achieve progress and social justice through the elimination of the capitalist system altogether, the first through a set of measures that included the elimination of private property and the second through the role played by the military in effecting social and economic changes. Both cases witnessed attempts at industrial development, educational reform, the elimination of feudalism, labor rights, and social security even though through totalitarian regimes. The experience, however, did not last long as the ruling class started in several cases to accumulate wealth and to gradually shift to liberalism and privatization, therefore undermining all previous achievements. Similar experiences did not emerge elsewhere, with the exception of center countries that managed to achieve development within their own borders at the expense of the struggling peripheries.

PART TWO:

Following the collapse of nationalist independence and socialist regimes, imperial centers underwent changes that aggravated the condition of the peripheries especially with the creation of a bourgeoisie that revolved around the banking, commercial, and service sectors and with growing focus on industrialization overshadowing the necessity of developing the countryside. The capitalist system underwent another major change with the 1972 crisis when the United States halted the convertibility of the US Dollar into gold, thus terminating the Bretton Woods system and making the US Dollar a fiat currency⁴⁵.

In the last quarter of the 20th century, a major transformation in the structure of the capitalist system took place as financial economics replaced real economy⁴⁶, which meant the

45 For more information see John Kenneth Galbraith. *A History of Economics: The Past as the Present* [Arabic translation]. Kuwait: Aalam al-Maarefa Series (no 261), September 2000.

46 See François Morin. *Le nouveau mur de l'argent, essai sur la finance globalisée* (2006). In this book Morin predicts an imminent financial collapse.

prioritization of monetary activities. The capitalist system favored rentier economy which relies on pillage through mechanisms that are non-economic according to the principles on which capitalism was founded and which states that the production of commodities is through industry. According to Karl Marx, capitalism was based on a “cash-commodity-more cash” pattern. Now it has turned into a “cash-more cash” pattern while doing away with the commodity. Although the capitalist system is still based on industry, the latter pattern has been prevalent in the past decades.

The question now is: why has cash dominated capital? If capital is the cash employed in the production process, cash is also the money employed in other fields that are not related to production nor to distribution and vital services, all being part of real economy. In the past, this process was termed “usury,” which means interest on loans, and now takes several forms, among which are loans, financial derivatives, speculation for stocks, commodity, real estate, oil, and cash. Another question is: what is the reason of this transformation from real economy into rentier economics?

The capitalist system has always been flowed with production surplus, which is what leads to economic stagnation and eventually depression⁴⁷ and to wars and the partition of states. But the capitalist system also aims at achieving cash surplus, therefore accumulation of wealth. This accumulation was at times destroyed in imperial wars and at others employed in reconstruction and in real economy in general. But the years that followed World War II witnessed two developments: first, the end of imperial wars and the polarization of the world; second, the expansion of the socialist system that came to prevail in almost half the world and that meant a decline of capitalist markets. The latter case triggered investment saturation in real economy as a whole, especially with the growing competition between corporates and the collapse of some and the merging of others like what happened in the

47 See Salameh Keileh. *Current Globalization: The Mechanism of Reproducing the Global Capitalist System*. 3rd edition. Damascus: Dar Rand, 2011.

1980s⁴⁸. The growing accumulation of cash started becoming a problem for the banks in which this cash is deposited since they paid interest for money that is losing as a result of natural inflation, which meant the collapse and bankruptcy of those banks. This accumulation of cash meant hefty amounts of money that could no longer find investments owing to the saturation of the real economy, which in itself had become stagnant. And because all money that does not turn into capital is rendered redundant, there emerged a need to look for other channels of investment outside the real economy, which was translated into the “cash-cash” equation and meant the shift from real economy into virtual economy.

This was accompanied by the dollar crisis in the early 1970s and in which the American Balance of Trade dropped in favor of Europe and Japan, which led to terminating the convertibility of the US Dollar into gold, as mentioned before. This development gave the US Federal Reserve Bank the liberty to print as many dollars as it desired and eventually led to the accumulation of dollars. However, the global hegemony exercised by the United States led to the assumption that it is normal for money to accumulate in American banks and financial corporations more than their counterparts in other capitalist countries, especially after the rise in interest rate in American banks. As a result of the continuous accumulation of dollars in the United States, the money accumulated amounted to 2,000 trillion US dollars in 2008, the year of the crisis, while the gross world product was 44 trillion, which reveals the inflation rate that dominated the global economy. At that time, the sum of circulated dollars ranged between 600 and 700 trillion, which demonstrates the inflation rate that dominated the American economy and the way cash exceeded by the far the abilities of the economy.

Such accumulated cash necessitated the search for other investment outlets in several fields. The profit that resulted from

48 See Mihir Bose. *The Crash: The Fundamental Flaws Which Caused 1987-8 World Market Slump* [Arabic]. 1st edition. Beirut: Dar al-Hamraa, 1987; Harry Figgie and Gerald Swanson. *Bankruptcy 1995: The Coming Collapse of America and How to Stop it* [Arabic]. 2nd edition. Amman: Al-Ahlya for Publication and Distribution, 1995.

investing in those new outlets led to more cash accumulation and exceeded the profit from real economy by far so that if the profit in commodity production was estimated at 5%, it reached 15% in financial economics⁴⁹.

One of the fields of investments was the use of genetic modification in agriculture and which led to a surplus in agricultural production. Financial derivatives also opened the door for a new, though devoid of value, financial activity⁵⁰. Loans were another investment outlet with political pressure exercised by American imperialism on independence movements' countries to get loans from the International Monetary Fund under the pretext of dealing with budget deficits. Although the declared purpose of such loans was helping countries, they were a major source of profit. Loans were given to Latin America followed by East Europe then Southern Europe. American banks and political corporations then started planning to expand domestic loans under lenient conditions and the mortgage crisis was the start of the 2008 financial crash. Under the globalization system, stock markets, which are based on speculation, were also globalized and investments in this field started growing to go beyond national borders and extend to the entire world as is the case with commodities (like foodstuffs), services, oil, and currency. The circular flow of economic activity index indicated that 90% of this activity is speculation-based, which means that accumulated cash dominates the global economy⁵¹. However, all those activities still could not contain cash accumulation, which led to an expansion in privatization that even extended to services considered basic human rights like infrastructure, education, and water. Companies seemed to own everything including armies, state institutions, roads, schools, and hospitals⁵². The

49 Ibid, p36.

50 See George Cooper. *The Origin of Financial Crises: Central Banks, Credit Bubbles, and the Efficient Market Fallacy* [Arabic translation]. 1st edition. Damascus: Dar Kiwan for Printing and Publication, 2011 and François Morin.

51 François Morin.

52 See Remy Herrera. *Un autre capitalism n'est pas possible* [Arabic translation by Dr. Ahmed al-Zweidi. 1st edition. Morocco: Dar Abi Reqraq for Printing and

capital exported to peripheries was especially active in rentier sectors such as real estate, services, tourism, and stock markets⁵³.

The dominance of this financial pattern within the capitalist system was imposed on the peripheries as globalization became the means of complete market liberalization and the expansion of privatization, therefore defending investment against any possible intervention on the part of the state. Since the collapse of the Soviet Union, the United States, as the leader of imperial powers, has worked on diminishing the state's economic role so that instead of protecting national investments, it protects foreign investments and offers opportunities for it in all sectors. This triggered the creation of a new mafia-like class around a rentier economy that focuses on real estate, services, tourism, banks, stock markets, and imports.

If capitalism stopped industrial development in the peripheries, privatization policies destroyed the industries established during socialist regimes and independence movements. The agricultural surplus at the centers as a result of genetic modification also led to destroying local agriculture in the peripheries such as the Arab region because capitalist countries needed markets for their agricultural products. This led to a significant deterioration in the countryside and the start of farmers' migration to the outskirts of cities, where they settled in slum areas, to search for work. Society, therefore, became divided between a capitalist mafia that profits from rentier economy and an underprivileged majority. A limited number of average citizens benefited from this new system such as professionals working in the banking and technology sectors. The underprivileged remained the majority with unemployment reaching 30% and a higher percentage of citizens living under the poverty line. Marginalized echelons of society started

Publication: 2015. This book tackles the expansion of privatization in a way that elucidates the nature of the current capitalist system.

53 See Abdel Khalek Farouk. *The Economics of Corruption in Egypt: How Egypt and Egyptians Were Corrupted 1974-2010* [Arabic]. Cairo: The General Egyptian Book Association, 2012.

expanding and the number of farmers and workers started receding.

This social structure, which was formed in the last two decades following years of privatization and shifting to rentier economy, demonstrates the level of inequality and marginalization that capitalism, and its new businessmen, can cause. Meanwhile, loans were proposed as the solution for budget deficit which the media claimed was caused by losses sustained by the public sector and state subsidies for commodities and services. Loans were, therefore, offered in return for destroying the public sector and terminating the state's role in the economy through market liberalization. Contrary to claims, loans did not put an end to budget deficits, but the accumulated interest of those loans necessitated new economic policies such as tax hikes, which increases the burden on average citizens who were allegedly to be offered help through those loans.

Market liberalization and privatization led to the pillage of the public sector. The value of the public sector in the 1980s was 360 billion US Dollars but then it was totally devalued and state debt reached 50 billion dollars after paying the interest since the late 1970s. The state mafia and its cliques benefited from those loans and imperialist capitalism benefited even more while average citizens were left to suffer under the yoke of taxes, thus getting even poorer.

Speculations for commodities and services led to price hikes that constituted another burden for average citizens, especially that they were not accompanied by wage increases. This was demonstrated during the 2008 financial crisis where the increased prices of oil and foodstuffs aggravated the ordeal of the peripheries and sped up the outbreak of revolutions in Arab region.

In addition, investment in the stock market, also called short-term investment, leads to weakening small investments and strikes a balance between the local mafia and imperialist powers as far as the money they accumulate is concerned. This means pillaging a part of the local product and exporting it while creating economic problems as a result of the bankruptcy of

small and medium investors trying to invest in the stock market, which is reflected on the economy as a whole and leads to the impoverishment of additional echelons of the society. Investing in the infrastructure sector aggravated the social crises since the privatization of roads, education, healthcare, oil and gas, and some state sectors means that citizens would have to pay for services that were previously offered for free or to pay more in sectors where they used to pay less. This means that citizens are subjected to new prices imposed by corporates that prioritize profit. Meanwhile, the income of those citizens does not undergo any change.

Citizens, therefore, were directly under the mercy of imperialist corporations coupled with state blackmailing. This system also led to a faster deterioration in the living conditions of the underprivileged since the cash accumulation process was expedited. That is why this system works against the establishment of social justice and changing it has become harder since it controls the entire capitalist system at the moment.

The mechanisms on which this system depends, and which were initiated following the collapse of socialism, confined the role of the state to protecting the capitalist system and allowed the creation of a local mafia that serves both. That is why it is impossible to achieve social justice while maintaining this system that totally undermines social justice and promotes all forms of pillage.

PART THREE:

Before looking into the means of achieving social justice, it is important to stress the necessity of severing all ties with the current capitalist system⁵⁴. This means shifting from a technical strategy that looks into the possibility of achieving social justice within the current capitalist system to a class-based strategy that works on overstepping this very system. It is important in

54 See Samir Amin. *The Political Economy of the Twentieth and Twenty First Century*. 1st edition. Beirut: Dar al-Farabi, 2002.

this regard to answer a few questions: How can an economic structure that fully contains the working force be established? How can this structure allow for decent wages, free quality education, and comprehensive social security? How can a developed infrastructure be established? How can all this be achieved under a real democratic system?

The answers to all these questions lead to the impossibility of achieving social justice under the current system. Reaching a minimum level of social justice requires at least a shift from rentier economy to productive agricultural and industrial economy since those sectors can contain the work force and produce a surplus that would allow a wage increase and a change in the balance of trade in favor of cutting down on imports. This will not only lead to the elimination of pillaging, but also to striking a balance between wages and prices.

This proposed system does not serve the interests of local and global capitalism. That is why establishing this system requires targeting classes that do not benefit from the capitalist system and, hence, do not want to maintain it.

The next question would be: Who would achieve this separation with the capitalist system?

The answer to this question lies in a project that aims at establishing an advanced industrial base and the expansion and development of agriculture as basic foundations for creating a productive economy through which social justice can be achieved. This project will also allow for the establishment of democracy, which is not possible under a rentier economy dominated by imperialist powers and their local mafias.

The state and social justice in the Arab region: A crisis of policies or structure?

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Liberal theorists argue that exploitation, repressive regimes, and women's submission to men in nuclear families is only a normal outcome of human nature and the distribution of privileges among people and nations⁵⁵. Socialists, on the other hand, see the afore-mentioned aspects as the outcome of human history rather than human nature. The difference in point of view is one example of how problematic it is to agree on a perception of human nature and human relations within the basic social units. This difference in perception is also reflected in theories on the emergence of the state and its relation to collective values, on top of which is social justice. The situation gets even more problematic in the Arab region where the issue is endowed with historical and religious dimensions that make some regard current gaps between citizens and regions in the same country as natural and even predetermined. However, such gaps could only be the result of developments in the structure of Arab states and societies and the relationship between them. This is exactly what this paper attempts to analyze through three main factors: the structure of the Arab state, the structure of the city in the Arab region, and class structure in the region.

First: The structure of the Arab state:

Interpretations of the emergence of the modern Arab state do vary since in some cases it was the result of local developments that were independent of the empires to which

55 Adam Smith. *The Wealth of Nations* [Arabic]. Translated by Hosni Zeina. 1st edition. Baghdad: The Center for Strategic Studies, 2007: <http://is.gd/r9xrwa>

they were subjugated throughout different eras. This was in addition to the presence of geographical borders or at least nuclei through which the state was formed—as was the case of Egypt, Tunisia, Algeria, and Morocco—and the fact that several of those states had already existed before colonization⁵⁶. In other cases, nevertheless, the state was the making of colonization and a result of the Sykes Picot Agreement, in which colonial powers delineated the borders of certain parts of the Arab region in a way that serves their interests in the aftermath of World War One, therefore its emergence is not linked to local and historical development—as was the case with Syria, Iraq, Lebanon, Palestine, and Jordan⁵⁷. The common factor between the two cases is the fact that those countries were subjected to colonization and subjugated by a local repressive clique that cooperated with the colonizers. It is in fact this common factor that is frequently used by authorities in the same countries to legitimize the gaps between their people⁵⁸.

The objective basis of state building have been absent in the case of Arab states that emerged following the decline of the Ottoman Empire. This led to the emergence of authorities that instead of transcending tribal and class discrepancies worked on accentuating and legitimizing them so that society would get to accept the presence of gaps on regional and class bases as a matter of fact. The result was a state that kept brandishing the national sovereignty rhetoric in the face of its Arab neighbors while doing the opposite with non-Arab regions when this is in the best interest of the ruling clique⁵⁹.

56 Ahmed Tarbeen. “How was Arab Partition Achieved? [Arabic]” *Al-Thaqafa al-Qawmiya Series*, issue number 14. Beirut: The Center for Arab Unity Studies, 1978: pp29-40.

57 Ashwaq Abbas. “The Structural Crisis of the Contemporary Arab State [Arabic].” *Democracy Magazine*: <http://is.gd/E75S8i>

58 Khaldoun Hassan al-Naquib. “The Repressive State in the Contemporary Levant: A Structural Comparative Study [Arabic].” Beirut: The Center for Arab Unity Studies, 1991.

59 Hossam Etani. “The Collapse of the Arab State [Arabic].” *The London-based al-Hayat*, May 11, 2014: <http://is.gd/r3XbOS>

The Arab state has undergone a number of developments since its emergence and until the Arab Spring, which was considered by many a protest against the wrong path that such developments were taking or at least an attempt to re-build the Arab state on fairer and more sustainable grounds. These developments include the change of external threat from a direct colonizing power to another form of colonization represented by the creation of Israel, which managed to survive through a state model that is remarkably different from its neighboring Arab states. Another development was the emergence of the nationalist regimes that emerged from post-independence states and witnessed the coming to power of military regimes that fought for eliminating colonization and asserting national sovereignty. This system then gave way to the model of the rentier state that promotes market economy and lacks the legitimate basis for its very presence with the private sector offering the majority of services. The shift to a rentier state triggered a remarkable economic shift in oil-rich states especially throughout the past few decades, a transformation that led to weakening, if not undermining, the tribal structure of the society in these states⁶⁰.

Therefore, the majority of those states were not founded upon social contracts, but rather through a superimposed reality that had existed before colonization or was created by it then imposed on a society already replete with contradictions and accumulating gaps. Tribalism and sectarianism, for example, played an important part in the structure of Levant states in a way that deepened the rifts. On the other hand, in Egypt, Iraq and, some Maghreb countries, which had for two centuries struggled to establish monarchies that would be semi-independent from Ottoman rule, the state was founded on negotiations between elites and Ottoman representatives to establish a state that would preserve the interests of both parties.

60 Mohamed Obeid Ghoubash. "The Gulf State [Arabic]." Aljazeera.net October 3, 2004: <http://is.gd/26p0Xk>

Within this historical context, it seemed natural that Arab states would nationalize the public civil space in favor of the ruling authorities which considered this a form of power. Meanwhile, the Arab society worked on developing survival mechanisms and curbing state control through devising resistance tools and expanding freedoms in a way that resembled civil obedience, which means that citizens voluntarily decide to abstain from performing their duties towards the state. Resistance increased as the state intensified its efforts to infiltrate society. This became obvious in tax evasion, draft evasion, violating agriculture schedules, and other forms of disobedience practiced by citizens. Such practices, however, were never formulated on the intellectual and theoretical levels⁶¹.

At the national independence stage, social justice policies were only employed to replace the ruling elites rather than to restructure the state. The most prominent example was the Agricultural Reformation Law applied in Egypt less than three months after the 1952 Revolution that ousted the monarchy. Although this law did allow underprivileged farmers to own land, it was mainly a tool against land owners who belonged to the ruling clique at the time of the monarchy. The structural crisis of the Arab state started during the establishment of state institutions in the post-independence era including strategic institutions such as the army, security, and diplomatic representation, service institutions such as education, healthcare, housing, and municipal administration, and production institutions such as public sector companies and economic state-owned mega projects⁶². However, the establishment of those institutions was to a great extent in the best interest of underprivileged classes such as farmers and craftsmen. Independence movements were, in fact, preceded by powerful social movements against feudalism and class

61 Amal Hamada. "A New Equation: Reshaping the Relationship between the State and Society after Arab Revolutions [Arabic]." *Al-Siyassa al-Dawlia*: <http://is.gd/ttkMXn>

62 Hussein Tawfik Ibrahim. "The Problem of Political Legitimacy in Developing Countries [Arabic]." Cairo: Faculty of Economics and Political Science, 1985 pp. 56-57.

distinction in all Arab states under occupation. That is why there grew a strong tendency towards social justice especially in the establishment of post-independence state institutions. However, the transformation of these institutions following the departure of leaders of independence movements was detrimental to social justice. This transformation witnessed the emergence of cliques associated with the global economic system and presenting themselves as the core of the state. This was accompanied by a tendency to legitimize the bequest of power in a manner that turned republics into a new form of monarchy where power was to remain in the same family.

The upper echelons of Arab societies and Arab states were in control whether through leaderships or historical accumulations in countries with an old history in the region. This triggered the problem of the absence of democracy since policies were set from above without taking into consideration the actual needs of the citizens with whom these policies are presumably concerned. Therefore, all policies, no matter how seemingly just, came out devoid of a comprehensive vision of social justice and did not cater to the social and economic rights of citizens. The result was the absence of the right to development, education, healthcare, and public services and the presence of distorted aid programs that rather took the form of social bribery⁶³.

Such pattern was especially obvious in Gulf States whose structure was transformed after they turned to rentier countries that directly depend on oil in their economy. These countries developed a system of welfare state that pays to its citizens instead of imposing taxes on them in what resembled a political bribe in the sense that certain ruling families remain in full control in return for securing high living standards for their people. A form of implicit social contract was signed between the ruling elites and the people where the former provides the latter with jobs and social services, which are presented as gifts

63 “Spring Promises: Citizenship and Civil Participation in Democratic Transitions [Arabic]”. Beirut: United Nations Economic and Social Commission for Western Asia (ESCWA), 2013. 42-57.

rather than rights, in return for the latter's acceptance of the former's policies and practices. After the start of the Arab Spring, several states traded protests with aid such as Jordan and Morocco as well as members of the Gulf Cooperation Council with the exception of Bahrain⁶⁴.

The eruption of Arab revolutions brought the concept of social justice to the forefront as it led to the emergence of a wide range of initiatives that strengthened the role of civil society and a number of alliances that transcended classes and ideological affiliations. Such transformation gave rise to demands for the fair distribution of wealth based on social and economic policies that take into consideration the differences between regions and classes in the same country. Arab revolutions reconsidered the relationship between the state and citizens both on the realistic and constitutional levels. The most significant post-revolutionary gain was the power of voice acquired by the Arab people and the most significant post-revolutionary revelation was the type of challenges faced by Arab states and governments⁶⁵.

Arab revolutions questioned the very structure of the Arab state and exposed the necessity of changing the foundations of state legitimacy and the nature of the social contract between the state and its citizens. This does not mean that the revolutions aimed at undermining the state in the countries in which they erupted. In fact, several of those countries were not states in the proper sense of the word especially in terms of the fair provision of services to all citizens in all regions. There were cases of strong regimes operating in weak states and sometimes even weak regimes in weak states. Undermining the state was only the pretext many of those countries used to crush the revolution, legitimize their policies, and justify the postponement of responding to social justice demands.

64 Ibid, p. 52.

65 Maha Mohei. "Social Justice at the Time of Revolutions [Arabic]." *Social Justice: Concept and Policies after the Arab Revolutions*. Cairo: Arab Forum for Alternatives, 2014. P17.

Second: The structure of the city in the Arab region:

The emergence of the Arab city necessitated a shift from the traditional patterns of authority to new ones founded on equality and citizenship, but tribalism or “clanism” about which Ibn Khaldun wrote, turned into a form of submission where weaker clans accepted the dominance of stronger ones and did not attempt to develop any rhetoric of resistance⁶⁶. The emergence of cities was accompanied by a concentration of wealth and economic and trade activities in specific regions in each country which led to migration waves from marginalized to central areas and, consequently, the appearance of slum areas whose residents are currently seen as a plague that needs to be eliminated. The randomness with which Arab cities were established highlighted the discrepancy between different segments of society and gave rise to a conflict on the right to the city and the right to housing⁶⁷. The gaps between different regions in each country are particularly highlighted in airports, public transportation, roads, healthcare services, and allocation of jobs. This raises the question of whether regional, tribal, and economic discrepancies are replicated in state institutions also to mirror the gap between different parts of the same country.

Several historic cities have witnessed the emergence of slum areas, which triggered the debate about fake cities and whether it is intentional or a coincidental anthropological phenomenon⁶⁸. A conflict started between new cities established by colonizers and the old ones, particularly regarding services and economic and social status. Another conflict started between the city and the countryside and society started to be divided into urban and rural with the former becoming more privileged and central. As education, services, and development projects focused on the

66 Ibn Khaldun. *The Muqaddimah* [Arabic]. “On Urban Nomadism, Savage Nations, and Tribes.” Book I, part 1, and section 2, chapters 6-7.

67 See Housing and Land Rights Network: Habitat International Coalition report entitled *The Land and its Peoples: The Rights and Destinies of People in the Middle East and North Africa: The Land Forum 2009-2013*. Cairo: Al-Mahrousa Publishing House, 2013: <http://is.gd/VCQ3w7>

68 Kefah Mahmoud Karim. “Iraq and the Process of City Faking [Arabic].” *Al-Rokn al-Akhdar* website June 8, 2010: <http://is.gd/8um3UE>

cities, the countryside became more marginalized and its residents hardly benefited from the socio-cultural transformation the city was undergoing. This also applied to residents of Bedouin areas⁶⁹.

Another development that the Arab city, which came to be controlled by businessmen, has undergone is the emergence of gated communities inhabited by a certain echelon of society usually defined through their income. This deepened the rift between different segments of society and encouraged the exchange of negative stereotyping judgments between residents of these communities and other parts of the city. This development was not a normal result of the competition of market powers as much as a reflection of the will of ruling authorities that for a considerable time encouraged the establishment of new “model” cities whether to brag about them in front of the outside world or to provide their supporters with a special level of housing where services and utilities are at their best and where residents’ violations are overlooked in return for their acceptance of state policies. This was especially obvious in airports, harbors, and roads. For example, in Morocco airports are concentrated in the south west while Egypt has only recently started building international airports in non-touristic areas and there still aren’t enough airports in regions like the Nile Delta and Upper Egypt from where the migrant labor force hails⁷⁰. The concentration of services in certain cities makes them the destination of residents of other underprivileged regions.

There is also a similarity between some cities and regions on one hand and some tribes on the other hand. This can be seen in several Arab states such as Yemen and Libya as well as in Upper Egypt and the south of Algeria, Morocco, and Mauritania.

69 Hassan Imami. “The Faking of the City: A New Anthropological Phenomenon [Arabic].” *Maroc Press*: <http://is.gd/k2Mp6v>

70 There are no airports in the governorates of Minya and Monufia where a large number of residents work outside their home towns while there are airports in governorates with fewer residents. There is also a network of roads connecting Cairo with main cities in Upper Egypt while the densely populated Nile Delta is only connected with one agricultural road.

In these parts, tribal, religious, and sectarian allegiances overlap with the borders of regions and governorates. However, in case of conflicts between cities residents of a city would recoil inside its borders while they would do the same with the tribe in case of conflicts with another tribe, which indicates the absence of fair contractual relations between individuals and society or individuals and the state. The state, in fact, has been absent for decades or only retains a security presence. This absence of the state is contradictory with the concept of social justice in its regional and geographical dimension. Lack of proper roads that connect different cities inside the same country and proper means of transportation that carry citizens across the country enhance the ghetto culture. In fact, had it not been for lack of resources and job opportunities, a large number of Arab citizens would not have left their home towns at all. Still, the number of people who manage to leave to big cities remains quite limited, which means that a sizable number is unable to reach the city at all or benefit from services offered there. Those services are, instead, provided by private sector companies that exploit the needs of citizens in underprivileged areas and make sure to keep the gap between their towns and the city so that they can keep making profit from the discrepancy between different parts of the country⁷¹.

It is noteworthy that Arab security institutions have the ability to infiltrate all regions in their respective countries whenever their interests require. However, this is not the case with other service institutions that might be physically present, but lacking the quality, efficiency, and fair distribution without which social justice is not possible. As a result, local tribal or religious entities sometimes take over and perform state duties, which makes it even harder for services to be fairly and objectively distributed. In some Arab countries, security services are provided by private companies, which have been remarkably

71 For example, in Egypt factories are located far away from mines and quarries from which they obtain their raw material, which increases the phenomenon of internal migration and the cost spent on transportation. The differences between prices of services and final products have also doubled as a result of the transportation process.

growing across the Arab region⁷². This means the state's abandonment of its basic role in protecting the citizens so that it is no longer even providing the security that it used to trade with justice as a way to silence democratic demands. This withdrawal of the state is linked to the neo-liberal policies it has been adopting in the sectors related to basic services under the pretext of privatization, administrative reform, or partnership between the private and public sectors.

Such discrepancies give rise to mechanisms that work against social justice. Citizens are intentionally or unintentionally discriminated against on bases that are contradictory to the concept of social justice and the role of the state. Women and rural women in particular suffer the most of illiteracy and unemployment in several Arab states, which is linked to the unequal distribution of schools in different parts of Arab region. A large number of girls are unable to go to school because schools are far away from their homes. This means that adopted policies obstruct equal access to social and economic rights. Although the state has taken positive steps towards this end in the form of small projects, particularly in impoverished villages, and empowering local producers, yet such steps remain incomplete especially in the light of current economic crises. On the political level, there are several participation obstacles that are linked to society on one hand and political institutions in the state on the other hand. Lack of proper female participation becomes obvious in women's limited representation in state institutions such as the government, the parliament, trade unions, and political parties⁷³.

Absence of regional equality is obvious in several Arab states. For example, in Iraq oil-producing provinces outside Kurdistan

72 Radwa Ammar. "The Privatization of Security: The Growing Role of Private Military and Security Companies in the Region [Arabic]." The Regional Center for Strategic Studies, June 23, 2015: <http://is.gd/JrRP7t>

73 Mohamed Elagati and Shima El Sharkawy. "Citizenship and Arab Activism: A Reading of Constitutions, Reality, and Structure after the Arab uprisings [Arabic]." A paper presented at the conference entitled *The Impact of Arab Uprisings on Citizenship in the Arab region*, University of Balamand, Lebanon, November 2014: <http://is.gd/uJqgbW>

are the poorest. Since the invasion of Iraq in 2003, all political bargains Sunnis counted on to return to power failed and they were the target of campaigns by state institutions that drafted laws to exclude them and charge them with terrorism and attempts at reviving the Baathist regime. Things got worse in 2011 when Sunnis started a series of protests in Anbar and other provinces in parallel to Arab Spring uprisings. Protestors called for releasing political prisoners and giving Sunnis equal rights, yet more detentions and persecutions followed and scores of protestors were killed in Hawija. In 2014, ISIS controlled swathes of Iraqi territories so that the state no longer became the only entity to violate citizenship rights especially non-Sunnis and non-Muslims, which shows the way extremist groups understand the concept of citizenship and give precedence to sectarian affiliations⁷⁴. The practices of terrorist groups add to the gravity of economic and social grievances and legitimize the regime's allegations about social justice not being a priority at the moment. This also leads to blowing out of proportion the most basic of procedures towards reform which was shown in the way Haidar Abbadi's anti-corruption strategy was seen as a historic achievement.

A question poses itself here: How do state institutions in these countries solve tribal and regional conflicts? And how does this affect social justice? Several Arab states solve such conflicts through security and martial measures rather than legal ones, a reaction that betrays the weakness of the state when compared with other allegiances at bottom levels. This was manifested in the way the Iraqi government allowed the formation of popular alliances on sectarian basis as a means of fighting ISIS⁷⁵. Another example is the way the Algerian government handled the Ibadi- Maliki sectarian disputes in the city of Ghardia in

74 Ibid.

75 Popular mobilization forces are semi-military groups established after the withdrawal of the Iraqi army following defeat by ISIS in the Mosul battle in 2014. Those forces are basically Shiite and their number is currently estimated at tens of thousands. For more, see AlJazeera.net report entitled "Popular Mobilization Forces in Iraq [Arabic]." December 29, 2014: <http://is.gd/uE71vf>

southern Algeria⁷⁶. Egypt is no exception since a number of tribal disputes in Upper Egypt and the peripheries are left to popular efforts, which was the case with the violent clashes between the Bani Hilal and Daboudia tribes in the southern city of Aswan⁷⁷.

In all those solutions, the state takes into consideration balances of power that have existed for decades and might have even changed in the present time. The state, therefore, deepens tribal and class rifts and permits certain echelons of society to patronize others. The topmost priority of the state at this point is to keep the conflict away from its authority and to make sure it would not affect the regime or its loyalists. This explains the failure of a number of small projects that are seen by many as a solution for this problem since such projects only serve to enhance inequality through the use of cheap labor, which in turn creates discrepancies within the same already underprivileged region. Those projects also turn at times to a cheap production tools that are exploited by bigger industries, which increases the already existing gap.

Third: Class structure:

Because of the afore-mentioned uppermost structure, the relationship between class and the state in the Arab region is a dialectic one that poses the question of who uses who. In other words, is the state a tool the ruling clique uses to maintain its authority or is it the other way round? Joel S. Migdal explains this dialectic using the concept of the “deep state,” which means the security state in which interests and corruption networks are intertwined among the military, the judiciary, businessmen, and members of parliament in a way that creates

76 Clashes erupted in July 2015 between Arabs that follow the Maliki school of Islam and Amazighs that follow the Ibadi School in the southern province of Ghardia and which left at least 22 killed and 30 injured as well as large number of houses and properties destroyed. BBC Arabic: <http://is.gd/bVvWnL>

77 Nouran Ahmed and Omar Samir Khalaf. “The Aswan Sedition and the Crisis of National Integration [Arabic].” The Arab Forum for Alternatives, May 2014: <http://is.gd/vk0nPB>

of those networks a state within a state. Despite the link between the emergence of this concept and the Turkish experience, especially in the second half of the 20th century, there are several similarities between the Turkish model and Arab regimes in the way corruption and nepotism have infiltrated state institutions. Looking closely at Arab reality while taking into consideration Migdal's classification of the types of relationships between society and the state in developing countries would reveal another dimension in the definition of the deep state. The deep state is not confined to the intertwining of corruption with the interests of the security apparatus, but there is also a further dimension related to state infiltration into the society through security and services institutions in a way that deprives this society of free and independent movement⁷⁸. This definition of the deep state has been used extensively to express the conflict between the revolution and the counter-revolution in Arab Spring countries and is, in fact, associated with the relationship between social justice and the structure of the state since the establishment of a regime based on social justice necessitates doing away with the traditional interests network that is closely linked to the global economic system or at least curbing their influence in favor of more just social and economic structures.

Here is it necessary to distinguish between the dominant class and the ruling class in the sense that the dominant class does not have to rule and can, instead, exercise its influence through an agent in the ruling class that gets a share of the gains without the dominant class being directly involved. In a capitalist system, the upper class is usually dedicated to its projects while choosing for state matters representatives from the same class or the upper-middle class. Sometimes, the ruling class is not confined to one social class, but rather made up of an alliance of different classes so that the result becomes a ruling clique that represents this alliance and its interests, yet this does not change the fact

78 Joel S. Migdal. *Strong Societies and Weak States: State- Society Relations and the State Capabilities in the Third World*. Princeton, N.J: Princeton University Press, 1988.

that state and class are inseparable⁷⁹. However, the state sometimes creates through its practices a special class like what happened during the late national independence era when a new bourgeois class emerged. This class made the most of state control over production sector and it was in its best interest at the time that the state shifts to market economy so that it can gain from selling or privatizing public sector companies, becoming partners with international companies through local franchises, or buying the companies offered for sale⁸⁰. A different example is sectarian allocation as is the case in Lebanon and Iraq where power division among sects had turned into the division of wealth among small groups within each sect. Each of these groups has turned into a dominant class that prioritizes the common interests of its members more than the interests of the sects they represent. The Lebanon garbage crisis in August 2015 offers a revealing example⁸¹.

This structure depends on a number of linked factors that work on enhancing class distinction in Arab societies and creating the so-called ruling classes that prevail on the vertical and horizontal levels in the Arab region. Most regimes in the Arab region are surrounded by a group of loyalist businessmen who might rescue the regime at times of crises. The regime uses this group to establish an interests' network that infiltrates society in order to legitimize its presence in return for giving those businessmen all the economic privileges they need. All sectors in the Arab region work on ensuring the sustainability of this structure, on top of which is education. Schools in the Arab region range between public and private, local and international, religious and civil which deepens societal awareness of discrepancies as a matter

79 Abdel Illah Belgaziz. "Semi-Anarchy in Liberalism and Marxism [Arabic]." *Al-Rai al-Akhar magazine*, issue , July 2010.

80 Norhan Sherif et al. "Above the State: Multinationals in Egypt [Arabic]." Cairo: The Egyptian Center for Economic and Social Rights. 2nd edition, April 2015.

81 For more details, see "Postponing the Opening of Garbage Tender Envelopes: Blame Sectarian Allocation [Arabic]." *Al-Akhbar Newspaper*, Lebanon, August 21, 2015: <http://is.gd/d2fBcV>

of fact. This led a number of sociologists to call this system “the school for reproducing classes”⁸².

It comes as no surprise, therefore, that several Arab theorists see in this structure the emergence of entities that resemble the state politically and legally and contradict it in terms of system, institutions, and goals. The result is some form of a hybrid state that has an army, a security apparatus, and institutions and whose main goal is to suppress the people and crush all opposition attempts. This state produces networks of corruption and enhances sectarian prejudices instead of working on achieving national unity. The hybrid state has tried to make its society serve the interests of its ruling elite instead of serving the society. It is this same society that the state uses to legitimize its presence by devising “revolutionary,” religious, and hereditary legitimacies through which they can dominate the people. In addition to domestic suppression, this state at times seeks the help of foreign powers to consolidate its authority so that the final result is some form of internal colonization. The hybrid state cannot, therefore, produce a nation state or a state that embraces all its inhabitants⁸³.

Needless to say, this class obstructs any attempt at changing the rules of the economic, social, or political game because this change is bound to be detrimental to its interests. That is why talk about revolution has become confined to fighting corruption or brining back part of the money smuggled abroad. There is even talk about offering a safe exit for the culprits or allowing them to reintegrate into the political scene, all of which work against the achievement of social justice. This was the case in Tunisia when a national reconciliation law was proposed to reach a financial and economic rapprochement with members

82 Abdullah al-Abbadi. “The School for Reproducing Classes [Arabic].” *Diwan al-Arab* website, April 7, 2007: <http://is.gd/XysSbY>

83 Abdel Illah Belgaziz. “The State and Society: The Dialectic of Unification and Division in Contemporary Arab Society [Arabic].” Beirut: Arab Network for Research and Publication, 1st edition, 2008

of the former regime under the pretext that this is part of a solution to the country's financial crisis⁸⁴.

In the post-revolutionary Arab region, there was no real change in the interests' networks that constituted a major problem during the former regimes because of the way laws and policies were tailored to serve the interests of a small group. In Egypt, the trip former President Mohamed Morsi made to China included several members of the Mubarak regime and the same faces are also currently accompanying President Abdel Fattah al-Sisi in most of his foreign trips. The controversy stirred by the ruling class over the laws for maximum wages and progressive taxes offer another example. The purpose of these laws was eventually defeated through a set of judicial rulings⁸⁵. Another example is the debate in Tunisia over public debts and the continuation of borrowing policies. Interests' networks were against any talk about the rescheduling of domestic and foreign debts or even reconsidering the ones whose sources are closely linked to the regime against which the revolution was staged.

The natural alternative for such a situation was the establishment of powerful societal entities such as trade unions to resist state attempts to control all aspects of society under the pretext that it is the only source of production and the only fair distributor of wealth, authority, and influence in this society. The nationalization of trade unions tarnished the image of syndicated activism and rendered members of independent unions incapable of resisting capitalist transformations that work against social justice, especially that they got drained in their fight against state-affiliated unions that have eventually become a burden for workers and professionals. When capitalist transformations started dominating all aspects of life, civil society appeared to manage the resulting contradictions, but was not successful in doing so since they emerged at a time when the

84 Tawfik al-Madani. "Tunisia: National Reconciliation is Normalization with Corruption [Arabic]." *Assafir* website, August 15, 2015: <http://assafir.com/Article/1/437483>

85 "A Court Ruling Annuls the Prime Minister's Decree that Applies Maximum Wages Law on Some Banks [Arabic]." *Al-Youm al-Sabea* newspaper, June 16, 2015: <http://is.gd/VCXpN9>

state had started abandoning its basic roles. The concepts of duties and rights, the main pillars of the modern state, were similarly abandoned.

This relationship between the state and class is more complicated than traditional theories since the state is engaged in a conflict with the society as it only represents the interests of a certain class or class alliance, hence not the entire society, at the expense of the other classes with which it has no common interests. Social justice, therefore, turns into a tool for confirming the hegemony of a certain group rather than achieving justice and equality. The continuation of such relationship between the state and class makes the possibility of political stability quite far-fetched since it increases the indignation of downtrodden classes and eventually leads to the eruption of uprisings in order to terminate the authority of the ruling class and undermine prevalent production relationships. Trade unions usually play an important part in this struggle against the dominant class, yet the absence of such unions makes the matter much more complicated, which is the case in most Arab countries.

Conclusion:

The structure of the Arab state suffers from a serious problem related to the fact that its emergence was based on the establishment of a political authority affiliated to which is a society that is mobilized and managed through an upper structure. This renders the contract between the state and society a submission contract and not a social contract as is the case with European countries. That is why successive regimes saw in themselves representatives of the state that have the right to distribute privileges and wealth in accordance with their interests and not with social justice. This was the case before independence, yet even after independence when several regimes were linked to leaders, elites, and ideologies that promoted social justice, a comprehensive political, economic, and social framework was lacking and policies were based on personal projects rather than institutional structures. Consequently, those policies backfired and were, in fact, the reason for the decline of the states ruled by

these regimes. This was obvious in Sadat's Egypt, Bashar al-Assad's Syria, Ben Ali's Tunisia, Mohamed V's Morocco, and post-Saddam Iraq, all characterized by extreme subordination to the global economic and financial system and the subsequent absence of social justice.

Arab Spring revolutions would never bear fruit unless post-revolutionary regimes tackle the structure of the Arab state and reconsider the relationship between the state and society, especially on the economic and social levels. Otherwise, those revolutions will never achieve any of their main goals such as justice, freedom, and dignity. In its current form, the structure of the Arab state needs drastic changes and not just partial reforms, but current regimes are reluctant to make the slightest change to the rules of interaction between the ruling authority and society.

An open political climate that warrants the right to organize and freedom of expression is indispensable. This necessitates the presence of organizations and trade unions that have the power to promote fair policies and resist interests' networks and their relationship to the ruling class. The whole equation needs to be reversed so that the structure of the Arab state can become a bottom-up process and not the other way round as is the case at the moment. It is also important to strike a balance between cities and the countryside so that each gets the services it needs while maintaining its specificity. The concept of diversity, exchange, and citizenship should be the main foundation on which the relationship between tribes, villages, and cities on one hand and the state on the other hand is based so that justice of distribution can be achieved.

The structure of the Arab state is a main obstacle in the way of achieving social justice. Meanwhile, the absence of social justice poses a serious threat to the Arab state. This means that restructuring the state is necessary for the achievement of social justice and for the preservation of the state itself, the state here meaning the citizen's state and not the class-based state.

Civil society, social movements, and social justice in the Arab region:

The cases of Lebanon and Tunisia

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Introduction:

The significance of the role played by civil society organizations was highlighted with the eruption of Arab uprisings in late 2010 in Tunisia. The most prominent demand put forward by civil society and the people until the present time has been social justice. The recent protests staged in Lebanon and Iraq and which focused on demands related to social and economic rights serve as the best example.

Although the contribution of civil society to the achievement of social justice had in the beginning been confined to the charity aspect, which proved insufficient, it has always been focused on improving the living conditions of marginalized and impoverished segments of society. Civil society reached unprecedented maturity with the eruption of Arab revolutions where it started contributing to the implementation of revolutionary demands. Social justice topped the list of those demands whether in a direct way or through other demands such as freedom and dignity. It is impossible in this regard to overlook the way economic conditions lacking in social justice triggered the eruption of revolutions in the Arab region. This was very obvious in the fact that the first spark that ignited those revolutions was the Bou Azizi incident in Tunisia and which was the result of economic conditions—poverty and unemployment—and rights—freedom and dignity.

Since civil society is by definition the link between citizens' aspirations and government policies, its role in the post-revolution era acquired more importance. It was then the duty of civil society came to focus on ensuring the achievement of social justice in the midst of a large number of challenges such

as global policies, historical accumulation, and political, geographical, and developmental complications. This, however, does not absolve Arab states and governments from their political, social, legal, and ethical responsibilities towards their citizens. In fact, social justice has become a main pillar of the legitimacy of any regime. In light of the numerous challenges it faces, civil society needs to develop its strategies while making use of the opportunities the revolutions have offered and which made social justice an indispensable demand despite attempts at undermining it. Those revolutions have turned citizens into active players who have the ability to effect real change despite attempts at thwarting them every now and then. Civil society needs to open new channels for itself including in state institutions despite attempts at restoring authoritarianism.

Civil society, therefore, needs to strive towards achieving social justice in a way that ensures arriving at a stage “where oppression, exploitation, and deprivation of wealth or authority or both are lacking, where poverty, marginalization, and social exclusion are absent, where gaps between individuals, groups, or regions in the same country are eliminated, where all citizens are granted equal social, economic, political, and environmental rights and freedoms, where current generations do not encroach upon the rights of future ones, where a feeling of justice, integration, solidarity, and social participation prevails, where individuals are given equal opportunities to enhance their skills and develop their capabilities in a way that grants them social mobility, where society heads towards sustainable progress, where society does not suffer economic exploitation as a result of subordination to other powers, and where society enjoys independence and sovereignty as far as political, economic, and social decisions are concerned.”⁸⁶.

The role of civil society varied according to the historical era and the specificity of each society, yet the common denominator between different eras and societies was societal restructuring of communities that went through political conflict,

86 Mohamed Elagati. “Social Justice and Civil Society between Defense Strategies and Development Missions [Arabic]”, 2014: <http://goo.gl/OepuHi>

violence, or transition of power. Such drastic transformations, which usually take place quite abruptly with the exception of countries where the transition was peaceful, require a restructuring of society in a way that ensures none of the rights of its members is violated in the aftermath of such change. This is done through devising a strategy that ensures a just transition within the framework of social justice so that there is a division of labor between the regime, represented by the legislative and executive powers, and civil society.

The development civil society has undergone throughout the 20th century in general and following Arab revolutions in particular enabled it handle a number of cases for the first time, on top of which is the issue of social justice to which a large number of studies is dedicated especially regarding developing countries in the process of democratic transition. This resulted in the growing influence of civil society organizations, which at times take part in setting policies and help in implementing them⁸⁷.

I- Civil society and social justice in Tunisia and Lebanon:

Social movements have played a major role in Tunisia both before and after the revolution since the struggle these movements embarked on constituted a major factor in ben Ali's eventual ouster. This struggle was basically led by the Tunisian General Labor Union, the Tunisian Human Rights League, the Lawyers' Syndicate, the Union for Unemployed Graduates, immigration organizations, coordination networks such as Yizzi Fok, and the October 18 Movement⁸⁸. In addition, the social movement that originated in the mining area was amongst the most prominent in the region and in the 2000s. Even though the movement's demands were local, its effect transcended Tunisia's borders. The struggle in the mining area was mainly about justice and social and economic rights and was, according to a number of Tunisian analysts, the first step

87 Ibid.

88 Hala al-Youssefi. "Social Struggles in Tunisia: A Curse or Revolutionary Opportunity [Arabic]." *Assafir al-Arabi*, February 13, 2013: <http://arabi.assafir.com/article.asp?aid=666>

towards ousting ben Ali. This step was followed by several others in different areas across Tunisia such as Ben Gardane and Monastir until the rebellion reached its peak in Sidi Bouzid and from there protests swept the country and slogans condemning marginalization and lack of justice echoed everywhere. It can be said that social activism managed at the time to destabilize ben Ali's establishment in a way that eventually toppled the police state he headed. Even though an economic system that ensures equality and social justice remains lacking after the revolution, social activism played a major role in reviving hope that it would eventually be achieved.

The post-revolution era, which witnessed the coming of successive governments and the drafting of a new constitution, saw the emergence of another wave of social activism that revolved around political demands such as the Kasaba and Bardou strikes or demands related to social and economic rights which took the form of syndicated strikes and sit-ins, hunger strikes to protest unemployment in which the Union for Unemployed Graduates played a major part, protests and marches, and media campaigns. The three years that followed the revolution were generally turbulent and public opinion was not always supportive of those movements which at times did not get proper media coverage and at others were met with violence on the part of the state.

The general climate in Tunisia was characterized by a spirit for struggle and a growing interest in politics and public affairs and the role of citizens in setting policies. Elections underlined the polarization of society between two main political poles and gave rise to debates about the so-called "societal pattern" which mainly focuses on personal freedoms and economic rights. However, instead of offering an opportunity for each faction to present its political, economic, and social platform, elections only became a means of polarization between Islamists and seculars.

The interval that followed the 2014 elections witnessed the rise of several movements that can be directly linked to social justice such as the one entitled Where Is the Oil? This

campaign, launched in May 2015, demanded transparency in the oil sector and a fair distribution of wages. The issue started when Mazarine Energy announced the discovery of subterranean oil in southern Tunisia and production was estimated at 4,300 barrels per day, which led residents of the area to demand their share in revenues. It is noteworthy that southern Tunisia—the governorates of Kebili and Tataouine—had seen several movements related to oil and gas production, yet *Where Is the Oil?* is distinguished by the fact that it addresses the government rather than oil companies. Protestors that take part in this campaign do not ask for jobs, better working conditions, or wage increases, but rather convey residents' indignation at their marginalization and the exploitation of resources in their area. This campaign received a lot of coverage since it was mainly linked to national sovereignty and security as well as social justice, development, transparency, and governance.

The state's repressive response triggered a violent escalation that was manifested in burning down a police station and a delegation headquarters in the city of Douz. The state launched a fierce campaign against the movement under the pretext that it was related to al-Nahda and the Congress for Republic Party. Tunisian President Beji Caid Essebsi linked the movement to instability in the south and even to terrorism. Protests for transparency, social justice, and fair distribution of wealth were, therefore, regarded as criminal activities that aim at compromising national security especially that former president Moncef Marzouki publicly supported the movement. Social activism, thus, became politicized and the campaign turned into an opportunity for conflict between rivaling factions. The campaign's demands, which were initially local, turned into manifestations of demagoguery, bad intentions, and destabilization of the state.

Where Is the Oil? faced a number of other problems. The campaign was active in central and southern Tunisia, areas commonly linked with smuggling, a phenomenon that became ultimately associated with terrorism with the proposal of the draft law on combating terrorism and money laundering. This

area is the most marginalized in Tunisia and also the richest in natural resources. In addition, it is the stronghold of al-Nahda and the Congress for Republic Party, which explains the link established between the campaign and political Islam especially that the last elections revealed a remarkable difference between the north and the south as far as voters' choices are concerned.

This shows how *Where Is the Oil?* came into being in an atmosphere charged with security concerns and political and geographical polarization. Add to that the complicated regional context manifested in the emergence of the Islamic State, the war in Libya, instability in Algeria and Egypt, European concerns over immigration and terrorism and so on. All these factors put more pressure on the state to curb this campaign.

The campaign managed to secure considerable media coverage of the issue of transparency in the oil sector but only for a while as the Sousse terrorist operation came to interrupt its activities especially that the president linked it to terrorism, which led the campaign to eventually lose popularity and credibility.

It can be said that social activism in Tunisia in the past few years did manage to become effective to the extent of ousting a regime that had been in power for decades, yet it remains unable to devise strategies that would help it overcome a number of challenges such as:

- The Islamist-secular political polarization
- The inability to organize, maintain credibility, and do away with broad slogans
- The difficulty of keeping protests peaceful when faced with state suppression
- Lack of experience as far as communicating with the media is concerned
- The difficulty of dealing with the security discourse in a climate charged with tension and fear of terrorism

Overcoming such challenges is hard in the absence of powerful and acknowledged frameworks. For example, the movement

that started in the mining area managed to gain momentum for several reasons such as the movement's coherence and its ability to garner the support of other active players such as opposition parties, immigration organizations, and the majority of syndicate members. One of the main reasons that led other factions to support the mining area movement was the presence of one common enemy, which is not the case at the present time⁸⁹.

Social activism in Lebanon emerged within the context of the garbage crisis with the expiry of the government's contract with Soklin, the waste management company in charge of garbage collection in Beirut and Mount Lebanon, and when the country's main sanitary landfill became full while the government was late in signing a contract with a new company as a result of deeply-rooted political disputes and which render it unable to make decisions. Added to this is the dispute between political factions over their shares in the "garbage business" according to some reports⁹⁰.

In this context, the movement called You Stink! emerged on July 21, 2015 on social networking websites, its name referring to the "smell" of corruption of which different sectors in the country reeked. The movement has a founding committee and is made up of different segments of society such as lawyers, students, and university professors. Work inside the group is divided upon the different committees⁹¹. Several names got to be known as leaders of this campaign such as Marawan Maalouf, Emad Bezi, Nezar Ghanem, Catherine Maher, Khatar Tarbieh, and Assad Thibian. The names of those activities were mentioned in reports that accused them of receiving training in Turkey and the United States in order to topple regimes in the Middle East and take part in revolutions in Egypt, Tunisia, and

89 Laila al-Riahi. "Problems of Civil Society and Arab Social Movements and their Ability to Impact the Social Justice Issue: Tunisian Civil Society after the Revolution [Arabic]." Arab Forum for Alternatives, Papers, January 2016

90 "Failure to Agree on Soklin Shares Triggered the Garbage Crisis [Arabic]." *Syrian Information Network*, August 4, 2015: <http://goo.gl/go4MKY>

91 You Stink! Facebook page: <https://goo.gl/oxWen2>

other countries⁹². On July 28, the movement called for a protest in front of the Government Palace that turned into a strike. The movement called for a sustainable solution to the garbage crisis and proposed sorting garbage at its sources and managing it in specialized centers in every province. The movement also called upon Prime Minister Tamam Sallam to resign. Clashes were about to erupt between protesters and Lebanese army forces stationed in front of the palace, yet campaign activists managed to contain the situation by chanting “We all stand with the Lebanese army”⁹³.

Protests then started transcending the garbage issue as they began to include other demands such as elimination of corruption and condemned government inefficiency in a number of issues such as electricity and wages. The movement called for a protest on August 22, 2015 against the Lebanese government to protest both the escalation of the waste management crisis as garbage blocked the streets of Beirut and corruption in the public sector. That was a crucial day. Protesters gathered in front of Mohamed al-Amin Mosque after they failed to reach al-Nejmeh Square where the protest was planned to start. Clashes erupted between protestors and security forces after the latter started using water cannons and firing at civilians, which led to several injuries and the arrest of a number of activists⁹⁴.

Protests escalated the following day and clashes erupted once more between protestors and security forces despite efforts by protest organizers to prevent this from happening. Clashes spread to some streets in Beirut’s commercial center and one of the protestors was shot dead while scores were injured from both sides. Internal Security announced that 30 of its personnel were injured. Demands became then focused on toppling the government, disbanding the parliament, and holding elections in

92 “Report Exposes You Stink! Leaderships [Arabic].” *Middle East Panorama* website. September 22, 2015: <http://goo.gl/m4iC11>

93 Elham Bargas. “You Stink! Protest: The different ‘no’s [Arabic].” *Al-Modon Newspaper* website, July 28, 2015: <http://goo.gl/KfEHA8>

94 The press conference of the You Stink! Campaign: the two-months anniversary, MTV Channel, September 21, 2015: <https://goo.gl/voiyRc>

accordance with a fair electoral law, hence the manifestation of several aspects of the Arab Spring in Beirut not only in terms of demands, but also as far as accusing activists of treason is concerned⁹⁵. Protestors enjoyed a great deal of support as citizens endorsed the call for the government's resignation and parliament disbanding as both were seen as inefficient and incapable of performing their duties properly, especially with the country remaining for one year and three months without a president. However, the daring nature of the demands within a context of political vacuum led many to eye the campaign and the protests with suspicion and to fear the spreading of chaos across the country, especially as the movements refused to engage in dialogue whether through civilian or state mediators⁹⁶.

On August 25, 2015, the government held an urgent meeting to discuss the garbage crisis⁹⁷. The government decided to remove the garbage to a garbage dump in Akkar and to approve a 100 million US dollar developmental project in the area. Ministers from Hezbollah, the Free Patriotic Movement, and the Armenian Revolutionary Federation withdrew from the meeting under the pretext that the signing and publishing of government decrees cannot be done in the absence of a president or without the approval of all ministers in the government as the president's representatives until one is elected. These ministers called upon the prime minister to declare the decrees void⁹⁸.

The You Stink! movement called for a protest on August 29, 2015 at the Martyrs' Square, which constituted a threat to the

95 "You Stink! The Organization, the Administration, and the Funding: International Reports [Arabic]." *Al-Joumhouria Newspaper* website, September 22, 2015: <http://goo.gl/G1JnTh>

96 "You Stink! Stages an Uprising against Lebanese Leaderships [Arabic]." *Al-Hayat*, August 24, 2015: <http://goo.gl/Wt1BN4>

97 "Salam Calls for an Urgent Meeting to Examine the Garbage Situation [Arabic]." *Al-Mostaqbal Newspaper* website, August 25, 2015: <http://goo.gl/MXaGJe>

98 "The Government at a Crossroads between Production and Explosion: The Street Game Expands and Chaos Spreads [Arabic]." *Al-Nahar*, August 26, 2015: <http://goo.gl/M4Z1NU>

political powers involved in the decrees dispute because in case the decrees were not suspended, the protests would not continue without political support. This meant that factions opposed to the decrees such as Hezbollah and the Free Patriotic Movement were likely to join the protests and this implied a remarkable increase in the number of protestors⁹⁹. The movement responded through its Facebook page by calling upon all the Lebanese people to take part in the protest and addressed “all political factions that called in public and in secret for Saturday’s protest in a brazen attempt at stealing the voice of the people and giving the impression that our protests are politicized” telling them that “their participation is not welcome as long as they are part of the government”¹⁰⁰. Protestors used the slogan “All means all”¹⁰¹, meaning that no political faction is excluded from the campaign’s demands.

Similar movements that tackled similar issues emerged such as Leave Us Alone, We Want Accountability, and For the Republic. However, We Want Accountability was seen by many as the most organized and most efficient on the ground. On August 25, 2015, the movement staged a sit-in in response to the violent suppression of protestors at the hands of security forces on August 22 and 23. The sit-in involved acts of violence such as breaking shop windows, throwing stones and Molotov cocktails at security forces, and setting the barbed wire that separated protestors and the Government Palace on fire. One of the protestors vandalized the statue of Riad al-Sulh through climbing it, writing on it, and spraying it with paint¹⁰².

99 “Hezbollah Threatens with Mobilizations and Mediation in the Decrees Dispute Starts: The Government Avoids Explosion [Arabic].” *Al-Nahar Newspaper* website, August 27, 2015: <http://goo.gl/ujjOie>

100 Khaled Moussa. “Civil Society Calls for Setting Activism Right [Arabic].” *Al-Mostaqbal Newspaper* website, August 28, 2015: <http://goo.gl/dhdIi>

101 “Lebanon: The Other Side of the You Stink! Protest [Arabic].” *Sky News Arabia*, August 30, 2015: <http://goo.gl/3Afs1j>

102 “Sit-in and Riots Start Anew: Three Security Officers Injured and Assailants Arrested [Arabic].” *Al-Mostaqbal Newspaper* website, August 26, 2016: <http://goo.gl/nWiDK1>

In addition to Beirut, We Want Accountability staged protests in front of government palaces in Nabatieh, Baalbek, and Hermel, particularly in Deir al-Ahmar Square, West Beqaa, and Akkar. In Baalbek, a group of residents staged a limited sit-in in front of the government palace where protestors waved placards that read “We want accountability” and a speech was delivered where protestors called for holding accountable those who gave orders of shooting at protests and violently dispersing protestors. Other demands voiced in the same sit-in included releasing all detained protestors and referring corruption and bribery files to the General Financial Prosecution¹⁰³.

We Want Accountability proved how well-organized it was through focusing on a number of issues other than garbage such as embezzlement of public funds¹⁰⁴, tourism, electricity, the right to protest, and violations committed by security personnel against protestors¹⁰⁵. The Lawyers Committee at the We Want Accountability movement was one of the most active in defending detained protestors and the movement managed to organize a series of sit-ins at the Riad al-Sulh Square and in front of the Ministry of Interior to hold accountable all officials responsible for security violence and to call for releasing detainees¹⁰⁶.

Surveying examples of social movements that focused on social justice demands in both Tunisia and Lebanon leads to examining the impact those movements had on the ground. For example, despite political problems in Lebanon, social movements managed to transcend sectarian loyalties and give precedence to common demands such as the elimination of corruption and holding the government accountable for its

103 Ibid.

104 “We Want Accountability at the Ministry of Finance: Photos and Video [Arabic].” *Al-Nahar Newspaper* website, September 15, 2015: <http://goo.gl/BXLXEU>

105 We Want Accountability Facebook page : <https://goo.gl/wP1Cs1>

106 “An Interview with Neemat Badr al-Din, Spokesperson of We Want Accountability Campaign [Arabic].” *MTV Channel*, August 27, 2015: <https://goo.gl/1HBDBB>

inefficiency in providing citizens with basic services¹⁰⁷. However, several challenges still face these movements. For example, some movements try to pose as the sole representatives of social activism, which demonstrated points of weakness in terms of coordination among different movements. Those movements also faced politicization attempts that aimed at overshadowing their focus on economic and social rights¹⁰⁸. Tunisia is quite similar for despite the success of social movements such as Where Is the Oil? in drawing attention to the rights of Tunisian citizens as far as their natural resources are concerned and to the necessity of transparency in dealing with those resources, the campaign was faced with a set of challenges such as linking it to political Islam. This challenge was, in fact, what made the movement lose its popularity and credibility among citizens¹⁰⁹.

II- Civil society alternative mechanisms and social justice:

The methods used by civil society to attempt achieving its goals are quite different from those adopted by traditional powers such as political parties. In Tunisia, a large number of organizations that specialize in issues related to social justice emerged after the revolution. These issues included regional and local development, political rights, economic rights, the marginalized and the underprivileged and so on. Several of those organizations turned out to be quite serious and professional, which opened the way for civil society to start impacting and taking part in the decision-making process. These organizations are distinguished for their communication skills and use of technology and they enjoy a great deal of credibility and popularity among the public, all factors that empowered them more in their influence on government policies whether through direct contact with officials or through media outlets and social networking websites. These

107 Hazem Saghieh. "The Future of Lebanese Activism and the Future of Lebanon [Arabic]." *Al-Hayat*, September 19, 2015: <http://goo.gl/J3Fzoh>

108 Khaled Ghazal. "Against Frustration and Despair [Arabic]." *Al-Hayat*, October 14, 2015: <http://goo.gl/nrFpWq>

109 "Essebsi Holds Where Is the Oil? Accountable for Terrorism [Arabic]." *Assafir al-Arabi*, July 13, 2015: <http://goo.gl/0wF6ey>

organizations are mainly engaged in regular work as they operate within the established legal frameworks and known criteria whereas other organizations focus more on the struggle aspect of activism in order to reach a higher degree of social justice. Despite resorting to radical activities that are technically illegal, such organizations manage to confront the authorities in a way that forces them to take civil society more seriously.

One of the successful experiences in this regard is the uprising commonly known as STIL estate dispute and which erupted in the village of Djemna because of a piece of land the government confiscated from farmers after independence. The government then rented the land to a Tunisian investor whose projects were not beneficial in any way to the residents. When the revolution erupted, residents took advantage of the turmoil that prevailed at the time and took control of the land. At the moment, a local entity called the Organization for the Protection of Djemna Oases is running the land. The organization is made up of volunteer residents who negotiate with the state to settle the legal and administrative status of the land.

The reality the organization imposed through its success in running the land for four whole years drove many local officials to adopt non-orthodox approaches towards the issue. The work of the organization is similar to the concept of the “social business” adopted in Anglo-Saxon countries, Italy, and Latin America. This concept encompasses companies that operate under capitalist market laws yet are meant to serve the local community through funding projects by marginalized and underprivileged groups. However, despite the fact that Chapter 12 of the Tunisian constitution focuses on the principles of social justice, sustainable development, and positive discrimination, no legislation has so far been issued to encourage the establishment of this type of companies or at least facilitate the process for relevant initiatives.

This experience proves that civil society is capable of insisting on its demands and working towards achieving them, hence forcing the authorities to respect its will even if these demands are technically illegal. In this case, civil society can play a major

role in changing laws that do not secure the social and economic rights of citizens. The dispute over the Djemna land underlines the absence of laws that promote social economy.

It is, therefore, possible to identify three different strategies adopted by civil society in Tunisia in the past four years in order to deal with the authorities and influence social justice issues. The first is the dialogue and détente strategy that was adopted by the Tunisian General Labor Union, the Tunisian Confederation of Industry, Trade, and Handicrafts, the Tunisian Human Rights League, and the Lawyers Syndicate. The second is the confrontation strategy adopted by social and protest movements. The third can be described as roundabout and was adopted in the afore-mentioned Djemna land dispute. This difference in approach is related to the difference in the components of civil society. The first approach is adopted due to its historical legitimacy and its mobilization abilities and that is why it has been playing a new role in post-revolution Tunisia that might not be in full tandem with the characteristics of struggle for social justice. The ability of the group that falls under this category to exercise influence has not so far been employed at this stage¹¹⁰.

Activism in Lebanon, on the other hand, has established what can be described as “the third road” which finally gave hope to people who see the polarization game played by the March 14 and March 8 alliances as a threat to the integrity of Lebanon and the reason for the tension in which the country has for a while been living¹¹¹. This kind of activism also raised a number of questions pertaining to the modification of protest discourse since it happened at a time when the region was going through post-revolution turmoil and when Lebanon was suffering from the accumulation of a number of economic and political problems. The question is: How can social and revolutionary issues be linked with politics in a way that prevents an overall collapse? This requires the presence of a protest rhetoric

110 Laila al-Riahi.

111 Ziad Maged. “You Stink! Step by Step [Arabic].” *media* website, August 25, 2015: <https://goo.gl/uQDmlS>

whose initiators are aware of the conditions of its very existence: a minimum level of peaceful coexistence. In the context of the political conflict between March 14 and March 8, some see that it might be useful to go below the political in order to establish an institutional umbrella for civil activism¹¹².

This explains why social movements attracted different segments that managed to overcome sectarian and partisan differences on which Lebanese politics is traditionally based as everyday life demands managed to unite all those who suffer from the same problems. Activism in Lebanon also succeeded in giving voice to a new segment of society that objects to the Lebanese confessional system, the regional formula from which it is derived, and its sectarian repercussions. Unification over the garbage crisis also endowed those movements with legitimacy and rendered them capable of opening political files no one dared approach before. This made the political vacuum in Lebanon a crucial moment for protesting against the Lebanese regime and proving that it is not only incapable of solving its own problems, but also people's problems as was demonstrated in the mismanagement of the garbage crisis¹¹³.

Conclusion:

Social activism in Tunisia and Lebanon offered a good example of the importance of the role that can be played by civil society and social movements as far as social justice is concerned. In both cases, civil society relied on adopting several different mechanisms to achieve its goals. On one hand, some organizations and movements worked on opening channels of communication with the state so that its role shifted from defending social and economic rights to taking part in setting the policies that secure those rights. On the other hand, other organizations and movements resorted to pressure and protests in order to demonstrate their insistence on demands

112 Samer Frenjeh. "Levels of Activism in Lebanon [Arabic]." *Al-Hayat*, September 15, 2015: <http://goo.gl/avQiLG>

113 Safik Shukair. "Repercussions of Social Activism in Lebanon and the Dimensions of the Vacuum [Arabic]." Al Jazeera Center for Studies, October 15, 2015: <http://goo.gl/IBDSZG>

related to social justice. The second approach was mainly the result of a climate that does not support civil society and, in fact, might obstruct it whether in terms of lack of proper legislations or because of overbearing security measures. In this regard, it is worth noting that civil society is often obstructed by the state and by attempts to restore the policies of pre-revolution regimes whether through protest laws or accusing protestors of compromising national security or under the pretext of fighting terrorism.

Challenges that arise from within civil society organizations and social movements also hinder their ability to play an influential role in achieving social justice. Examples include decision-making problems, weakness of organizational skills, and lack of good governance indicators. Added to this is the fact that these organizations do not follow a scientific methodology to evaluate their goals and activities on regular basis and do not have enough expertise in establishing partnerships and networking with other organizations. For this reason, it is of extreme importance that civil society entities work on solving internal problems that thwart their efforts towards the establishment of social justice.

Despite the important role played by civil society as far social justice is concerned, this is still not enough. The achievement of social justice requires a major change on the part of Arab regimes, which need to adopt new policies that ensure granting citizens their social and economic rights. These regimes need to change their priorities, which are currently focused on investment and profit. This requires the intervention of civil society as the main representative of citizens' needs and grievances.

Transparency and social justice: The cases of Egypt and Morocco

Raja Kassab

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Introduction:

The Arab region, especially Arab Spring countries, have been witnessing a number of political changes that mainly focused on dignity, freedom, and fair distribution of wealth, hence social justice becoming one of the most prominent demands of the uprisings.

Corruption has undoubtedly been one of the obstacles hindering citizens' access to economic opportunities, widening the gap between classes, and undermining basic rights, therefore obstructing economic and political growth in countries plagued by corruption and its accompanying ailments such as lack of integrity and absence of accountability.

Despite World Bank reports on high economic growth rates in countries like Egypt and Tunisia before 2011, several factors worked against allowing the citizens of those countries to benefit from the fruits of such growth. This indicates that corruption can become rampant in countries with high economic growth rates and it is, in fact, corruption that undermines this growth.

Despite massive protests in the squares of Arab Spring countries, the question is how far those uprisings managed to reduce corruption in a way that guarantees a minimum level of social justice for their citizens, especially that more than four years have already passed.

This paper attempts to examine different forms of corruption in several Arab countries, especially ones in which uprisings erupted, the procedures taken by each country towards ensuring transparency and integrity, and the degree of social justice these procedures managed to achieve. The first part of the paper will survey international charters on transparency, the

second will tackle the legal and institutional framework for transparency in some Arab countries, and the third will look into the implementation on the ground of transparency procedures as a means of achieving social justice. Special emphasis will be laid on the cases of Egypt and Morocco since they have witnessed uprisings and can, at the same time, be employed as an example of the application of the criteria discussed in this paper. True, other countries in the Arab region witnessed similar uprisings, but it is not possible to include them all here. In addition, Egypt and Morocco provide a framework that can assist in analyzing the main topics of this paper and the bulk of relevant information available on the topic is quite satisfactory for conducting such research.

The paper will follow a chronological methodology that traces developments in the application of transparency both before and after the Arab Spring in order to be acquainted with the changes that the revolutions might have effected whether on the legal or institutional level.

I. The phenomenon of corruption in the light of international standards

Corruption is a phenomenon that results from a set of values based on an individualist culture that undermines cooperation and teamwork in addition to economic and political factors. Corruption is especially rampant in societies where there is a wide financial gap between classes and a discrepancy in opportunities available to members of these classes. That is why corruption is the opposite of justice on different levels, especially the economic and the political, since justice is mainly about equality between citizens whether in opportunities or the distribution and management of national resources while corruption is linked to the monopolization of resources, whether natural or developmental.

That is why justice cannot be restricted to the elimination of discrepancy in wages and the distribution of revenue, but has to extend to the right to access and manage national resources. Consequently, we cannot adopt the World Bank's definition of corruption as abuse of public office and which is mainly based

on the traditional perception of corruption as confined to paying bribes to government employees in order to facilitate a set of procedures. However, corruption happens when companies use illegal ways of to overcome rivalries or make profit. Corruption can also happen through abusing public office without resorting to bribery at all such as appointing relatives, embezzling public funds, or using public property for personal purposes.

The United Nations Convention against Corruption (UNCAC), in effect since December 2005, also limits corruption to theft and bribery rather than the economic and political systems that govern societies suffering from corruption. In this context, the convention strives to support and promote the measures that counter and eliminate corruption in a more efficient way and to facilitate international cooperation and technical support towards a broader fight against corruption while promoting the values of integrity, accountability, and good governance of public affairs and properties. The convention calls upon member states to intensify measures that aim at fighting corruption in the public sector and draft legislations towards this end.

Even though the convention criminalized all forms of bribery, including agreement to pay a bribe or acceptance of one, and stressed the necessity of imposing deterrent penalties, whether civil, administrative, or penal, to counter corruption, it lacks a mechanism to follow up on the implementation of its articles and the extent to which different states have complied with them.

The Conference of the States Parties (CoSP), held in November 2009, agreed on a mechanism, even though on voluntary basis, to be implemented over two five-year phases, each covering a set of issues tackled in the convention. The mechanism stipulates that the volunteering state compiles a self-evaluation list to be assessed by a team of experts from other party states. The results of all evaluations are then to be unified in a report about the relevant country and which analyzes achievements and challenges. A reviewing team would draft this report, but the final version is to be drafted in

coordination with the country subject of the review. The country also reserves the right to decide whether to publish the final report or not.

The Arab Convention against Corruption also aimed at implementing measures that assist in eliminating corruption and different crimes related to it and persecuting culprits as well as enhancing cooperation in countering corruption across the Arab region and that promote integrity, accountability, and the rule of law¹¹⁴. The convention stressed the necessity of societal contribution to countering terrorism through raising awareness about types and reasons of corruption and acquainting people with entities in charge of fighting corruption to report corruption cases. However, the Arab convention does not set any criteria for the legal framework of fighting corruption or regular monitoring of Arab countries. It did not come into effect until June 2013 even though it was signed in December 2010 by only seven countries out of a total of 22: Morocco, Jordan, United Arab Emirates, Sudan, Palestine, Qatar and Kuwait. Egypt has not yet signed.

II. Transparency and fighting corruption in the Arab region

According to the Arab Anti-Corruption and Integrity Network (ACINET), all Arab states are party to the UN Convention against Corruption except Syria, which signed this convention, and Somalia and Comoros Islands, which did not sign it¹¹⁵. The same source states that Mauritania, Iraq, Jordan, Palestine, Saudi Arabia, Yemen, and Comoros Islands have a national strategy for fighting corruption while the strategies of Morocco, Tunisia, and Lebanon are under process. The rest of the countries have no anti-corruption strategies. Morocco, Algeria, Palestine, Jordan, Iraq, Saudi Arabia, Yemen, and Comoros Islands have national entities for fighting corruption while such entities are still being established in Lebanon and Libya. The rest of the countries have no anti-corruption entities.

114 Arab Convention against Corruption.

115 Arab Anti-Corruption and Integrity Network website: www.arabcinet.org

1. Open Budget Index

The International Budget Partnership (IBP) prepares the Open Budget Survey Assessment based on three criteria or “pillars”: public access to budget information, opportunities to participate in the budget process, and the authority of formal oversight institutions. The 2015 survey concluded that out of the 102 countries included in the study, all Arab states occupy bottom spots with the exception of Jordan, which ranked 33 by scoring 55 points, and Tunisia, which ranked 66 by scoring 42 points. According to the survey, both countries provide the public with some, but not enough, information about their budgets. Morocco ranked 74 by scoring 38 points and Yemen 80 with 34 points, both providing the public with minimum information about their budgets. Algeria ranked 86 with 19 points, Egypt 90 with 16 points, and Sudan 93 with 10 points while Iraq, Lebanon, Qatar, and Saudi Arabia came last with less than three points¹¹⁶.

2. Corruption Perceptions Index

The Corruption Perception Index measures the levels of corruption in the public sector and in a given country as a whole. It is considered a first step towards measuring corruption and which is to be followed by other stages that assist in the analysis process that determines priorities in fighting corruption and introducing reforms.

The index focuses on corruption in the public sector, which it defines as the abuse of public office for personal purposes, and arranges countries in accordance with awareness of the prevalence of corruption among state officials and politicians. The index depends in its reports on the fact that it is not possible to obtain a realistic account of corruption in a given country if there no or restricted access to concrete information such as a record of complaints and lawsuits. It also notes the manner in which public prosecutors, courts, and media outlets present corruption. That is why collecting information is only possible through the experiences and perceptions of individuals who are directly involved in the anti-corruption process¹¹⁷.

116 Open Budget Survey 2015: www.openbudgetsurvey.org

117 Transparency International.

Transparency International started issuing the Corruption Perceptions Index in 1995. The index ranks countries on a scale from zero (extremely corrupt) to 100 (very clean).

In the 2014 Corruption Perceptions Index, Denmark ranked first out of a total of 175 countries with 92 points while Somalia and North Korea shared the last spot with eight points each. Arab region's positions were disappointing and no remarkable progress took place in the past few years. Only two Arab states managed to exceed the 50 points required to pass: United Arab Emirates (70 points) and Qatar (69 points). Iraq, Yemen, Syria, and Comoros Islands occupied bottom spots while Bahrain, Saudi Arabia, and Jordan ranked 55, Kuwait 67, Tunisia 79, Morocco 80, Egypt 94, and Algeria 100. The director of the Middle East and Africa Department at Transparency International stated upon launching the 2014 results at the organization's headquarters in Berlin that the ruling elites which had controlled Arab Spring countries in the past 30 years are still determining the destinies of those countries and manipulating their people whether through rigging elections, rotating power among their cliques, or lack of transparency about state transactions especially arms deals and the budgets of security and military institutions.

3. The Arab Index

2011 was a life-changing year in the history of the Arab region. It is in this year that Tunisia started a series of uprisings that toppled several totalitarian regimes one after the other. Following the revolutions, most Arab countries started a transitional phase marked with the introduction of reforms that varied from one country to another.

The Arab Index, prepared by the Arab Center for Research and Policy Studies, measured public opinion trends about the success of Arab revolutions in fighting administrative and financial corruption. According to the report, 13% of participants find the revolutions successful or relatively successful in fighting corruption, 51% predicted that they will be successful in doing so whether in the near or distant future whereas 26% said they

would never be successful¹¹⁸. The index also gauged public opinion on the success of Arab revolutions in improving the financial conditions of citizens where 11% said it succeeded, 55% said it would succeed, and 25% said it would never succeed.

4. National transparency organizations

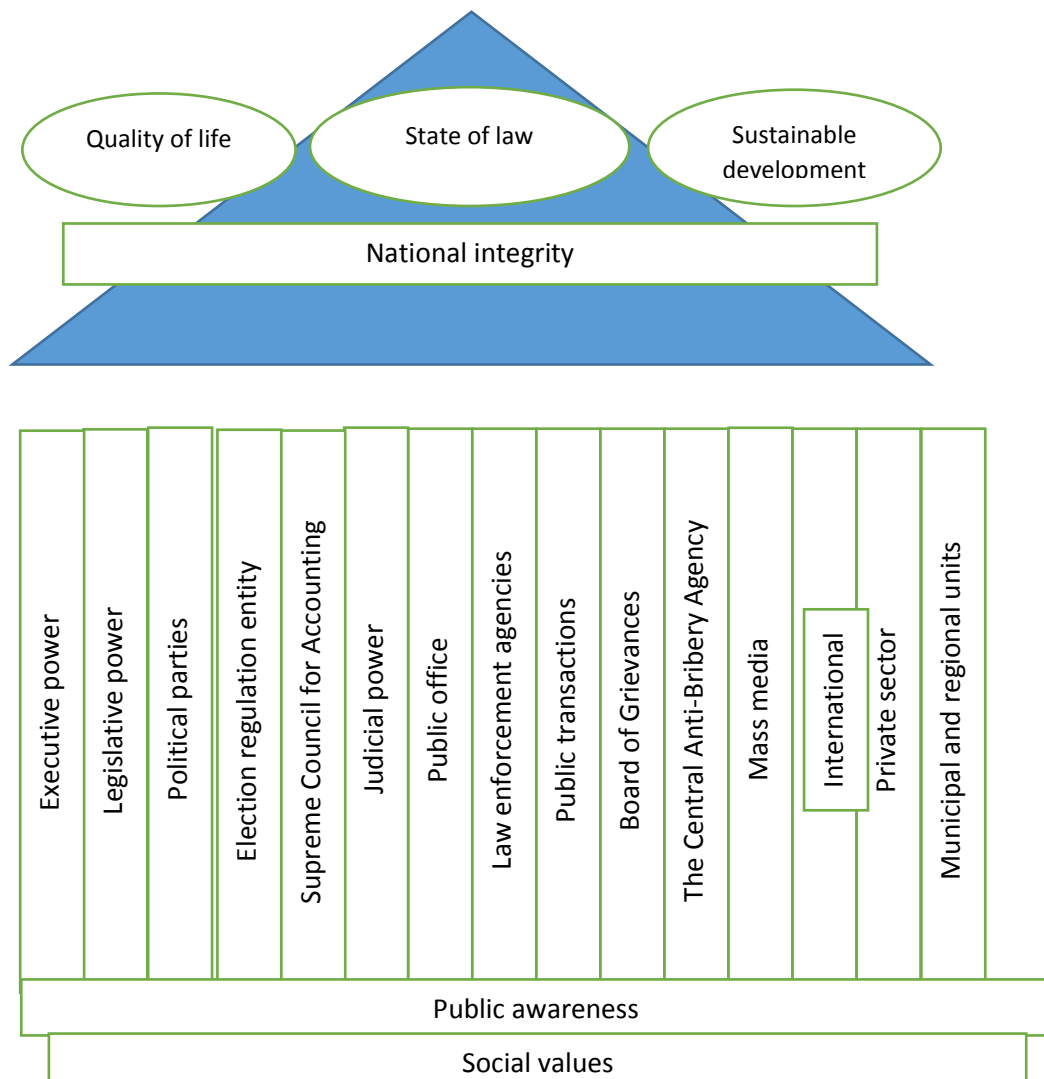
For a long time, societies have worked on creating transparency and integrity models based on moral or religious values that regulate the relations between different segments of society and protect society from harmful actions. In modern times, democracy is considered the most significant pillar for any transparency and integrity organization.

The concept of “national integrity system” emerged from the studies conducted by Transparency International. Those studies stressed the necessity of devising a comprehensive anti-bribery system whether on the level of analysis or the level of strategies. This system can be envisioned as a Greek temple topped with a flat surface that stands for state integrity and supported by a group of pillars, usually 16, that represent different public and private institutions that contribute in promoting integrity, transparency, and accountability—the three basic values on which this system should be based and which work on supporting each other¹¹⁹. The national integrity system is an integral part of the comprehensive struggle against political, economic, and judicial corruption.

118118 The Arab Index 2014. The Arab Public Opinion Project, September 2014. The Arab Center for Research and Policy Studies.

119 Transparency International News, Issue 9, September 2010.

5. Transparency and fighting corruption in Morocco



National integrity system in Morocco

Eliminating corruption and putting an end to impunity topped, and still does, the demands of political and social activist groups in Morocco. That is why the slogan under which the February 20 Movement operated was the elimination of corruption and tyranny. The Islamist Justice and Development Party took advantage of the same slogan in its campaign in the

legislative elections that followed the drafting of the 2011 constitution even though the party neither contributed in not supported the movement and, in fact, considered it an impulsive action by irresponsible youths that would destabilize the country. However, no sooner had the party won the elections and formed a government than it abandoned the slogan and took back its electoral promises. When asked about the measures that the new government would take to retrieve looted money and penalize the culprits, the party replied with its famous sentence, "May God forgive every sinner." The government did in fact pardon those who smuggled money abroad with an official decree. One of the government's ministers was accused by Moroccan activist groups of embezzling public funds and was never put on trial as the people demanded. In fact, the government tracked down several employees at the Ministry of Finance for leaking documents that prove those accusations.

Impunity is one of the most important triggers of bribery and rampant corruption in Morocco even though the new constitution ties responsibility with accountability. Examples include the corruption scandals of the Mutuelle générale du personnel des administrations publiques and the Office national des aéroports, the like of which has a negative impact on national economy through reducing productive investment, obstructing honest competition, increasing poverty, threatening social security, and undermining the democratic process.

The fifth version of the international study on the open budget prepared by Transparency Morocco in coordination with the International Budget Partnership argued that the Moroccan state hardly makes any information about the budget available to the public and does not allow public monitoring of budgets. The study also underlined the weakness of monitoring mechanisms employed by the legislative power and the Supreme Accounting Council (Cours des comptes).

Meanwhile, public transactions constitute a large portion of public spending and transparency as far as the procedures such transactions follow becomes indispensable in order to protect public funds from embezzlement, allow honest

competition, and guarantee that prices are proportional to commodities and services. The Moroccan legislator drafted several laws to guarantee the transparency and integrity of public transactions, the last of which was decree number 2.12.349, issued on March 20, 2013¹²⁰.

Reality is, however, different. Despite all those laws and all slogans adopted by the government, corruption and bribery are still rampant. Examples include the waste management deal at the city of Salé and the vaccine deal during the term of the former health minister among others. This has a negative impact on commodities and services and wastes million of dirhams from public funds, which in turn renders economic development dependent on loans.

6. Transparency and fighting corruption in Egypt

The January 25 Revolution was not a surprise, but its timing was. The revolution had been fermenting since the early 2000s and there was hardly a day that passed without social and political protests. Studies estimated the number of protests staged from 2006 till April 2010 at 2,026¹²¹. These protests were mainly triggered by political and administrative corruption that had been rampant all over the country and which was manifested in several aspects such as the wide gap between wages with a worker getting 35 Egyptian pounds per month and the board director of a newspaper getting three million Egyptian pounds per month. The Administrative Court, in fact, ruled that wages cannot be contingent upon the whims of employers who take advantage of workers who need the money by giving them wages that are neither proportionate to the work they do nor to price hikes¹²².

Administrative corruption was manifested in the absence of an institutional framework and the alliance between wealth and power. State politics and economy were run by a group of businessmen and the hegemony of the executive power

120 *The official gazette*, issue number 6140, April 4, 2013, pp. 3023-3100.

121 Adel William, Khaled Ali, and Mahmoud al-Mansi. « Egypt's workers in 2009 [Arabic]. » Cairo: Awald al-Ard Foundation for Human Rights and the Egyptian Center for Economic and Social Rights, 2012.

122 Administrative Court session, March 30, 2010, lawsuit number 21606 /63

represented especially by the presidency and the institutions affiliated to it. Corruption in Egypt had reached the point where the legislative power was exploited to endow public embezzlement with a legal framework. Flagrant examples included the law for countering economic monopoly which was issued more than 10 years after it was supposed to. Discussions about this law started in 1994 and it was only approved by the parliament in 2005. Even after it was approved, a blind eye was turned on several manifestations of economic monopoly as was the case of Ezz Steel, owned by Egyptian business tycoon Ahmed Ezz, and which controlled 72% of the steel market in Egypt¹²³. In the same vein, a group of decrees related to the management of public funds were issued to prevent the legislature from monitoring public funds through the creation of holding companies that run national resources in the country. This type of companies was not common before 1991, the year in which law number 203, known as the Public Sector Law, was issued¹²⁴.

The law allowed the privatization of public sector companies, a process that was in itself rife with different forms of financial and administrative corruption. Examples include selling the share of the Egyptian state in the Misr-America Bank to Calyon Bank¹²⁵ and the selling of Omar Effendi department stores to the Saudi company Anwal¹²⁶. This type of companies extended to all economic sectors. The housing sector, for example, saw the creation of the Holding Company of the New Urban Communities Authority¹²⁷, which allowed the sale of land for extremely cheap prices like 21 piasters (3.5 US cents) per square meter as was the case of the Egyptian Kuwaiti Company for Development and Investment buying 109,200,000 square meters¹²⁸.

123 « The steel market in Egypt [Arabic]. » Information and Decision Support Center, 2002.

124 The official gazette, issue number 24 (repeated), June 19, 1991

125 Ahmed al-Sayed al-Naggar, ed. *Economic Trends Report* [Arabic]. Cairo : Ahram Center for Political and Strategic Studies. 2006.

126 The Official gazette (see note 11)

127 *Al-Wakae al-Misriya* newspaper, issue 201, September 5, 2004.

128 *Al-Shorouk Newspaper*, issue 781, March 23, 2011.

It did not stop at that, for land was also sold to businessmen through direct order like, for example, when the Ministry of Housing sold 13 million acres to Egyptian businessman Hesham Talaat Moustafa to establish a compound under the name Madinaty free of charge. This meant that the state would provide the complete infrastructure in return for giving the state 7% of the housing units in the compound after construction is completed. The court rejected this agreement since selling a land that could have housed an entire city to one individual through direct order stood in flagrant violation of all the bidding and auctioning laws as well as of the principles of good governance¹²⁹.

As for the healthcare sector, then Egyptian Prime Minister Ahmed Nazif broke the law when he issued decree number 637 for the year 2007¹³⁰. The decree privatized the General Health Insurance Authority, which offers healthcare to 52% of Egyptian people and owns 41 hospitals, three of which were closed, and hundreds of clinics. The decree was in violation of the constitution and the General Health Insurance Authority Law number 61 for the year 1963¹³¹. The Administrative Court ruled against this decree¹³².

This was in addition to different forms of corruption that undermined several sectors in Egypt and were among the main reasons for the growing indignation and subsequent revolution.

III. Legal and institutional framework

1. Institutional framework in Morocco

Several institutions that had existed before were constitutionalized and given more powers and autonomy following the 2011 protests.

i- The National Authority for Integrity and the Prevention and Comabting of Bribery:

Morocco signed the UN Anti-Corruption Convention December 9, 2003 and ratified it on May 9, 2007. As part of implemting

129 Administrative Court session June 22, 2010, lawsuit number 12622/63.

130 *Al-Wakae al-Misriya* newspaper, issue 65, March 21, 2007.

131 The official gazette, January 13, 1963.

132 Administrative Court session September 4, 2008, lawsuit number 21550/61.

Article 6 of the convention, which states that party states are to create independent authorities for the prevention of bribery¹³³. In compliance with the UN convention and in response to lobbying by civil society especially Transparency Morocco and the Moroccan Network for the Protection of Public Funds, the National Authority for Integrity and the Prevention and Combating of Bribery was created by decree number 1228-05-2, issued on March 13, 2007¹³⁴.

The responsibilities assigned to the authority were, however, of a consultative nature, which neither met the demands of the people nor abided by Article 6 of the UN convention. The authority was only to issue recommendations to the government and inform the judiciary of bribery cases, and collect information related to corruption and bribery. In addition, lack of the financial and administrative autonomy stipulated by the UN convention and lack of the power to initiate lawsuits are among the reasons that obstructed the work of the authority.

The July 2011 constitution, drafted as a direct result of the 2011 movement that formed a part of the Arab Spring, authorized the creation of the National Authority for Integrity and the Prevention and Combating of Bribery in chapters 36 and 167 while Chapter 159 stressed the independence of this authority and similar anti-corruption authorities¹³⁵. However the draft law 113.12 prepared by the government to allow the creation of the authority did not reflect the state's responsibility towards the international agreement it signed or the constitutional articles that determine the work of anti-corruption authorities¹³⁶.

ii- The Supreme Accounting Council:

Chapter 147 of the 10th section of the 2011 constitution stated that the Supreme Accounting Council is the entity in charge of financial monitoring across the kingdom. According to the same chapter, the council is to support and promote the principles of good governance, transparency, and accountability.

133 UN Anti-Corruption Convention.

134 The official gazette, March 13, 2007.

135 Moroccan Constitution, 2011, the official gazette.

136 The Government General Secretariat website

The council monitors the implementation of financial laws, ascertains the legality of transactions related to the revenues and expenses of institutions within its jurisdiction in accordance with the law¹³⁷ and evaluates their performance, and takes, when necessary, punitive measures in cases of violation. The council is also authorized to supervise the issuing of property permits, auditing the financial records of political parties, and examining electoral expenses.

In addition, the council is to assist the parliament in financial monitoring and provide recommendations related to the parliament's legislative and monitoring duties as well as assist the government and judicial bodies in fields that fall under its jurisdiction according to the law. The council also monitors the financials of organizations in accordance with the government's decree that authorizes the council to monitor the use of public funds and as part of the council's assistance to the government under Chapter 148 of the constitution.

The Supreme Accounting Council faces a number of challenges. For example, the council's reports lack the documents and evidence to prove the violations they record. In addition, the Ministry of Justice is not obliged by law to take an action against every single entity the council mentions in its reports since the minister of justice has the right to use his evaluative authority to determine which cases to refer to court. This means that several cases do not reach court especially when a case is related to public organizations that enjoy special status. Meanwhile, cases referred to court are usually part of a process of settling political vendettas.

iii- Competition Council:

With Morocco adopting market economy as a means of encouraging foreign investment, law number 06.99 on prices and competition was issued in 2001. The law stipulates the creation of the Competition Council responsible for tracking cases of monopoly. The council was only established in 2009, but its consultative role did not allow it to curb corruption within the economic system, which necessitated revising its powers

137 The official gazette, decree number 1.02.124 on Financial Court, issued on June 13, 2002.

through issuing two new laws in 2014. The council was mentioned in Chapter 166 of the 2011 constitution¹³⁸.

Accordingly, the powers of the Competition Council came to include the right to refer cases to court and investigate cases, which means it became more capable of promoting the values of honest competition and eliminating monopoly. However, it is still not strong enough to face the economic lobbies that solely work to serve their own interests.

iv- The Mediator Institution:

The Mediator Institution was established by decree number 25-11-1, issued on March 17, 2011, to replace the Grievance Board established in 2001 as a non-judicial entity that mediates between citizens and state institutions in case of complaints.

The powers of the Mediator Institution were stated in a royal decree and mentioned in Chapter 162 of the 2011 constitution.

The institution is defined in the constitution as a national entity that is independent and specialized. Its duty is to defend rights as far as the relations between citizens and the administration are concerned and to contribute in promoting the rule of law and the principles of justice and equality in public institutions¹³⁹.

However, the institution is not authorized to look into grievances that aim at revising a final court ruling, cases referred to court, or cases that fall under the jurisdiction of the National Council for Human Rights. The annual reports submitted by the institution also demonstrated its limited role owing to lack of cooperation on the part of public institutions.

v- The right to information:

The right to have access to information is of special importance, not only because it is considered a basic right, but also because of the role it would play in eliminating corruption and promoting the values of the national integrity system¹⁴⁰.

The 2011 constitution stressed this right in Chapter 42, but draft law number 13-13 ratified by the government on July 13, 2014

138 Law 13-20 on the Competition Council, issued in implementation of decree number 1.14.117, issued on June 30, 2014. The official gazette, issue 6276, pp. 6095-6098.

139 Moroccan Constitution, 2011.

140 The Central Integrity Authority.

defeats the purpose of the constitutional text and violates international standards through the legalization of going around the right to information. The exceptions to this right mentioned in the law are too broad and vague in a way that allows restricting this right in different ways. In addition, the law restricts the right to file requests to those who have a direct interest and who also become obliged to state the purpose of requesting the information and face criminal charges if this information is used for purposes other than the ones stated in the request¹⁴¹.

It is noteworthy that this law was drafted by the government with extreme discretion and without the involvement of different players in the field of fighting corruption.

2- Institutional framework in Egypt

Several institutions in Egypt monitor public funds as well as policies and legislations issued by executive or legislative powers including the Supreme Constitutional Court and the Accountability State Authority among others.

i- General public budget:

The state's public budget is one of the subjects of monitoring and accountability since it is related to the management of the expenses and revenues of the Egyptian state. In 2006, the 1971 constitution, which was valid until before the January 25 Revolution, was amended. The amendments focused on different aspects related to transparency such as the public budget. Before the amendments, Article 115 of the 1971 constitution stated that the parliament does not have the right to amend the budget draft without the approval of the government. That is why the role of the parliament at the time was only to provide suggestions and it did not have the right to reject the budget. Following the 2006 amendments, Article 115 gave the parliament the right to amend the expenses in the budget with the exception of items related to the state's commitments, the right to suggest adding or removing items in the budget, and the

141 Transparency Morocco.

right to postpone putting a new budget into effect. Article 124 of the 2014 constitution states the same.

Based on the amendments, the parliament had the right to examine the budget for six months before the start of the new fiscal year instead of the three months stated in Article 118 of the 1971 constitution before amending it. Before the amendment, the constitution gave the government a whole year to present the final budget to the parliament. Reducing this time to six months allowed for more transparency and gave the parliament more financial monitoring powers.

ii- Municipal councils:

Municipal councils are among the major institutions that assist in promoting the principles of transparency and accountability. The 2014 constitution introduced several amendments to the role of municipal council. Article 178 states that municipal councils are to have independent budgets while Article 189 states that each municipal council is to prepare its own budget and its final accounts as regulated by the law. The constitution also states that municipal councils cannot be disbanded through administrative procedures and that the law regulates the disbanding and re-election of the councils. These amendments undoubtedly represent a major step forward in comparison to the 1971 constitution, yet many aspects related to municipal councils are still regulated by the law rather than the constitution.

iii- Citizens' right to monitor government and parliament performance:

The 2014 constitution introduced a new article that allows citizens to submit written suggestions about public affairs to the parliament and complaints that are to be referred to relevant ministers. Citizens in this case could be asked to provide more details to the parliament if necessary. They are also to be notified of the outcome of the investigation related to the suggestions/complaints. This gives citizens and society in general a better chance to take part in monitoring public affairs amongst which are transparency and accountability mechanisms.

Conclusions and recommendations

Conclusions:

It becomes obvious that the challenges facing the elimination of corruption are mainly centered around violating and/ or overlooking international conventions and restricting the definition of corruption to the crime of theft or bribery committed by individuals. It is, therefore, important to focus in particular on non-democratic regimes which engage in different forms of corruption, including lack of judicial independence and electoral integrity.

As for Arab Spring countries, especially Egypt and Morocco, it is clear that corruption patterns are reproduced since the circumstances under which corruption prevailed have not drastically changed even after 2011, which makes achieving justice still far-fetched.

The contradiction between the rights stated in constitutions and the laws and legislations that are supposed to mirror those rights constitute another problem as the second defeats the purpose of the first. This is mainly due to the fact that constitutions leave the regulation of those rights to the law, which in turn does not preserve their essence.

On the other hand, budgets in the Arab region as still looked upon as sheer financial statements and not enough attention is given to amending them in a way that focuses on programs and performance. For example, in Egypt the Public Budget Law initiated a five-year transitional phase that started in 2005, yet the required amendment has not been made till now¹⁴². In addition, lack of participatory practices and the dominance of centralization despite continued decentralization claims limit citizens' chance to take part in preparing the budget.

Legislative and municipal elections are still not characterized by integrity as far as all electoral procedures are concerned. The result is a parliament and municipal councils that do not reflect

142 Law number 87 for the year 2005 on the amendment of Public State Law number 532 for the year 1973, the official gazette, issue number 17, April 28, 2005.

the voters' choice. This lack of integrity in the electoral process has a negative impact on the process and stages of preparing the budget and approving/refusing it by elected entities.

Recommendations:

- Devising a clear strategy that includes all international and constitutional commitments of the state in the field of fighting corruption such as reforming the judiciary and the legislative system, bestowing the necessary powers on monitoring and inspection institutions, and linking responsibility to accountability
- Employing budgets and performance programs as tools in promoting the principles of transparency and accountability
- Creating hearing committees on budget preparation
- Promoting participation and popular monitoring as represented by civil society organizations, trade unions, and political parties in the preparation and implementation of the budget and the amendments of relevant laws
- Applying the principle of decentralization in the management of local and national affairs and in budget preparation in Arab region
- Ensuring the integrity of electoral procedures on the national and municipal levels through full judicial supervision, the independence of the judiciary, and the amendments of relevant laws

Challenges facing social justice powers in the Arab region

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I- Political milestones in the struggle for social justice

In early 2011, Tunisians and Egyptians toppled the regimes that violated their economic and social rights and initiated, therefore, a revolutionary path that was seen as the means for establishing a new social order that would eliminate the exploitation of the marginalized at the hands of the privileged minority.

1. Failure of the Arab bourgeois social justice program

The issue of social justice was brought to the forefront for the first time within the context of the national struggle against colonization. Independence movements and their leaders adopted the principles of social justice as the main pillars for establishing a national entity that achieves social and economic progress. Social justice was also one of the main factors that endowed those movements with legitimacy and earned them sweeping popular support.

The eventual independence of the countries in which those movements started and the coming to power of their leaders allowed the launching a social, economic, and cultural project of which social justice was a main component. At that stage, social justice mainly revolved around free education and healthcare and special effort was dedicated to establishing schools in the countryside, promoting the education of girls and constructing housing units. This was demonstrated in the new national project in Tunisia from the early 1960s through the mid-1980s. This project mainly aimed at removing shanty towns, creating job opportunities in the public sector, developing a transportation network for passengers and cargo including products of small farmers and businessmen. The latter

contributed to getting several provinces out of their isolation through connecting different parts of the country and also spread market economy in those parts.

Family programs ran parallel to social justice ones in several Arab states in the early post-independence era. In Tunisia, the family planning program was launched in the early 1960s as part of the women empowerment initiative¹⁴³ started by late president Habib Bourguiba and which also aimed at controlling population growth in a way that guarantees the achievement of economic and social development. The post-independence government also established cultural youth centers in cities and the countryside in an attempt to promote modernist thought and counter reactionary ideologies, the latter being considered a major obstacle in the way of establishing the modern state. Cultural centers played a major role in providing educated youths, especially university graduates, with the political framework promoted by the government. The most prominent national development experiences took place in Egypt, Tunisia, and Algeria under Nasser, Bourguiba¹⁴⁴, and Boumediene¹⁴⁵, respectively.

These nationalist socially-oriented experiences and their counterparts in other Arab countries such as Iraq and Syria were successful in the way they empowered citizens and allowed them to participate in developing the new state. Social justice became linked to national progress in a way that promised an imminent renaissance in the Arab region and which was expected to place it on the same footing as developed countries quite soon. Official media, on its part, launched a number of campaigns to promote this expectation. National projects launched in the post-independence era and led by governments made up of local bourgeoisie, did not last beyond the early 1980s due to the rise of the Arab capitalist

143 The Tunisian Republic, Ministry of Women, Family, and Childhood, Center for Research, Studies, Documentation and Information on Women : <http://is.gd/01zyf6>

144 Beji Caid Essebsi. *Habib Bourguiba: Le bon grain et l'ivraie*.

145 Hakemi Bouhafs. "Reforms and Economic Growth in North Africa: A Comparative Study of Algeria, Morocco, and Tunisia [Arabic]." *North Africa Economies*, issue 7, Oran University, Algeria.

system as one of the main regional sectors of global capitalism, increasing bureaucracy, and suppression of freedoms.

Several Arab governments tried in vain to evade the overbearing capitalist globalization system through offering more concessions to foreign capital as well as through implicit attempts at democratic reforms. However, the radical changes the global economic system had been undergoing as of the early 1980s dealt a fatal blow to all attempts at achieving social justice in the region.

Following the collapse of the bipolar world order and the relentless spread of capitalism, the project of post-independence bourgeois states came to an end. The main common denominator among different Arab regional projects in the 1960s and 1970s was the fact that they were led by local elites that believed in the significance of the social dimension in consolidating independence and achieving comprehensive progress.

People, on the other hand, were the objects through which the local bourgeois elites implemented their projects. The role of the people was confined to providing state institutions with labor force whether employees, engineers, or specialists, but they did not take part in the decision making process nor were they allowed any form of actual political participation. The people were a tool to legitimize the practices of the state that was becoming increasingly repressive. Superficial attempts at introducing democratic reforms through intermittently holding ineffective elections only widened the gap between regimes and citizens. The isolation of regimes was further intensified with the gradual decline of social justice indicators and the growing influence of imperialist powers.

The failure of national social justice projects and the hegemony of global capitalism signaled the end of attempts at achieving social justice which was initially marketed by the local bourgeois elite as a favor people should be grateful for. This failure triggered a tendency to hold on to whatever remained of the previously gained social rights and which take credit for raising the awareness of Arab people about the importance of social justice and means of its implementation on the ground. Those people had already experienced what education, healthcare,

housing, and transportation meant and the more they felt deprived of those services, the more adamant they became in demanding access to them.

The deterioration of social justice in the Arab region was accompanied by the introduction of structural “reforms” and austerity measures as profit became the topmost priority and multinationals started dominating the economic scene. The new system swept the whole Arab region and its results were gradually manifested in lack of social justice, rising unemployment rates, and a general deterioration in the living standards of the majority.

2. Tunisians and Egyptians inaugurate the revolutions against austerity policies

Throughout the second half of the 20th century, the issue of social justice was monopolized by Arab states, which translated this social justice into policies that mirror their political priorities and the bourgeois interests they were protecting. Meanwhile, those states banned political parties and persecuted opposition and cases where parties other than the ruling one were formed only reflected a tendency to replenish the image of a given state while stripping those parties of any form of independence. Restrictions were imposed on non-governmental organizations that worked on social justice issues and the same applied to trade unions with the exception of Tunisia where the Tunisian General Labor Union managed to maintain considerable independence that enabled them to form an influential lobbying force on the ground. Elections, if any, were simply a sham.

This level of repression, however, was not capable of totally eliminating marginal attempts at creating a space for activism that varied from one country to another. This kept the issue of social justice alive as it became a source of tension between state bureaucracy and trade unions in particular. Social justice issues were also the main source of criticism leveled at the regime by leftist opposition and of inspiration for struggle for democracy. In addition, social justice was a topic of debate whenever laws regulating the work of non-governmental

organizations were discussed or whenever such organizations embarked on initiatives that aim at the achievement of social justice as was the case in Tunisia with the Tunisian League for the Defense of Human Rights and the Tunisian Association of Democratic Women. Meanwhile, citizens remained deprived of sharing their views about the content of social projects and of taking part in drafting the policies that would eventually achieve social justice.

When Arab bourgeoisie failed in keeping their promises about social justice and economic progress, they chose to give in to global capitalist powers instead of allowing local progressive factions to formulate a democratic alternative that would provide a way from the ordeal triggered by the failure of national development projects. These factions were not able to effect any change owing to increasing repression of society in general and opposition in particular. This led to a general passivity in countering the neocolonial project and offering a different scenario that would secure the right to self-determination.

Despotic regimes forced underprivileged classes to bear the brunt of austerity measures for a long time¹⁴⁶, yet the continuation of those measures and the intensification of their impacts drove these classes to rebel, thus heralding an era of struggle against the harshness of global capitalism.

The authenticity of Arab revolutions, initiated in the Tunisian city of Sidi Bouzid in late 2010, lies in the fact that they transcended borders and managed in a short while to sweep the entire region and initiate a comprehensive uprising not only against political regimes but also global capitalism and neocolonialism that those regimes supported. The result was the ouster of a number of Arab dictators whose eras became notorious for monopoly of power, corruption, and social and economic deterioration. Arab revolutions constituted an uprising against a quarter century of capitalist oppressive policies that resulted in a number of social ailments such as unemployment, poverty, deteriorating living conditions, and lack of basic social and economic rights.

146 Fathi al-Chamkhi. Tunisia : “Indebtedness or Development [Arabic]”: <http://is.gd/u2BiVJ>

It is no exaggeration to say that the Tunisian and Egyptian revolutions, unlike their counterparts in other Arab region, are the world's first popular uprisings against structural reforms, austerity, and the corruption and tyranny global capitalism supported at the expense of the underprivileged¹⁴⁷. Thanks to the two revolutions, struggle against austerity measures and global capitalism was transferred from the circles of political elites and trade unions to those of popular resistance. This was demonstrated in the expansion of the struggle to other countries, especially on the other side of the Mediterranean such as Spain and Greece that later witnessed unprecedented uprisings against austerity measures. Social justice has, therefore, turned from a program of the elites to a popular revolutionary demand.

II- Counterrevolution: Variation of motives and unification of aims

The Egyptian and Tunisian revolutions take credit for making it possible to establish a new social system that learns from previous mistakes, achieves social justice, protects personal and collective freedoms, and reconsiders all neocolonial agreements, the loan system, and privileges bestowed upon foreign capital. Before the revolution, social justice was the dream of a few progressive freedom fighters then became a priority of entire peoples who after realizing they were capable of toppling dictatorships became hopeful that the comprehensive social and economic deterioration can be stopped and the living conditions of the marginalized can be improved. Contrary to all expectations, however, the situation turned from bad to worse. Five years after the eruption of the uprisings in Egypt and Tunisia, things are worse than they had been during the dictatorships. The question is why toppling the dictatorships did not trigger a radical change and why

147 Azmi Bishara. *Tunisia's Glorious Revolution* [Arabic]. Doha, Qatar: The Arab Center for Research and Policy Studies, p. 496.

repressive regimes are still in charge only to focus on their interests.

1. Internal counterrevolution powers:

It goes without saying that dictators are the keenest on preserving their own interests, yet the same also applies to their close networks such as their families, their parties, members of their governments, and their armies. All those entities spared no efforts to defend the incumbent regime, but in the case of Tunisia all those efforts failed in the face of sweeping popular indignation consolidated through the support of the Tunisian General Labor Union which joined the revolution. All defense lines ben Ali maintained kept falling one after the other until he finally fled on January 14, 2011. Following this, ben Ali's party was disbanded and Interior Ministry officials involved in repressive measures were dismissed, yet with every gain the revolution made, the former regime managed to regain its strength and reunite its ranks.

The preservation of the state:

The revolution managed to topple all those who had a direct link to the dictator, whose escape had already made it easier for the regime to collapse. However, even after ben Ali left popular movements were not capable of totally removing the regime in the absence of a courageous political leadership and the lack of political experience on the part of the public. Meanwhile, capitalist powers retained implicit control while pretending they supported the revolution as was the case with international financial institutions or the European Commission. This gave an opportunity to counterrevolutionary powers to work on curbing the influence of the revolution and preserving the former regime's institutions then undermining the revolution altogether as a final step before restoring the old repressive system.

There is no doubt that state institutions especially electricity and water companies have contributed to keeping the state functioning and providing basic services during the 29 days of revolution then throughout the critical weeks that followed ben Ali's departure. Their role resulted in a relatively quick restoration of normalcy, a condition that was necessary for the old regime to regain its balance. This in itself is considered one of the several contradictions of the Tunisian revolution since

employees at state institutions and who are among the most prominent victims of austerity measures and structural reforms in the past quarter century were the ones who contributed to maintaining the bourgeois state at the expense of revolutionary change. Those employees, estimated at hundreds of thousands, did not do that in solidarity with the despotic state or out of a decision to support the regime, but it was rather out of habit and professional discipline as well as a feeling of responsibility towards citizens who would be harmed by the absence of basic services without which they cannot manage their daily lives. This voluntary behavior driven by communal responsibility did not apply to everyone since a large number of individuals at state institutions were only driven by their personal interests that necessitated the continuation of the bourgeois state and the resumption of its functions. Those individuals, estimated at thousands, occupied senior positions in state institutions and had pledged absolute allegiance to the despotic regime. Add to this the fact that several of them were involved in financial corruption. The majority of those remained in their positions after the revolution, which allowed them to play a vital role in preserving the bourgeois institution, thus resuming structural reforms and austerity measures.

Local bourgeoisie as a regressive force:

The local bourgeoisie strove to preserve state institutions and, therefore, protect the pillars of the regime toppled by the revolution. True, a considerable part of local bourgeoisie were happy to see the dictator ousted and his network weakened because they were fed up with the monopolizing practices of ruling cliques whose greed has gradually started to harm the interests of the bourgeoisie.

Members of the local bourgeoisie were divided after the implementation of structural reforms and the remarkable shift to global economy. There was a part whose interests remained linked to local markets while the other benefited from trade agreements with the European Union and supported the flow of foreign capital into Tunisia. The influence of the first camp was gradually receding while the projects of the second were remarkably prospering and so was its political influence. It is noteworthy that as of the late 1990s, foreign capital entered into

a set of partnerships with Tunisian capital whether through initiating new projects or privatizing already-existing ones to infiltrate the local market especially in the sectors of telecommunications, retail trade, banking, cement, and tourism. Structural reforms tied the fate of a large section of Tunisian local bourgeoisie to foreign capital, which drove this section to oppose any reforms towards social and economic justice that would harm its interests. Under pressure from the revolution and because the ruling clique had started to harm its interests, this part of the local bourgeoisie supported ben Ali's ouster, but was at the same time not ready to allow the revolution to make further gains.

It was important for the bourgeoisie at the time to side with the state against the revolutionary threat. This was demonstrated in the way ben Ali was replaced as soon as he left Tunisia and even before his plane landed in Saudi Arabia where he took refuge.

In addition to the state, the interests of the Tunisian bourgeoisie were protected by another entity: The Tunisian Confederation of Industry, Trade, and Handicrafts. The confederation organizes the ranks of the local bourgeoisie and mediates between rivaling groups and individuals within it. The confederation acts as a lobbying political power that works on promoting its class-oriented ideologies. After the revolution, the confederation suffered from turmoil as a result of the removal of figures associated with the ruling clique, yet soon after it regained its previous position in support of the regime and started rejecting the revolution's social and economic demands.

Several local capitalists, or businessmen as they are commonly called, are at the head of smuggling networks that dominate entire regions or monopolize specific smuggling businesses. These are among the most prominent supporters of the regime as long as it would turn a blind eye to their illegal activities. It is, therefore, no surprise that the current Tunisian president proposed to the parliament a draft law that acquits smuggling moguls and other figures involved in corruption cases with the former regime through an accountability committee formed for this purpose and operating with utmost secrecy. This is done under the banner of national reconciliation and justified by the

need for pumping money into state treasury. This development demonstrates how the restoration of the old regime requires reconciliation between despotic authorities and corruption networks.

Local capitalists have, therefore, managed to form once more lobbying groups that enable them of putting pressure on the political establishment and the media to promote their ideologies and facilitate their projects.

The Salafi movement as counterrevolutionary:

Since its inception, the Salafi movement has been a reactionary intellectual and political power that opposed all sorts of liberal and progressive developments. Salafists used religious discourse to disguise an inherent hostility to demands of the majority of people, especially the underprivileged. A social revolution was rejected by the Salafists owing to the progressive ideas it would promote. Yet, they were not hesitant at all to ride the revolutionary waves in both Egypt and Tunisia in order to benefit from the changes they introduced.

It was not long before their masks fell and the true face of Islamists was revealed since it became obvious shortly after they came to power how opposed they are to the social justice demands the revolution called for. They also proved that they are as subordinated to foreign powers as was the former regime in Tunisia, which was seen in a set of agreements they signed to support structural reforms including those related to state budget, which in turn signaled the return of austerity measures. Islamists refused to look for alternative solutions that would work on rechanneling financial resources in a way that serves social demands, empowers local markets, and supports local production. They focused, instead, on protecting the interests of foreign capital whose influence started growing once more in Tunisia.

This counterrevolutionary policy constituted a revival of the old regime. This was especially clear in the way the Islamist government supported the European Union's neocolonial project through expanding the partnership program, launched with ben Ali in 1995, and commending the IMF proposal that recommended initiating structural reforms that were even harsher than those implemented during the ben Ali era.

In parallel to the growing tendency to support the hegemony of foreign capital in Tunisia, the Islamist government worked on criminalizing social movements and accusing protestors who called for social justice of treason. The government specifically antagonized the Tunisian General Labor Union and a number of government supporters attacked and vandalized several of the union's offices in different parts of the country. The war Islamists waged against the union reached its peak when a group of people affiliated to the so-called Committees to Defend the Revolution, known for their close ties to the Islamist Nahda Party, stormed the union's headquarters and assaulted a number of its members.

The social conditions of Tunisians started deteriorating. This was especially embodied by rising unemployment rates and a remarkable decline in the purchasing powers of working classes, which in turn led to growing poverty.

The stance of Islamists on social justice demands put forward by the revolution led to the eruption of protests that called for their departure in the aftermath of the assassination of opposition leaders Chokri Belaid in February 2013 and Mohamed Brahmi in July 2013. There were also protests against the taxes imposed on small transportation in January 2014 and which expedited the resignation of the troika government. This was followed by the October 2014 legislative elections in which Islamists lost 30 seats in comparison to the October 2011 elections.

2. External counterrevolution powers:

The regimes of Mubarak and ben Ali embodied all the negative social and economic impacts of a system that works on weakening local economy, minimizing the state's economic and social roles, impoverishing citizens, and obstructing the establishment of a democracy. All these factors set the stage for foreign capital¹⁴⁸, which was marketed as the benefactor and the savior. Foreign capital was promoted as a vital source

148 Ali al-Kenz, Hakim ben Hammuda, Abdel Ghani Abu Hani, and Abdel Nasser Gabi. "Society and the State under the New Capitalist Policies: The Maghreb." The Center for Arab and African Research, series under the supervision of Samir Amin, Cairo: 1997. P. 143.

of foreign currency whether via direct investments or loans and as a means of offering new job opportunities and reviving exports. Foreign capital was, therefore, presented as a supporter of people's aspirations while, in fact, it is the exact opposite; it was the main supporter of oppressive regimes and a major beneficiary of its policies. This means that foreign capital was among the main reasons that drove Tunisians to rise against the regime and will keep obstructing the fulfillment of people's demands after the revolution.

Tunisian elites, including progressive figures, are not in a much better position for while they acknowledge the exploitative nature of foreign capital, they deal with it as a destiny that cannot be reversed and consider any attempts at eliminating it unrealistic. It is, in fact, better from their point of view to resume dealing with foreign capital, curry favor with it, and attempt to make the best of it. In other words, the stance on foreign capital remains positive after the revolution and justification of the ailments it brought upon society and local economy continues.

These elites, which had previously blamed average citizens for not taking an action against the despotic regime, are now too helpless to effect a change that would respond to the revolution's demands. They, instead, prefer to be subordinated to foreign powers.

Within the past quarter century, the capitalist experience in Tunisia proved to be opposed to social justice demands. This explains capitalist persistence in developing stricter structural reforms and resuming austerity measures in order obstruct the achievement of social justice.

III- Progressive powers' inability to defend social rights

1. Democratic and progressive powers' abandonment of social justice demands:

A large segment of progressive powers that initially supported social justice demands in Egypt and Tunisia have now withdrawn to a defense position and abandoned initiatives to push for social and democratic reforms that constituted the

main demands of the revolution. A sizable portion of those powers even went as far as condemning the factions that kept struggling for social justice under the pretext that protecting the civil state against the Islamist threat is the topmost priority at that stage.

The coming to power of Islamists for the first time in Tunisian and Egyptian contemporary history raised concerns over the establishment of new autocracy under the banner of religion. These concerns coincided with unprecedented social and political turmoil which, in its turn, started weakening the then incumbent regime. All these factors contributed to the urgency of protecting the state and its republican and civil character.

The revolutionary experience in Tunisia saw a significant part of the democratic movement abandoning social justice demands put forward by the revolutionaries and even met with rivaling powers that opposed those demands under the pretext of protecting the state from the Islamist danger. This withdrawal of progressive powers constituted a grave danger to the future of post-revolution Tunisia since their role in achieving revolutionary demands was essential especially in the presence of a double threat—political Islam and the return of dictatorship. The problem at that point concerned the guarantees that political power would be transferred to a regime that is really different from that against which people staged a revolution.

The post-revolution reform program was, therefore, stripped of its social and economic dimension not only under the pretext of protecting the state but also claiming that fighting corruption and unemployment requires a lot of time and is contingent upon the economy's ability to achieve high and constant growth rates. This not only weakened the revolutionary front, but also isolated those progressive powers from the people who saw that they no longer represent them.

2. The left sides with the revolution:

Leftist powers, whether as political parties or trade unions, declared their full solidarity with the revolution and their unconditional support of all its demands. However, the intervention of capitalist powers, manifested in their insistence

on imposing harsher policies that undermine social justice, rendered the left incapable of influencing the post-revolution political and social agenda. It was also unable to mediate in the conflict between revolutionary factions that hold on to their social, economic, and political demands as the means of erasing the traces of the old regime on one hand and the powers that work on undermining the revolution through restoring this regime on the other hand.

Among the factors that led to weakening the leftist front in particular was the shock of the entire democratic camp upon the coming to power of Islamists and the subsequent tendency towards establishing a religious state. Added to this is the fact that a number of figures from democratic factions joined the liberal right-wing, particularly the currently ruling party Nedaa Tunis. Several leftists also changed their priorities as they gave precedence to protecting the state over achieving social justice and in the process stopped condemning capitalist policies and the flagrant intervention of international financial institutions and the European Commission in Tunisia's domestic affairs.

The weakening influence of leftist powers became clear in their inability to enact their political and social agenda and resist opposition from their rivals. This was to a great extent the result of their inability to understand the nature of society and the current regime, which in turn made them unable to back their demands with the pragmatic political alliances necessary to achieve them. Leftist powers also lacked vision in relation to the steps that need to be taken in order to reach social and political change. Trade unions were the only exception since they were distinguished by their continued post-revolution struggle for the purpose of meeting the demands of the working class such as wage increases, professional promotions, working conditions, and the right to organize. This resulted in considerable successes that proved the possibility of defeating media campaigns and political lobbies that aim at undermining social movements and criminalizing syndicated struggle. However, trade unions still need to translate their achievements to a more generalized social and democratic program that can be implemented on the political level.

3. Towards the realization of social justice demands:

The current regime demonstrated its reluctance to respond to social justice demands that have been voiced for decades and little has changed since the eruption of the revolution. The regime is not working on responding to even urgent demands such as providing job opportunities, eliminating poverty, and dealing with inflation. It is, therefore, clear that there is a direct link between obstructing social justice and the continuation of global capitalism. This means that social justice cannot be achieved without operating within a revolutionary dynamic and taking a revolutionary path in order to overstep the boundaries of the current regime and establish a new system that prioritizes social justice.

The Tunisian working class has demonstrated throughout the past few decades an enormous ability for struggle and patience and displayed traits that are indispensable in revolutionary struggle: independence and the power of self-determination. The experience of social struggle in Tunisia has also proven that without social justice, it is impossible to evaluate the success and sustainability of any social and economic system.

What about social justice?

The Arab Spring between European intervention and Arab aid

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Social justice is still the main demand of Arab people. Even though the term “social justice” is becoming increasingly broad and inclusive of a wide range of policies and concepts and even though it has been clichéd by political parties and factions¹⁴⁹, it remains the indicator of reform in Arab Spring countries and the proof of harmony between state policies and popular demands.

Economic, social, and financial policies, however, remained in the same track that gives precedence to growth over justice of distribution and encourages the accumulation of wealth in the hands of a minority while overlooking the abject poverty in which large segments of society are currently living. The same promises were given over and over again, pledging that the poor will eventually benefit from this accumulated wealth that will provide better job opportunities and launch development projects. These promises never materialized and post-revolution governments, especially in Egypt and Tunisia, failed to respond to social justice demands whether through the fair distribution of wealth or the division of labor amongst citizens. The continuation of the same economic and social system could be attributed to several reasons, some of which are linked to the choices made by the governments that took over following the revolutions and this applies particularly to Egypt and Tunisia. This paper mainly focuses on the pivotal role played by European and Arab interventions in shaping the

149 Salameh Keileh. “Social Movements and the Concept of Social Justice in the revolutions of the Arab region.” *Social Justice: Concept and Policies after the Arab Revolutions*, 2014. Arab Forum for Alternatives et. RLF.

http://afaegypt.org/English/index.php?option=com_k2&view=item&id=71%3Asocial-justice-concept-and-policies-after-the-arab-revolutions#.ViPVtbJtFJ

economic policies of Arab Spring countries. However, it is important to note that post-revolutionary governments chose market economy and were not forced to as it is sometimes argued. It is also important to examine the balance of power in Arab Spring countries to explain why post-revolutionary governments chose to follow in the footsteps of Mubarak in Egypt and Ben Ali in Tunisia, hence overlooking the various alternatives offered by the experiences of other countries and which are known to decision-makers in both countries. A set of questions, therefore, need to be asked about why those governments overlooked people's social and economic demands, did not work on protecting the poor, did not stop the privatization of the public sector, did not redistribute wealth justly, and did not reverse the liberalization policies applied to the sectors of agriculture, energy, and infrastructure.

Amongst indications that post-Arab Spring governments chose to adopt older policies once more is Egypt's acceptance of the conditions of the International Monetary Fund (IMF) and the implementation of its economic recommendations such as endorsing subsidy cuts and tax increases in order to get the loan that had been negotiated since 2012¹⁵⁰. Tunisia was not really different from Egypt. True Egypt signed the loan agreement while Tunisia only signed the framework agreement, yet both countries are abiding by the IMF recommendations.

This means that a delicate balance was struck between the choice of post-revolution governments and foreign interventions which did not impose those policies in a direct way, but rendered them the channel through which post-revolution governments are to be internationally recognized. The Deauville Partnership with Arab region in Transition, launched by the G8 in 2011, even went as far as leaving no choice for the target countries and imposing its own vision of development.

This paper will examine the role of international interventions in maintaining pre-revolution policies that abort the revolutions' attempts at creating economic alternatives capable of meeting

150 "IMF's Lagarde: Right Policies Key to Meet Egypt's Economic Goals and Reforms." *Egypt Independent*. March 13 March, 2015: <http://is.gd/lsWVj0>

the demands of the people. An economic change that caters to popular demands would undermine the European Union's ability to exploit the Arab region as an additional market to its products. Although the Arab Spring revealed the role played by European countries in determining economic policies in the Arab region, it also highlighted the role of Arab countries, particularly in the Gulf region. Gulf countries became a key player in the Arab region in the post-revolution era, which was especially demonstrated in the role of Gulf investments and even the imposing of certain economic policies that would serve Gulf interests. This has been particularly obvious in Egypt. The role of Gulf countries has acquired extreme significance after Saudi Arabia, Kuwait, and the United Arab Emirates have become the most prominent donors in Egypt. Their role as donors has, however, been paralleled with their status as foreign investors to whose terms and ambitions Egypt has to succumb. In this context, the paper will also examine the way in which the influence of Gulf countries has exceeded that of the European Union in Egypt with their full support for the June 30 regime, which toppled the Muslim Brotherhood, and their intervention in re-shaping the map of economic policies in the country.

Despite the similarity between the tendencies of both the European Union and Gulf countries as they both support economic liberalization policies, internal loans, austerity measures and expenditure cuts as a means of covering budget deficit, and subsidy cuts, the differences between them are too obvious to be overlooked. European Union laws guarantee a reasonable degree of transparency and involve significant consideration for the interests of citizens outside its borders in accordance with the Treaty of Lisbon that regulates the union's work in different fields. Being comprised of countries ruled by democratic regimes, citizens of member states have the power to hold their governments accountable for mismanagement of the Southern Mediterranean or Arab region and openly object to their governments' policies there. The European Union does not also interfere directly in the policies of its neighboring countries. This is not the case with Gulf countries where all talks and

negotiations take place behind closed doors so there is no transparency, no popular participation, and no room for objection.

This paper constitutes a warning to Arab civil society and activists of the intervention of the most powerful entities in the region at the moment: the European Union together with international organizations such as the IMF and countries of the Arabian Gulf especially Saudi Arabia, Kuwait, and the United Arab Emirates.

European interventions: From neighborhood policies to economic recommendations and cash flows

The relationship between the European Union and the Southern Mediterranean has always been based on the first encouraging the second to embrace market economy, which in fact prioritizes European interests in the Arab region. This is mainly done through loans from European institutions and governments and overstated guarantees for European investors in the region. For this reason, it was not a surprise that right after the Arab Spring the European Union pledged to start negotiations on comprehensive free trade agreements with Egypt, Tunisia, Morocco, and Jordan under the pretext that those agreements are bound to achieve the social justice and development demanded by the revolutions¹⁵¹. European civil society and Arab activists objected to the European Union's plan that not only maintains pre-revolution policies, but also expands them to the service sector that still enjoys state protection from competition with foreign investors in most of North Africa. Critics of this strategy argued that by doing this, the European Union is only attempting to retain its control over Arab Spring countries before they look for alternative systems that would achieve the social justice they are after.

151 TNI. "The EU Trade and Investment Agenda: Quashing the Aspirations of the Arab Spring?" The Transnational Institute (TNI), the Center for Research on Multinational Corporations (SOMO) for the *Seattle to Brussels Network* (S2B). 2013. <http://is.gd/9dFM6N>

The G8 played a similar role through the Deauville partnership¹⁵² that was signed on May 26-27, 2011, a few months after the toppling of Mubarak's and Ben Ali's regimes in Egypt and Tunisia, respectively, and during uprisings in Syria, Libya, Morocco, and other countries in the region. The Deauville Partnership included G8 member states, the most prominent financial institutions such as the World Bank, the International Monetary Fund, and the European Bank for Reconstruction and Development. The partnership was at the time clearly striving to establish a set of rules guaranteeing that Arab region in the transitional phase would join the global economic system¹⁵³.

One of the most important questions here is whether Arab countries took part in the Deauville Partnership and engaged in negotiations for trade agreements with the European Union on their accord or were forced to. If Arab countries forcefully became part of the agreement, then governments need to be supported by their people in order to face European exploitation together. However, if it was a voluntary step, then it is necessary to examine the local and regional factors and balances of power that led to this end, which technically declares the failure of the Arab revolutions in changing the economic system and improving the living standards of citizens. There is not one simple and direct answer to this question for the answer depends on the country, the foreign party, and the tool used for intervention. In all cases, Arab governments cannot be absolved of their responsibility of making these interventions possible and prioritizing the interests of foreign powers and local capitalist classes over those of their own people. Therefore, both foreign powers and the Arab governments that cater to their needs are equally accountable for interventions.

European interventions took a different shape in the transitional phase. It is possible to classify these interventions into two main

152 Deauville Partnership with Arab Countries in Transition. The World Bank. STAR. <http://is.gd/AjgF2h>

153 Ibid.

categories. The first are interventions through the European Neighborhood Policy, which is one of the most prominent frameworks regulating the relationship between the European Union and the Southern Mediterranean. The policy, which includes Egypt, Jordan, Libya, Syria, Algeria, Tunisia, Palestine, Morocco, Lebanon and Israel, acquires more importance with the growing influence of the European Union on the policies of individual European countries. For example, the Neighborhood Policy replaced bilateral relations between France and Morocco, Germany and Egypt, and so on. According to the European Union, the main purpose of the policy is to strengthen political relations and achieve economic integration in a way that serves mutual interests, democracy, the rule of law, and social solidarity¹⁵⁴. The European Union and neighboring member states agree on annual working planes that in addition to the afore-mentioned purposes should protect human rights and respect market economy. These two last factors have always constituted a point of contention since market economy in its totality triggers a violation of citizens' social and economic rights and austerity measures resulting from EU recommendations increase poverty and widen the gap between incomes and living standards.

Although the European Neighborhood Policy calls for respecting citizens' rights and achieving justice, the European Union's definition of human rights does not include social and economic rights since it is always reduced to electoral rights and the right to fair trials. For example, the European Union expressed its reservations on the new NGO Law and the penalties imposed on the receipt of local or foreign funding¹⁵⁵ and on the military trial of civilians in Egypt as well as lack of initiatives for the development of the security sector in Egypt, Tunisia, and Lebanon¹⁵⁶. The policy also includes

154 European Union External Action. "European Neighborhood Policy (ENP) http://eeas.europa.eu/enp/index_en.htm

155 European Commission. "Joint Staff Working Document. Implementation of the European Neighborhood Policy 2014". <http://is.gd/kvtAZkp>. 6, 7

156 European Commission. "Joint Staff Working Document. Implementation of the European Neighborhood Policy 2014". <http://is.gd/kXqOMNp.7>

recommendations on women and children's rights across the Arab region. As for other rights, such as the right to shelter, education, and work, the policy only provides an analysis of the economies of neighboring countries that include, for example, growth rates and budget deficits. The European Union believes that the problems of the Southern Mediterranean can be solved through attracting foreign investment and taking loans from international financial institutions, especially European ones on top of which is the European Bank for Reconstruction and Development¹⁵⁷. This reflects the priorities of the European Union's economic policies, which solely depend on growth as an indicator for the success of an economy and analyze economic conditions in Arab countries through indicators that do not include how far citizens are reaping the fruits of this growth or how fairly wealth is distributed. That is why it is not surprising that the European Union's analysis of economic policies in Egypt between 2007 and 2013 supports neo-liberal economic policies on top of which is privatization, amendment of tax and investment laws, restructuring subsidy plans in order to cover budget deficits, and approving IMF loan and recommendations¹⁵⁸.

In addition to the European Neighborhood Policy, European intervention in Arab Spring countries takes the shape of cash flows through the European Bank for Reconstruction and Development and the European Investment Bank. This kind of intervention serves more to highlight European interests. For example, the European Investment Bank is the biggest lender in the Middle East and North Africa since it lent around 13 billion euros to the region between 2002 and 2011. The main recipient of the loans from the European Investment Bank was

157 European Commission. "Neighborhood at The Crossroads: Implementation of the European Neighborhood Policy in 2013". Joint Staff Working Document. Implementation of the ENP in 2013 Regional Report: A Partnership for Democracy and Shared Prosperity with the Southern Mediterranean Partners. March 27, 2014. P. 11 <http://is.gd/I0Ph6c>

158 European Commission. "Egypt: Country Strategy Paper 2007-2013". <http://is.gd/4AcuTU> Pp. 9-10

Tunisia with 31% of the total bank investments in the region¹⁵⁹. The bank's 2014-2020 work plans dedicated 9.6 billion euros to Arab countries in the Southern Mediterranean and the bank pledged that its investments in the region in 2014 only would reach 1.2 billion euros¹⁶⁰.

The transactions of European banks are problematic in many ways. The two afore-mentioned banks do not deal with the government or with the public sector, but only the private sector in a clear endorsement of privatization, which is one of the most controversial priorities of the European Investment Bank in the region. The privatization of public services increases the prices of these services, which makes it harder for average citizens to have access to education, healthcare, transportation, water, sewage, and electricity. In addition, a lot of questions have been raised about the sectors in which European banks are interested such as transportation, energy, and stock markets and how far those sectors are related to developmental purposes such as increasing production and providing job opportunities.

In Egypt, for example, a large portion of the European Investment Bank loans goes to the Credit Line of the National Bank of Egypt. This loan is promoted as one that contributes to the funding of small and medium projects in production sectors in Egypt. However, the developmental impact of this loan is quite far-fetched especially in the light of lack of transparency and the absence of any regulations that guarantee that the credit line supported by the loan would actually benefit the most underprivileged citizens and not only serve bank clients from upper classes.

Comprehensive free trade agreements remain the main problem for Arab people who aspire to achieve social justice. These agreements not only stipulate opening the borders between the EU on one hand and each Arab country individually on the other hand under the pretext of creating a

159 European Investment Bank. <http://is.gd/HDLYWS>

160 European Commission. "Joint Staff Working Document. Implementation of the European Neighborhood Policy 2014". <http://is.gd/kvtAZk> p.10

competitive edge and liberating the economy, but they also determine investment policies in each of these countries. This includes procedures that facilitate investment and which imply doing away with all forms of monitoring and bureaucracy, especially regarding allocating projects to foreigners and solving disputes arising from foreign investments¹⁶¹.

It is noteworthy that the European Union assigned a research company the mission of studying the effects of free trade agreements on Arab economies. The choice of the company was met with a lot of reservations since its methodology is known for not taking into consideration social and economic justice as success indicators. However, the resulting study still underlined the destructive impact those agreements would have on Arab economies. First, the EU is the Arab region's number one trade partner. For example, 30% of Egypt's trade is with the EU, 40% of Morocco's trade is with France and Spain, and 70% of Libyan trade is with the EU¹⁶². That is why any change in the trade pattern between the EU and the Arab region is bound to have a profound impact on Arab economies. The report prepared by the research company noted that process industries in specific countries will be directly affected by opening the market with the EU. For example, process industries in Egypt will decline by 70% after the agreement is put into effect and Tunisia and Morocco by 65%. The same study expected a rise in unemployment rates following the implementation of the agreements by around 3% in Jordan and 8% in Egypt¹⁶³. It becomes obvious, therefore, that European intervention has a direct effect on citizens' lives, job

161 For more information about Egypt's response to procedures to facilitate investment see this report: "Above the State: Multinationals in Egypt [Arabic]." The Egyptian Center for Economic and Social Rights, 2015: <http://is.gd/eunEGO>

162 TNI. "The EU Trade and Investment Agenda: Quashing the Aspirations of the Arab Spring?" The Transnational Institute (TNI), the Center for Research on Multinational Corporations (SOMO) for the *Seattle to Brussels Network* (S2B). 2013. <http://is.gd/9dFM6N>

163 TNI. "The EU Trade and Investment Agenda: Quashing the Aspirations of the Arab Spring?" The Transnational Institute (TNI), the Center for Research on Multinational Corporations (SOMO) for the *Seattle to Brussels Network* (S2B). 2013. <http://is.gd/9dFM6Np>.

opportunities, and living standards. Yet, if the European Union prioritizes its interests over those of the citizens of Arab Spring countries, where do the governments of those countries stand? And why don't they review their policies and consequently stop giving in to the European Union at the expense of the aspirations of their people?

Arab interventions: Gulf states from aid to conditionality

Despite being a major player in Arab Spring countries, the role of Arabian Gulf states is often overlooked or at least not examined in its entirety since there is more focus on political influence and almost none on the economic. The transitional stage in Egypt offers the best example of the direct impact of the intervention of Gulf states on the economy.

Gulf states played a major role in supporting regime change in Egypt following the June 30 protests. In addition to political support, financial aid, whether in the form of cash or commodities, almost amounted to 117 billion Egyptian Pounds, according to the Egyptian Ministry of Finance, which means more than one fifth of Egypt's public budget in the fiscal year 2013-2014¹⁶⁴. This aid enabled the Egyptian post- June 30 government to survive despite the rise of budget deficit rates and the decline of revenue, thus creating a semi-stable economic and financial environment founded on support for the regime of Abdel Fattah al-Sisi. It is noteworthy that financial aid, whether in the form of loans or gifts, did not stop after the first year of the post- June 30 regime, but have continued till now. The United Arab Emirates, Saudi Arabia, and Kuwait offered Egypt in March 2015 an aid package that amounts to 30 billion pounds to support the public budget¹⁶⁵.

Gulf states did not only support the Egyptian regime through financial aid, but the United Arab Emirates in particular started taking part in different state-sponsored developmental projects

164 "Analysis of the Financial State of the Arab Republic of Egypt in the Fiscal Year 2014-2015 [Arabic]." The Egyptian Center for Economic and Social Rights: <http://ecesr.org/wp-content/uploads/2014/07/Fin-Stmnt-2015-ECESR1.pdf>

165 Gulf News. "UAE offers \$4b to help boost Egyptian Economy". March 2015. <http://is.gd/o8sPqi>

in Egypt to endow this regime with a developmental nature. The Emirates took part in the construction of around 100 schools in the countryside and 70 health units and provided 600 public transport buses in 2015¹⁶⁶. The Emirati contribution in basic developmental projects of that sort dates back to the Mubarak era, which it supported financially too. For example, in 2008 Sheikh Khalifa bin Zayed Al Nahayan sent 850 tons of wheat to Egypt to help the government in facing price hikes and food problems¹⁶⁷. This kind of aid, therefore, was not exclusive to Sisi's regime and that is why it has been an important component of the relationship between Egypt and the UAE for a long time. This applies to other Gulf states as well.

Gulf investments in the Egyptian markets have been another significant component of the relationship between Egypt and the Gulf region. On one hand, Egypt has been keen on catering to the needs of foreign investors, especially from the Gulf. On the other hand, direct investment from the Gulf constitutes for the Egyptian government an indicator of the success of its policies. Direct investment from the Gulf, hence, becomes the aim and not the means and everything is permitted in order to reach this aim even if at the expense of transparency, justice, and accountability.

The Economic Conference that was held in Egypt in March 2015 was not just an idea proposed by Saudi Arabia, by late King Abdullah to be specific¹⁶⁸, but was also directly funded by Saudi Arabia, the UAE, and Kuwait through their investors who were the official sponsors of the conference¹⁶⁹. Then came the role of those same countries as contributors in the conference with each of them pledging to launch investments that amount to 4 billion pounds in specific sectors proposed by the Egyptian

166 The National. "UAE backs economic resurgence in Egypt". August 4, 2015.

<http://is.gd/EodiSX>

167 Gulf News. "Food Gift: Most Wheat Offered to Egypt Delivered". August 31, 2008, <http://is.gd/vW5wbR>

168 Bayoumi, Alaa. "Analysis: Will Investment Solve Egypt's Economic Woes?" Al Jazeera. March 13, 2015. <http://is.gd/BQSGmO>

169 Saudi Arabia PR. "Unveiled as Platinum Sponsor for Egypt Economic Development Conference "Egypt: The Future." March 2, 2015. <http://is.gd/4M6qfa>

government, on top of which were infrastructure and energy. The conference also declared the launching of megaprojects such as the new capital that started with a memorandum of understanding with Emirati businessman Mohamed al-Abbar, yet Egypt backtracked on this exclusive partnership and opened the door for more partners after announcing that Abbar was late in proposing an outline for the new capital¹⁷⁰.

The Million Housing Units project is one of the most important investments that highlight the political and economic role played by the Gulf, particularly the UAE, in this case. The project, comprised of the construction one million housing units for low-income youths across the country, started as a pledge made by Sisi to Egyptians during his 2014 electoral campaign. The UAE took this project over through the Dubai-based Arab-tec Construction L.L.C, known for the construction of Burj Khalifa for Emaar Properties¹⁷¹. It was at this point that the project looked replete with contradictions. On one hand, the project is for low-income youths, but on the other hand it has become a Gulf investment. The question that posed itself was about how a developmental project that is supposed to be implemented by the state to serve its citizens could turn into an investment project carried out by the foreign private sector.

This was not, however, the only remark on this project and its likes, for another two remarks were of extreme importance. First, the Egyptian Army and not only the Egyptian government is Arab-Tec's partner in this project, which means that Arab-tec was not chosen through a bid where it proved to have provided the best offer, but was rather chosen directly by the Egyptian Armed Forces. This raises a lot of questions marks about the role of the state in ensuring transparency and how far the project is subjected to monitoring entities, on top of which is the Accountability State Authority, as well as the monitoring of the people and the upcoming parliament. Second, Gulf aid to Egypt

170 Yasmin Samra. "Egypt Cancels MoU with UAE Alabbar to Develop Administrative Capital." *The Cairo Post*. September, 7 2015. <http://is.gd/X1qNxp>

171 Reuters. "Egypt's Stalled \$35bn Housing Scheme: Big Dreams to Harsh Realities." *Egypt Independent*. October 8, 2015. <http://is.gd/wVw0gK>

has an important side to it: conditionality. The question that poses itself is how far Egypt is ready to abide by the conditions and recommendations of Gulf donors to guarantee that investments, loans, and commodities will keep flowing. The latest amendments to the Egyptian Investment Law underline the growing role of Gulf states in shaping Egypt's economic policies, especially investment policies. Saudi investors proposed a draft law to interim president Adly Mansour in January 2014 and where they proposed substantial amendments to law number 8 for the year 1997 on investment guarantees and incentives. Among the most significant proposed amendments were restricting the right to contest investment contracts in court to the minister of investment, adding an article that gives investors from the Gulf Cooperation Council the right to sue Egypt before international tribunals in case of failing to meet its commitments, and protecting all incentives and guarantees investors obtain from any new laws that might reduce them. Investors also wanted to add an article stating that if the Egyptian judiciary annuls an investment contract between the Egyptian government and a Gulf investor, the government has to sign another contract with the same investor under the same conditions stated in the annulled contract. This means that investors not only wanted to immunize their projects from monitoring, but also wanted the government to overstep court rulings. What is more striking is that Mansour had actually issued an amendment to the law that secures the investors' demands two months following the submission of the proposal. After Sisi was elected in mid-2014, other amendments were introduced. On the eve of the Economic Conference, held in March 2015, Sisi issued a set of legislations that responded to the demands of foreign investors, especially from the Gulf region, such as reducing taxes on investors and protecting their investments from state intervention, including legislative and judicial entities¹⁷². The new legislations catered even more to the needs of investors from the Gulf region, especially the Emirati Arab-tec, such as doing away with bureaucratic procedures including the

172 For more analysis of the Investment Law see "Above the State."

assignment of projects through a bidding process, thus cancelling the law that regulated the bidding process for investment contracts and which is administered by the state (Chapter 5, articles 71, 72). These changes opened the door for corruption and the preference of “friendly” investors to others.

It is necessary in this context to examine how far Gulf states are capable of meeting Egypt’s financial demands, especially in light of the oil crisis. Many companies and investors from the Gulf did not find in Egyptian banks enough cash to support their projects in Egypt and could not secure the necessary cash from their countries. This explains the presence of several incomplete projects in Egypt, on top of which is the Million Housing Units that is now put off because of lack of liquidity. Other projects that have the same problem include the first coal-operated power station assigned to the Emirati al-Nowais Investments¹⁷³. It is noteworthy that the total funds promised by Gulf states in the Economic Conference amount to 12 billion pounds, none of which materialized or was even mentioned by any of the parties. These developments question the ability of Gulf states to continue their financial support, especially with the global oil crisis¹⁷⁴. Lack of liquidity will not only stall Gulf projects in Egypt, but will also affect all forms of financial support that the Gulf region is offering to Egypt. The financial crisis the Gulf region is expected to face is not only confined to a temporary problem related to oil prices, but is rather a structural issue because of which Gulf countries might need to change their local economic systems of which subsidies and luxury are an integral part.

Free economy in the European Union and the Gulf Cooperation Council against social justice in Arab Spring countries:

Despite the difference between European and Gulf interventions and the difference between the frameworks

173 Reuters. “Egypt’s Stalled \$35bn housing scheme: big dreams to harsh realities.” *Egypt Independent*. October 8, 2015: <http://is.gd/wVw0gK>

174 El-Shewy, Mohamed. “What’s Behind renewed Egyptian Saudi Ties?” Carnegie Endowment for Peace. October, 15 2015: <http://is.gd/2UBUJb>

regulating the relationships between Arab Spring countries and the European Union or the Gulf region, there is one major similarity. Both types of intervention endorse free economy where the role of the state is minimal, competition is open, austerity measures are introduced, and tax policies mainly serve investors.

It is noteworthy that both the European Union and Gulf states apply some of the policies they recommend in Arab Spring countries to themselves. For example, Spain and Greece introduced austerity measures and the United Arab Emirates issued a decree to cut on fuel subsidies¹⁷⁵. The latter constitutes a significant development in subsidy policies in the Gulf and other countries in the region are expected to follow suit, especially with IMF recommendations to Saudi Arabia to cut down on expenses. Although Gulf countries have always subsidized fuel, services, and even wages in an attempt to replace democracy with luxury, they had to start changing this. That is why the Emirati decree is a turning point and confirms that open market policies endorsed by economic powers are not always sustainable.

Despite the adoption of austerity measures in some countries in the European Union and the Gulf region, recommendations for Arab Spring countries are still harsher and more radical than the ones they apply in their own countries. For example, agricultural subsidy still constitute half the value of subsidies in Europe whereas they almost disappeared in most Arab countries and subsidies on public services and wages maintain high living standards in the Gulf region. Egypt, Tunisia, Morocco, Jordan and other countries seem like guinea pigs through which the European Union and the Gulf region are testing those policies before they apply them to their own countries. Meanwhile, policies recommended by the European Union and the Gulf still obstruct the possibility of looking for alternatives to the current economic system or proposing a solution to the problem of the unfair distribution of wealth. In

175 "UAE Announces New Fuel Prices Amid Popular Concerns [Arabic]." *Al-Masry al-Youm*, July 28, 2015: <http://is.gd/CVSCiw>

fact, sheer thinking of alternative systems is now treated as a threat to national security and a challenge to the balance of power in the Arab region or even an endorsement of terrorism and incitement of rebellion.

From slogans to reality: International financial institutions and the struggle for social justice in the Arab region

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This article is interested in understanding the extent to which the ideas, policies, and finances of the World Bank and the International Monetary Fund represent a set of resources for Arab actors in their struggles for social justice. The need to explore and situate this specific role derives from several needs and motivations.

Despite the enormous power and influence of these institutions in setting normative policy prescriptions globally and on a bilateral basis within various Arab states, a clearer understanding and analysis of their specific roles is somewhat lacking amongst political and social actors within the Arab region. These organizations nonetheless remain active agents in proposing various economic and social reforms within the Arab region that supposedly aim to contribute to economic development and social justice, whether in states yet to experience revolutionary upheavals, such as Morocco and Jordan, or ones in the midst of doing so, such as Tunisia, Egypt. In the case of the latter, these propositions are in fact often the continuation of previous policies which its accounting has also yet to be carried out. And in that context, who can forget the beaming approvals of the IMF regarding the state of the Tunisian economy, only a few weeks before the eruption of the Tunisian revolution? No less than US\$1.3 billion have been committed to Tunisia alone since 2012 by the World Bank, while Egypt has witnessed a quadrupling in Bank commitments from US\$408 million in 2014 to 1.4 billion in 2015, according to

the World Bank website. These statistics indicate that these organizations are hardly sitting on the sidelines in the midst of regional turmoil. Moreover, their willingness to engage with the 'old' political arrangements, symbolized by the military junta of Egypt under Sisi, or Jordan and Morocco,) or the new post-revolutionary Tunisia, indicates their pragmatic conviction in pressing ahead with whatever is the local context, in an effort to advance their organizational agendas.

What do we know of this agenda? And to what extent does this agenda provide a resource or platform for political actors to advance social justice causes as an alternative to previous arrangements? What are we to make of how these organizations use language and policies that appear to illustrate concern for causes of social justice such as the need to generate employment, reduce poverty, improve basic services, and introduce accountability procedures?

Answering these questions retains high relevance in a context where these forces played important roles in constructing the Arab present, while they remain active in attempting to influence and direct the Arab region's future. In this regard, providing a clear answer for these questions can go a great distance in disclosing how political and social actors can more effectively define, design and implement their alternative visions while maintaining a realistic assessment of the various forces and ideas attempting to influence these processes as well.

Historicizing and Politicizing the World Bank and IMF

Assessing the role and contributions of the World Bank and International Monetary Fund in regards to social justice must begin with an understanding of what these organizations do, where they emerged from, how they operate and on whose behalf. Understanding the genesis of these organizations, their historical trajectories, the ideological and theoretical bases of their policy prescriptions, and their actual lived practices, is important for disclosing how these organizations play a role in organizing and influencing the economic and political activity of a given society, and whether or not this arrangement provides for a just distribution of wealth, opportunity and privilege.

Both the World Bank and the International Monetary Fund trace their origins to the United Nations Monetary and Financial Conference (the Bretton Woods conference) that took place in 1944 for the aim of establishing a new set of rules that would govern the post-WWII international monetary system amongst the 44 countries in attendance.

Among the conclusions of this conference was the establishment of the International Bank for Reconstruction and Development (IBRD) to help in the reconstruction of post-war Europe and which today offers loans to middle-income developing countries and the International Monetary Fund to ensure the stability of the international monetary system by tracking global and national economic trends, lending to countries with balance of payments difficulties, and providing “technical” help to member states. Over time, the IBRD established an additional International Development Association (1960) to give loans to poor and developing countries and the International Finance Corporation (1956) to provide direct loan assistance to the elements within the private sector. The World Bank Group¹⁷⁶ and the IMF are collectively termed the “International Finance Institutions (IFIs)” or when grouped with the World Trade Organization “the Bretton Woods Organizations (BWO)”.

The World Bank and the IMF have always played an important role in asserting US imperial hegemony and the economic and political dominance of advanced Western capitalist states over the economies of the ‘Third world’ or ‘global south.’ They are not, however, full appendages of the US government, but operate within specific guidelines that cover and reframe a US and Western agenda in sophisticated ways that nonetheless serve these same ends. While we shall see how this agenda gets served in due course, it is helpful to keep in mind the fact that the founding of these institutions at the end of WWII is an indication of how the US sought to capitalize upon the historical

176 The World Bank Group is composed of two other institutions: the Multilateral Investment Guarantee Agency (MIGA) and the International Centre for Settlement and Investment Disputes (ICSID).

moment to assert its power and agenda over the forthcoming global economic arrangements, including over Europe itself. According to US historian Charles Maier, “Spared the losses incurred by the other belligerents, the US inherited a chance to secure Western economic ground rules according to its own needs and vision” (Maier, 1978). Among its first priorities was to ensure that the reconstruction of Europe would not create opportunities for renewed conflict amongst or with European states, while equally working to stave off the appeal of communism. These efforts historically came to be known as “embedded liberalism,” whereby the US, through the Marshall plan and the IBRD, worked to politically orient European states and Japan through their developmental interventions. By providing support for an effective well-funded bureaucracy within these client states, the US worked to exclude communist parties from participation in governments and discourage collectivist arrangements where possible or at least contain them within acceptable Center-Left boundaries (Ruggie, 1983).

While US interests were the ultimate backstop of this arrangement, the US was really shepherding an arrangement whereby the Bretton Woods Organizations would oversee the proliferation of US dominated global capitalism, which equally protected the interests of the advanced economies of Western Europe and Japan. This power hierarchy would be preserved within the organizational structure and decision-making mechanisms inside the Bank as well.

Although the Bank’s structures and policies are supposed to reflect the will of its 188 member states, in practice power is actually controlled through a complicated formula that links voting in the Bank’s main decision making body – the board of governors - to the importance of a country’s economy as determined in measurements of national income, foreign reserves, and contributions to international trade. This has meant a historical marginalization of developing economies at the expense of democratic decision-making based on membership (one member, one vote). For example, even though African countries constituted 35% of the total membership of the World Bank by 1971, their voting power

stood at 8.6%. In contrast, North America, Western Europe and Japan controlled almost two thirds of the vote, despite representing only 20% of membership (Mason and Asher, 1973, p. 65).

Recent years have witnessed declared attempts on behalf of the Bank to implement “voice reform”, providing developing countries with a significant increase in their share of votes. These efforts however appear to have been little more than fluff. According the British economist, Prof. Robert Wade, “the new distribution of votes brings it only slightly more in line with the distribution of economic weight than in the past, and is much less of a change than the Bank claims” (Wade, 2013). “Voice reform” increased the share of developing countries from 34.67% to only 38.38%, while the developed (high income) countries retained more than 60%.

In all cases, the US consistently maintains more than 15% of voting power on the board in order to maintain veto power over majority decisions, which require an 85% special majority. It also has traditionally appointed the Bank’s President while the US always supports the European candidate nominated for presidency of the IMF. As Wade concludes, “the share of the United States and the Europeans at the Bank and the IMF will always be sufficient for them to protect their monopolies, provided they continue to support each other” (Ibid).

The alignment of the Bretton Woods organizations within the US and Western institutional orbits has also meant that these organizations have politically shadowed the political objectives of their masters. To begin with this meant that the Bretton Woods organizations were not to be held accountable to the United Nations General Assembly, as the recipient of its recommendations. This ensured that they maintained a closer political alignment to Western interests, which was especially important in the context of the Cold War. Throughout these years, the Bank repeatedly supported Western-backed military dictatorships and the neo-colonial endeavors of Western states themselves.

In 1947, for example, the Bank lent US\$195 to the Netherlands while it was waging war against Indonesian independence (Shawki and D'Amato, 2000). It also lent millions to apartheid South Africa and Portugal as they attempted to retain African colonies and strategic allies in Angola and Mozambique. Loans were also given to a slew of US-supported military dictators in Argentina, Chile, and the Philippines while the Bank equally cut lending to Chile when Salvador Allende was voted into office in 1972. (Lending was restored after Allende's overthrow and assassination, replaced in a violent coup by General Augusto Pinochet). In this respect, Bank lending to Arab dictators, both past and present, was no exception to the way these organizations acted and still act globally.

Policy Prescriptions

Having established the general historical and political orientation of these organizations, let us now turn to their policy prescriptions, which emerged and evolved in the shadow of changing US interests and priorities over time.

The Bank's overall development orientation has shifted over time to align with the political objectives of its main Western backers, together with the dominant economic tendencies fashionable at the time – fashionable in no small part because these economic trends also configured with these same political orientations.

A reading of the World Bank's lending by sector reveals that the earlier periods (the 1950s and 1960s) witnessed a heavy focus on infrastructure (largely in Europe) (see Annex 1). This however gradually gave way to focusing on agriculture, social spending and industry in parts of the developing world. The latter push was initiated during the Robert McNamara's presidency, beginning in 1968, with these interventions seen as important for "poverty reduction" and meeting "basic needs." At the time, India and Pakistan were the Bank's largest recipient of aid, as these countries were seen as key states that needed to be insulated from the influence of Russian or Chinese communist persuasion.

With the collapse of most state-led development models across the developing world by the mid-1970s, and the rising tides of public debt, the Bank emerged by the early 1980s with its third major agenda in the form of “structural adjustment.” The latter endorsed the application of generalized macroeconomic adjustments to all developing economies through ten key policy instruments that came to be known as the “Washington consensus” (see Williamson, 1990). These instruments included fiscal policy discipline, (i.e. no fiscal deficits relative to GDP); redirecting public spending (no subsidies), taxation reform favoring capital; floating (market-determined) interest rates, competitive exchange rates, trade liberalization, liberalization of inward foreign direct investment, privatization of state enterprises, deregulation, and the provision of legal security for property rights.

Adoption of these reforms was seen as necessary for the extension of loans, thereby imposing strong conditionalities that redirected the priorities, ownership and orientation of these economies, and the relation of their citizens to the decision making processes that governed their economic and social wellbeing.

At the heart of structural adjustments was the belief that stabilization, liberalization and privatization of indebted economies would lead to growth and development. Each of its elements was justified within the neoclassical economics worldview as a technical solution for “reducing inflation,” “eliminating deficits,” “eliminating price distortions,” and educing “efficiency.” In fact, these policies retracted various policy instruments that governments had to protect, plan and direct their economies, ensuring various interventions, protections and standards against the markets, and their failures. By removing these tools from government hands and standardizing policy prescriptions across states, the World Bank, backed by the IMF, positioned dominant international and local economic actors and interests to be able to benefit from these polices financially at the expense of the poor. This invariably would accelerate class formation as well as wealth transference and inequality.

This third policy push of the Bank, which constituted the hallmark of the neoliberal era, and was initiated under the political brinkmanship of Thatcher and Reagan and became notorious for the extent of cut-backs to state services in health, education and welfare, the privatization of state-held assets, and the push to monetize and marketize all forms of social interaction and exchange. The reduction of state intervention in the economy and in regulatory powers was supposed to push private sector actors to fill this service void. More often than not though, these policies led to the gutting of social provision, the enrichment of elites, class differentiation, and the organization of society on principles of profit and greed rather than on those of serving human need or protection of the underprivileged.

Invariably, the strong neoliberal turn of the World Bank in the 1980s under structural adjustment would reap disappointing results, even on their own terms, eventually forcing these organizations to adjust their approaches and focus once again (see Saad-Filho, 2005, p.116-17). Rather than fundamentally rethinking structural adjustment, however, the Bretton Woods organizations held on stronger to these principles and argued that states lacked the proper institutional configurations necessary to ensure synergy and take off. If the mantra under structural adjustment was the need to “get prices right,” the mantra of the fourth and current focus of the Bank is “getting institutions right.” A “post-Washington consensus” (PWC) was thus born to emphasize “institution building” and “good governance,” with these policies aiming to buttress the core tenets of structural adjustment. If proper governance arrangements could be put in place that ensured smooth and efficient market transactions; and if these were supported with the liberal macroeconomic arrangements that encouraged private investment, trade, privatization, and austerity while defending private property; then, growth and development could ultimately be achieved. This was at least the narrative and justification these institutions gave for their policies, propagating them across the world.

Neoliberalism and Social Justice

This brief history of the institutional history of the Breton Woods organizations as well as the main shifts in their developmental agendas provide valuable insights into understanding how questions of social justice fit into their agendas. In brief, the contemporary neoliberal agenda pushed by these institutions heavily pushes for the creation of idealized market conditions, which supposedly creates the opportunity for collective prosperity and social justice to arise. If governments don't interfere in the functioning of markets; remove regulations that hinder profit accumulation and create 'price distortions,' particularly regarding trade; put state-held resources in privatize profit-seeking hands; and finally cut governmental social welfare service provision so that the private sector can fill these roles, markets instead of governments are argued to be empowered such that they can meet the full spectrum of human need.

In this way, the requisite for most political practise and decision-making dissolves. Political issues and social needs become disaggregated into micro-issues that can be commodified and technically addressed through market allocation. Freedom becomes the ability to make an individual choice exercised in the market through the ability to buy or sell, rather than a concept linked to forms of structural oppression and individual or collective rights. Questions of social justice equally become reduced to questions about human agency, access to markets and consumption power. Social protections become reframed as "entitlements" and not rights while the entire process effaces dimensions of class stratification and power.

It is perhaps beneficial to begin by reminding readers that this highly idealized portrayal of how markets work has little bearing on reality. In fact it ignores the well-documented historical record whereby capitalism has consistently proven itself to be susceptible to crisis, especially in a climate where regulation is discouraged. Markets fail and the results, as we have seen all too recently, can be devastating. Existent information asymmetries and power differentials within society and between

'market actors' also heavily influence economic outcomes. The result is not a generalized trickle down of wealth and opportunity, or an equal distribution of opportunity and prosperity, but all too often the increase of inequalities. In fact there is now a well-established track record where neoliberalism has tended to reproduce a host of problems in the theatres of its implementation including increases in wealth concentration and inequality, increases in unemployment and underemployment, stagnant wages, decreased power of organized labor, crime rate increases, police, prisons, homelessness and begging, the erosion of civil liberties, the disenfranchisement of small businesses and farmers, increases in immigration, different forms of armed insurrection and resistance, the gutting of democratic processes, and alarming decreases in social solidarities (*adapted from* Looney, 2003).

If this is its legacy, then what accounts for these policies continually being pushed upon countries through World Bank and IMF lending policies, especially when they do not work?

Part of the answer can be found in what we have already described: the manner in which these institutions have always served US and Western capitalist interests. But this does not explain entirely why the US, and "Western capitalist interests" does not support fairer outcomes in these countries.

A general answer can be found in the competitive nature of capitalism itself – the struggle between different states and their capitalist classes for markets, resources, and labour. Cambridge economist Ha-Joon Chang has argued that virtually all of today's advanced capitalist countries did not get to where they did today by practicing free trade or embracing a *laissez-faire* industrial policy domestically themselves. On the contrary, they were highly protectionist in their early days, promoting their national industries through tariffs, subsidies, and other measures, ensuring their "infant industries" had a chance to develop to sufficient stage to be able to compete on a larger platform when trade eventually was opened up. In this respect, the advocacy of neoliberal prescriptions by the Bretton Woods organizations at an early stage of their industrial development is

the equivalent of denying emerging economies the opportunity to develop to a sufficient stage to be able to compete with the production of advanced economies. This in turn ensures the dominance of advanced capitalist states over emergent, underdeveloped states, and in turn the appropriation of the surplus value generated by this production. Chang describes this process as equivalent to “kicking away the ladder”, quoting the nineteenth-century German economist Friedrich List:

It is a very common clever device that when anyone has attained the summit of greatness, he kicks away the ladder by which he has climbed up, in order to deprive others of the means of climbing up after him. [...] Any nation which by means of protective duties and restrictions on navigation has raised her manufacturing power and her navigation to such a degree of development that no other nation can sustain free competition with her, can do nothing wiser than to throw away these ladders of her greatness, to preach to other nations the benefits of free trade, and to declare in penitent tones that she has hitherto wandered in the paths of error, and has now for the first time succeeded in discovering the truth (List, 1885, pp. 295–6).

With this general agenda at the heart of neoliberalism, we begin to understand how it become equally important to ensure that the ‘proper’ *political* arrangement exists within local governments to ensure that the ‘right’ set of policies are adopted.

Enter the World Bank and IMF with their “technical” and “non-political” agendas, replete with a comprehensive, self-referential system of rationalization to push these policies forward.

Their discourse and policies reframe traditionally political issues such as public sector management, accountability, transparency of the public sector, and legal frameworks, transforming them into “technical matters.” In doing so, they willfully blind themselves to the very political nature of these interventions in regards to how a society prioritizes its social needs and protects its citizens from power asymmetries and market failures.

Moreover, they also willfully blind themselves to the fact that under the neoliberal logic, a great deal of development praxis gets translated and managed through private sector hands, given the latter's centrality within the neoliberal logic as the main "dynamo" of change. This is highly problematic in so far as "private sector-led growth" – the mantra of these institutions - conceals who these actors are within political and social power hierarchies. It ignores the fact that economic elites and capitalist classes have vested interests in maintaining their capture of certain markets, or systems of exploitation, and may in fact work in concert with political and military elites to ensure the success of these systems. This more often than not is the case in contexts like the Middle East, where the problems generated by these policies in undemocratic, post-colonial, or colonial realities only multiply.

In these contexts, "free market economic reform" advocated by the Bretton Woods institutions is in practice really more of a "complicated readjustment of the networks connecting and combining a variety of property assets, legal powers, information sources and income flows," favoring elites (Mitchell, 2002, p.281). This contributes to capital and its associated neo-patriarchal social formations seeking avenues to turn quick profits, centering economies around sectors like tourism, real estate, food and beverages - a form of development akin to "casino capitalism" (Strange, 1986). The fixation on "private sector led growth" becomes a means to ensure that the logic of private profit making and elite enrichment animates economies, as opposed to the logic of national self-determination, national development, and movements for political rights and struggles for social justice. Social justice is sacrificed for local private self-enrichment and global political economic arrangements that subdue both democracy as well as the socialization of wealth and opportunity.

Conclusion

The particular character and articulation of these policies is specific to each state. It likewise becomes the obligation of actors working toward social justice to understand, decode and

characterize how these generalized critiques apply to their local settings. Once this has been undertaken, it becomes easier for social and political actors to identify and articulate where the contradictions of the arrangement lie – combining both theoretical and practical elements together in their analysis and work – and which is where activism needs to concentrate.

In this regard, it goes without saying that attempts to counter these policies must seek to ally the spectrum of those it disenfranchises, cutting across the various social sectors who are its victims. Neoliberalism accelerates class formation although this too often advantages the elite side of the equation while fragmenting the working class. It has also too often meant that pre-existing (vertical) social divisions within societies, for example along ethnic, sectarian, and tribal lines in the case of the Arab region. These divisions, in turn, over-articulate themselves at the expense of the (horizontal) class divisions. While this might be understandable as a form of coping mechanism within these social divisions, and in the context of the socio-political patterning of these deformed arrangements overall, it immediately erodes the social basis and strength of those fighting against this system, weakening their efficacy while entrenching these divisions overall. The result is the cruel and brutal sectarianism we witness gripping the Arab region today.

Alternatively the battle for social justice can only truly be fought and won by conscious social and political movements that combine and internalize an assessment of what they are fighting against, with what they are fighting for. This means they need to articulate these issues as deriving from a sense of personal and collective rights – protections from market failures, and as citizens entitled to basic standards of wellbeing – while combining this with a horizontal, class perspective – that the wealth generated on the backs of all its workers, should be shared fairly by those who produced it. Moreover, it needs to reframe the debate as part of a larger struggle against the articulations of these forces in their global and local articulations, equally seeking knowledge resources and allies from similarly disenfranchised working classes and movements elsewhere in solidarity. While there are many fronts on which

this struggle can be fought, and many means through which it can be realized – from political struggles for democracy, to economic struggles for workers’ rights – perhaps most important is to keep a general sense of awareness of the connectivity of these struggles and analysis, cutting against the efforts to disaggregate them and divide one struggle against the other. The latter has been a consistent tool of the neoliberal agenda, which only adds division upon an already fragmented social and political base. In that regard, patience, education, solidarity and the coordination of struggles within a long-term struggle become key elements of the actually turning slogans into reality.

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Annex 1

World Bank Lending By Sector

Sector	1950–59	1960–69	1970–79	1980–89	1990–94	1995–99
Agriculture	4	13	28	24	15	11
Finance and industry	13	12	16	18	10	13
Infrastructure*	61	64	36	29	26	21
Social**	0	4	13	15	27	26
Other***	22	8	8	15	22	28

Source: Kapur et al. 1997, 6; World Bank 1999b.

Note: Figures in columns are percentages.

*Infrastructure includes transportation, telecommunications, and electricity

**Social spending includes education, environment, population, water and sanitation, social protection, and urban development.

***Other includes oil and gas, mining, public sector management, tourism, multisector, and unclassified. After 1980, multisector lending was by far the largest type of lending in this category (for example 14% in 1990–94 and 16% in 1995–99).

Source: Stein, 2008, p. 11