

The Arab revolutions: any new paths from here?

Mustapha K. Nabli

North Africa Bureau of Economic Studies

Tunis, Tunisia

Paper to be presented at the 2014 Toronto Conference of the Institute for New Economic Thinking/Center for International Governance Innovation: **HUMAN AFTER ALL/Innovation/Disruption/ Society.**

April 10-12, 2014; Fairmont Royal York Hotel, Toronto

While successive waves of democratization over the last half century changed the political landscape in various regions of the world, the authoritarian regimes have maintained their hold on power in the Arab region. It is, therefore, understandable, that the uprisings which started in Tunisia in December 2010/January 2011 and spread throughout the region over the following few weeks and months have been called the “Arab Spring”. The Tunisian events seemed to open a new era of uprisings and political revolution in North Africa, and the Arab World in general. But the label of “Arab Spring” has been controversial and a positive outcome, with a sound democratic transition, has been elusive in most cases, and at best uncertain in others. This led some to even call it the Arab winter or Arab inferno. We prefer to designate these events as the New Arab Awakening.

While these events are unfolding and the political and social transformations are ongoing many questions continue to be subject of debate about their causes and implications. In order to understand further these recent events and their potential impact in the future we explore in this paper two questions.

First, how do the current events differ from previous and similar events in the region? Aren't they just a repetition of other past unsuccessful attempts at political opening and liberalization?

Second, in view of the recent changes, what are the prospects for a real democratic transition and broad based inclusive growth and development in the countries of the region? Will they open new paths for political and economic progress or will they be a repetition of other failed attempts?

Is the New Arab Awakening different from other previous uprisings in the region?

A broad review of the modern history of the Arab world, over the last two centuries reveals that the region experienced in its modern history three types or waves of “revolutionary” events or “uprisings” which can be compared to the current ones.

The first type relates to the First Arab Awakening spanning the period from mid-19th century to WWI, and more particularly the period around the First World War. Most of the 19th century involved intellectual positioning and arguments, with the major exception of the resistance movements to occupation in Algeria by Emir Abdelkader, and later on in Tunisia and Egypt. The most important movement, which mobilized population but was led by regional notables and officials, was the so-called Arab revolt 1916-1918 against the Ottoman occupier.

The second type of events relate to the uprisings and struggles against colonization or for independence which span the period from the 1910s until the 1950s. These were uprisings and revolts often led by charismatic leaders which either resisted the early phases of colonization or were part of more organized independence movements later on. They took place in almost all countries of the region, both in North Africa and the Middle East.

The third type of uprisings took place during the post-independence era, over the last 5 to 6 decades. Contrary to the previous types, these uprisings were against the countries’ own national governments. They were protests and uprisings which either contested the political regimes or were motivated by specific social and economic objectives or reaction to specific events such as increases in commodity prices.

The most recent uprisings share some features of past uprisings in the region but not others. For instance, the First Arab Awakening was a response to European threats, dominance and invasion as well as to oppression by the Ottoman Empire, and the struggle for independence was against colonial powers and external occupation. But the recent uprisings were not a response to external shocks, not against external forces, but were essentially against domestic regimes and put forward grievances and demands concerned with internal

matters. They are similar to the many uprisings which took place during the recent decades on the occasion of price increases of subsidized commodities in many countries ranging from Egypt, to Jordan, Morocco, Tunisia, Yemen or Algeria.

But we find that there are *five features* or characteristics which by their joint presence differentiate the events and developments in late 2010/early 2011 from all previous ones in the region. *In this sense the recent uprisings are not history repeating itself. They are a fundamentally new development.*

1. Sudden and unexpected uprisings

Whether in their starting in a small interior town in Tunisia or their expansion in larger and more urban cities the popular mobilization was broad-based and very rapid. The uprisings were popular, sudden and unexpected. They took by complete surprise both domestic and external observers. Many of the political regimes themselves were as surprised as everybody else as the events unfolded, and had little time to develop response strategies.

2. The movements were uniquely popular: no leadership, no ideological background

Unlike in the case of other previous movements the recent uprisings were, at least initially, mostly leaderless and had no ideological basis. No political parties or movements, active openly or underground, could be identified as major actors during the early stages of the uprisings. In Tunisia the popular movements did benefit from the support of the local labor union organizations. But it was mostly part of the grass-roots movements rather than a structured support.

3. Contagion

No similar event in the Arab region's history (or world history!) was so contagious. The wind of change and revolt extended quickly from Tunisia to impact significantly Egypt, Libya, Yemen and Syria. But the contagion went beyond to reach in a differential way other countries such as Bahrain, Morocco, Bahrain or Jordan.

4. They led to a quick and precipitous collapse of many regimes

While the long time political stagnation has always been a puzzle, very few could claim predicting such a quick and precipitous unraveling of so many

politically entrenched regimes. We argued elsewhere that these regimes became vulnerable as the old equilibrium came increasingly under pressure.¹ But this was a long way from being able to predict such a rapid collapse in four countries: Tunisia, Egypt, Libya, and Yemen.

The rapid collapse of long entrenched political regimes was unprecedented, especially that the earlier experiences, in Tunisia and Egypt, did succeed with no or limited use of violence by the popular uprisings.

But the impact was different on other countries. The uprisings in Syria transformed quickly into a violent conflict between the rebels and the government. The uprisings in Bahrain led to a violent repression. Other Arab countries were significantly impacted, although they didn't experience a change in the political regime. In Morocco, the King initiated a major constitutional reform to reduce his power and to increase the executive power of the Prime Minister. A similar process took place in Jordan. In the oil rich countries, governments increased social spending to buy peace and pre-empt social unrest.

5. Clear but broad demands

The youth and other groups came forward during the uprisings with simple and clear messages such as demand for bread, freedom, dignity, better opportunities, and better governance. This was a mix of political, social and economic demands striving for freedom, opportunity and justice. They did not have a concrete agenda or specific demands such as objecting to increased prices, or some other projects. At least, in the first two countries, Tunisia and Egypt, they had clear and broad messages and demands.

These five characteristics make the uprisings of 2010/2011 quite unique and unlike anything else which happened in the modern history of the region.

¹ See Mustapha K. Nabli and Hakim Ben Hamouda, 2014, *The Political Economy of the New Arab Awakening*, forthcoming in Justin Y. Lin and Célestin Monga, *Handbook of Africa and Economics*, Oxford University Press.

These features carry in them both the downside as well as the upside for the transition and its prospects

The hopes and dreams of the First Arab Awakening broke against the rock of European aggression, invasion, occupation, manipulation, deceit and colonization.

The hopes and dreams of freedom of the struggle for independence were dashed by the ascendance of authoritarian and eventually predatory regimes.

The hopes and dreams of the many revolts and uprisings in the Arab countries during the second half of the 20th Century were crushed by the incumbent authoritarian regimes.

Can the prospects of the current transition, which has been unfolding since the 2011 uprisings, be any different?

Sadly enough the events which have unfolded since the uprisings would strongly point towards a similar outcome: like so many other cases in history the Arab uprisings are not going to lead anytime soon to open and democratic societies or to more equitable development.

It is the very five specific characteristics of the New Arab Awakening, discussed above, which make for a weak likelihood for a transition towards stable and democratic societies.

The suddenness of the uprisings, the lack of leadership, the rapid collapse of the old regimes, the broadness and generality of the agenda and the heterogeneity of the groups which participated made the immediate actors unable to use the momentum of the “revolutions” in order to purposefully shape the next stage and produce a governing coalition. The initial actors were quickly displaced by other more long established or new ones.

The nature of the “transition” since the collapse of the political regimes in four countries (Tunisia, Egypt, Libya, and Yemen) and the continuing struggle by a fifth (Syria) has been shaped and will continue to be shaped by four challenges.

Three of the challenges are standard ones which are experienced in most attempts at democratic transitions. The fourth is specific to this region.

The first challenge is that of the standard counter-revolutionary pressures from the old regimes or the remnants of the overthrown regimes. These are able either

to resist and retain power or regroup and try to regain it. In both cases they are prone to induce instability and potentially the use of violence. Their role varies according to country ranging from full open violent resistance like in Syria, to other less open action like in Yemen, and even lesser and weaker role in Tunisia.

The second challenge is also a standard one in democratic transitions, where various groups and political parties try to shape the new rules which would favor them in the new political system. But building a consensus on the nature of the new political and social institutions is always complex and difficult. Lack of trust, limited experience and uncertainty about the relative weight of various actors makes reaching a consensus difficult, and sometimes elusive. It may lead to violence and long term instability.

The third challenge relates to the economic risks. During all transition experiences the early shock results in a collapse of economic activity and significant worsening of macro and financial balances. The speed and strength of recovery have varied considerably ranging from quick and strong recoveries which limit the cost of transition, to long and drawn out recoveries with huge costs.

But **the fourth challenge** is quite specific to the Arab Awakening. The aftermath of the uprisings saw the emergence of Islamist political movements as major players in the transition. After decades or being repressed and working underground they found a historic opportunity to work in the open and enter the contest for political power. But the most important implication has been the way their participation has shaped the political debates which have centered around issues of identity, societal choices and the role of religion. The old divide between secularists and Islamists became the central one and polarized societies. The irruption on the scene of violent and extremist groups made the situation even more complicated and worrisome.

The interplay among these factors and their relative importance has been shaping the outcomes of the transition which vary considerably across countries ranging from the worst to the somewhat hopeful.

The worst cases of failure already

We already know that in two cases the outcome has been disastrous. In the cases of Libya and Syria the uprisings led to civil war and widespread destruction and violence.

In Libya after a devastating civil conflict, which was only resolved with external military intervention, the fall of the Kaddafi regime left a power vacuum and the collapse of what remained from already weak state structures. The country has been evolving towards a failed state with widespread use of violence, and destruction of infrastructure and institutions. All four challenges interacted in a negative spiral driven in addition by the strife to control and capture the large oil rents.

In Syria a long civil war has been going on with no prospect for a solution. The full and strong resistance of the former regime together with the fragmentation of the opposing groups and the strong presence of violent religious groups interacted to lead to a chaotic situation. The regime remains in place, the violence and destruction have been staggering. The human, social, physical and economic cost has been beyond imagination. The failure is complete.

The fragile situation in Yemen

Yemen averted by a slim margin civil war during the early phases of the uprisings. While there was significant violence an agreement was found after a while for the old regime to leave and new transitional arrangements were put in place. The country has avoided the worst case scenario of Libya or Syria, but the transition remains fragile and domestic conflicts remain active. The supporters of the former regime remain active, fights among various political and ethnic groups are recurrent and the economic situation is dangerous despite large infusions of external financial support.

The diverging cases of Egypt and Tunisia

Egypt and Tunisia had the most similar experiences, but have been diverging recently. The two countries experienced the swiftest collapse of old regimes and the least violent transition during the first period. But from the start the role of the military distinguished the two countries. While in Egypt the military played a central role at the political level during the transition, the case was completely different in Tunisia where the military were not involved. But the four challenges we indicated above played fully in both countries and meant that the

transition was very complex and costly. In both cases elections resulted in Islamist led governments which led to instability, deepened social and political divisions and polarization and an aborted economic recovery.

By mid-2013 the two experiences diverged with deepened polarization, an exclusion of the Muslim Brotherhood from power and a greater role of the military. In Tunisia, it was possible to have a more consensual process despite the bitter polarization and increased violence.

In both cases the prospects for a genuine democratic transition remain in question, while the economic and social costs continue to mount.

But at a deeper level the recent uprisings have the potential to drastically change the future of the region

But paradoxically the same five characteristics of the New Arab Awakening uprisings which make the immediate prospects dismal or non promising, have also in them “genes” which carry a huge potential for the longer term. These features, and their consequences during the transition period, have created a number of fundamental changes which will shape the future of the region in the long term.

First, the sudden and unexpected nature of the recent uprisings make all future regimes fully and permanently aware that they are unlikely to be able to “impose” for a long time any unpopular order! Independently of whether “the fear factor” has been eliminated forever, there is now a credible threat of uprisings against any non-accountable and autocratic government. The most autocratic, repressive and entrenched regimes were not able to resist strong, popular and determined uprisings by unorganized groups. They would have learned that repression of organized groups cannot be enough to protect against unorganized uprisings.

Second, it has now been amply demonstrated that there is no “exceptionalism” of the Arab region. The preference by the populations of the Arab world for democracy has been tested. The strength of the demand for freedom and justice has been made loud and clear.

Third, for the first time in the history of the region, an open and profound debate between secularists and Islamists has been taking place. This debate which in the past was often resolved through violence and repression is now open, even

violent in many cases. But it is societies, and not the elites, which will be choosing.

Fourth, there has been a process of debunking of the last ideology. The ability of Islamist ideology to offer solutions to the development problems has been put to the test and found wanting. Islamists, as well as other ideologues, will have to go beyond slogans and offer concrete solutions. This will make reaching consensus possible within the confines of political debates.

These changes will create the basic conditions for democratic institutions and open societies to develop.

What has been missing: economic/political coalitions?

At a more fundamental level the recent political evolutions and their prospects depend on the nature and strength of the governing coalitions. The collapse in a number of countries of the old regimes is strongly related to the unraveling of the long running governing coalitions. And the return to political stability and the prospects for development depend on the emergence of new and stable governing coalitions.

The unraveling of the old equilibrium coalition

The worsening economic and social outcomes during the 2000s and the inability of the state to meet its part of the old authoritarian bargain led over time to the emergence of a number of disenfranchised groups. These developments were most clearly apparent in Tunisia and Egypt.

The first group to feel disenfranchised were the youth with a tertiary education who were experiencing an increasing gap between their hopes and expectations of a better life and the available limited opportunities and the hard reality of unemployment or long years of waiting.

The second group are the populations of the least developed and marginalized regions. Economic and social polarization was always a feature of the development experience in almost all Arab countries. This was particularly the case in Tunisia, with major gaps between the coastal regions and those of the interior, and in Egypt between the North/Delta and Upper Egypt. But these differences have worsened over the recent period, which has increased discontent and the sense of marginalization among these groups.

A third group which was growing rapidly is the informal sector in the urban areas. As job opportunities weakened while the labor force growth peaked, the informal sector became almost the only option for an increasing fraction of the population. Discontent and violence became evident among this group, with difficult working conditions and harassment from authorities.

The fourth group among the disenfranchised is the non-insider business community for which access to opportunities and resources was increasingly difficult and extortion was reaching very high levels.

While a number of factors including the rebellion of under-privileged groups and the increasing popular aversion to the regimes due to unbridled corruption created a very favorable environment for triggering the uprisings, alone they are not sufficient for explaining the collapse of the regimes which could well have suppressed the uprisings with the use of force, as they were used to doing. It is the defection of major components of the coalition supporting the regimes that explains the speed and decisiveness of the collapse in Tunisia and Egypt. It can also be argued that it is the lack of defection of some parts of the coalition in other countries, such as Syria and Libya, which explains the violent turn of events.

The middle class played a critical role during the national liberation movements against the colonial powers. After independence they constituted the new political elite which carried out economic and social modernization. The growing and emergent middle class accepted the autocratic bargain. This included the traditional groups such as the employees of the civil service and of public enterprises, and new groups such as employees and workers of the formal private sector, the professionals and other successful independent entrepreneurs. They were the beneficiaries of the economic system with secure jobs, social security protection and improving standards of living. They valued stability and security and accepted the constraints on political activity and freedoms.

This changed dramatically in the 1990s with greater participation of the middle class in the public sphere. The democratic transitions in different developing regions and the extension of the democratic system at the global level have had an important impact on the middle class in the Arab region and made democratic values more attractive to its members. In his study on Egypt, Diwan² showed

² Diwan, I. 2013. "Understanding revolution in the Middle East: The central role of the middle class". *Middle East Development Journal*. 5(1).

this shift and the conversion of the middle class to democracy. The deterioration of its economic and social benefits and the democratic aspirations moved the middle class away from a conservative position and brought it to a pro-democratic viewpoint.

The defection of the middle class from existing regimes is explained by the impact of the economic crisis at different levels. First, the rise of unemployment, especially for young educated people, contributed to the decrease of legitimacy of the political regimes. Second, the deterioration of the quality of the health and education services contributed to dissatisfaction and growing discontent among the middle class. The middle class also rejected the increased level of corruption and crony capitalism.

Within this new context, the middle class became an important actor of the Arab spring as an important change in the political positioning of this group took place.

The *business community* also played an important role in the uprisings, albeit a silent one. For many years the business community was suffering from unfair competition from the connected groups and crony capitalism. This was the result of a large upswing of extortion even among the insiders, which reached very high levels. At the same time, the non-insiders groups were more and more crowded out by the insiders and groups connected to the regime. It was difficult for this community to express its political dissidence vocally. Its response to the increased uncertainty translated into a limited participation in investment. Despite the market oriented reforms and incentives to the private sector, domestic investment remained weak and much lower than levels experienced by other successful developing countries. This breakdown of private investment contributed to the failure of the economic model.

Other major players in the uprisings, at least in Tunisia, were the *labor unions*. Since independence the labor unions were the largest organized social force together with the ruling parties and relations between them were complex. The ruling parties tried to extend their hegemony to the trade unions but the unions resisted and became an important and vocal social and even political force in many Arab countries. The trade unions became opposition forces in the 1980s and supported civil society mobilization for a democratic transition. But since the 1990s the regimes were able to reduce their dynamism and the central leadership of the trade union movement surrendered to the autocratic regimes.

But the regional and sectoral unions stayed more independent and joined the unrest very quickly, playing a key role in the New Arab Awakening events.

The attitude of *the military* in Tunisia and Egypt encouraged and reinforced the popular uprisings. They stayed neutral and avoided joining the police and security forces in putting down the uprisings. They calculated that the regimes were doomed and that it was in their interest if not to embrace them at least to go with the popular flow and not support the incumbents. This attitude gave the military a strong legitimacy and helped them maintain order and the security in the days following the uprisings.

New and stable coalitions will take time to emerge

New socio-economic and political coalitions are required to provide a stable base for government. The current landscape is still highly fragmented as evidenced by the large number of political parties, the high turnover of political personnel among them and the difficult emergence of strong and stable political parties. Whether under open and competitive electoral processes or under the leadership of strong rulers new coalitions have to be formed among socio-economic groups. This would form the basis for developing strong policy programs and a majority to govern.

This process will take time as some of the most important groups, especially those marginalized in the past, get organized and define the terms of their engagement. This includes the disenfranchised groups such as the youth or the informal sector. But the most important groups will continue to be the middle class, the labor unions and the business community. Societies are highly polarized ideologically, especially between secular and conservative forces, and the socio-economic bases of the various groups are not well defined. The process of gestation will be long and difficult, but there is hope that it will lead to the consolidation of democracy and open the way for inclusive growth and development.