



May 2005

Without Reforms, the Mideast Risks Revolution

By Danielle Pletka

Only economic liberalization and political freedom can quell the frustration that breeds Islamic extremism in the Middle East.

The Arab world is at a crossroads, with the status quo unsustainable. It is a region full to bursting, with economies that cannot sustain a growing population and a lack of political breathing room that promises no outlet for frustration with government shortcomings. Ask from where the constituency for Islamic extremism comes, and it is here, in the nexus of economic frustration and political suffocation. But will promised liberalization materialize?

Looking backward there is every reason to believe that democracy and economic reform are fads of the moment. The region has been unusually susceptible to ideological fashion: Baathism, Nasserism, and Islamism, for example. The -isms come and go, but the presidencies, the monarchies, and the systems seem to last forever. In a region where many leaders have their eyes on the glory of the past and their elaborate intelligence services on maintaining the glories of the moment, it seems almost fanciful to hope that the current popularity of “reform” can offer any more than the grand intellectual -isms of the past.

Potential for Reform

Arab leaders have made clear that change, if it can occur, must come from within. A usual corollary is that such change must also come from

above. One might reasonably question their bonafides in demanding organic, homegrown change; however, more credible reformers have insisted that if the energy comes only from the outside, then reform will fail. But is there a genuine impetus from the grass roots, from the 300 million people of the Arab world? Or is this an idea hatched in America, embraced by a tiny rebellious Arab elite, and meaningless to the vast mass?

In a group of countries labeled by the United Nations as among the least free in the world, it is no easy task to describe the will of the people. Perhaps, as has been asserted with religious regularity, the major ills of the Arab world are rooted in the creation of the state of Israel. It is possible that, unlike the rest of humanity, Arabs have set aside their personal dreams for a better life for their progeny in order to allow their leaders the luxury of working unfettered toward the cause of justice in the Middle East. But that hardly seems credible.

When the leadership of the Arab world has been allowed to define reform, it has become an odd creature. Great efforts have been made to paint the recent enthusiasm for political and economic liberalization as a sinister plot for Western domination. If the official rhetoric is to be believed, concepts of individual liberty, free markets, and the rule of law are alien to Arab and Muslim government. But even the most ardent believer in this self-serving gospel must recognize, if he lives somewhere in the Arab world, that he will offer his children far less than his father offered him.

Danielle Pletka is the vice president for foreign and defense policy studies at AEI. A version of this article appeared in the *International Herald Tribune* on April 8, 2005, coauthored by Augusto Lopez-Claros.

Economic Roots of Extremism

The statistics paint a desolate picture of decline. In most countries, per-capita income has plummeted, access to meaningful (that is, useful toward a profession) education has narrowed, and unemployment has skyrocketed. Subsidies that were once the staple of Arab socialist regimes and their wealthier Persian Gulf neighbors have fallen. Nor is the current upswing in crude oil prices likely to provide much solace to a needy public. For despite slowing birthrates throughout most of the Middle East, much of the region is young. In Libya, over 60 percent of the country is under fifteen years of age; unemployment reached 30 percent by 2001. In Saudi Arabia, the corresponding figures are 38 percent under fifteen and 25 percent unemployment.

Saudi Arabia's figures are the norm. Throughout the region, fully 37.5 percent of the population is under fifteen, which means that 3 million more youths enter the job market each year. A recent report by the International Labor Organization makes the problem clear: more than one-quarter of the earth's 88 million unemployed young people (between fifteen- and twenty-four-years-old) are in the Arab world.

The burdens of employing tens of millions of youths entering adulthood are hard to imagine in current circumstances. Foreign debt stifles many Arab countries, making it almost impossible to invest in growth. For those not shouldering that weight, there is a singular lack of diversity in earnings that means they are prey to the vagaries of international oil prices. Intra-Arab trade in non-petroleum goods is miniscule, and it has become a cliché to recite that non-oil exports from the entire Middle East and North Africa equal the annual exports of Finland. Where will the jobs of the future come from? What will these masses of unemployed young people do?

The imperatives for reform should be clear to the leadership of the Middle East. Young men are especially outspoken, complaining about their prospects and their governments' failure to provide for their future. Add to that common (and largely accurate) perceptions about corruption in the Arab world—perceptions backed up by United Nations surveys and the work of Transparency International—and it is easy to see why disillusionment about Arab leaders is common among the Arab masses.

In failing to plan for the future, Arab regimes are brewing their own explosive mix. Yet, notwithstanding the obvious growth of socioeconomic pressures, sustained

commitment to economic and, in particular, political reform has been lacking.

Progress on freeing the Arab world from its statist roots has seen some success. The stars have been among the smaller Gulf emirates such as Bahrain. In Kuwait, Qatar, and the rest of the Gulf neighborhood, the principles of economic diversity and privatization appear to have taken root, even where success on the ground remains elusive. (Kuwait's public sector, staggeringly, employs 94 percent of the national workforce.) Tunisia has privatized well over one hundred state-owned industries, and Morocco has run a close second. Both nations' leaders have been serious about the imperatives of economic liberalization, and both have reaped rewards in free trade agreements or frameworks with the United States.

Through a process of friendly extortion, the United States has linked a portion of Egypt's annual economic assistance to an economic reform program. In the early 1990s, it appeared that the Mubarak government had seen the light, and price controls were eased, agricultural regulations relaxed, and trade and investment laws liberalized—up to a point. In recent years, reforms have ground to a minimum, and the major privatizations necessary to get government out of the business of business have been missing.

Other nations are poster children for faintheartedness and failure. Syria, for example, talked a good game at the beginning of the 1990s. When foreign exchange rates were liberalized, Syria's well-connected business community rejoiced. Expatriates were encouraged to come home and invest their earnings; needless to say, the smart money stayed away. It is impossible to maintain state ownership, secure the dominant role of the Baath Party, allow a protected minority access to wealth, and talk convincingly of impending reforms.

Statism and Its Discontents

And then there are the political problems. Can economic reform occur in an oxygen-free political environment? Can nations that have institutionalized corruption open their economies to the average man? And if such a miracle does occur, can the one-party state, the monarch for life, the 99-percent-president survive? The answer from the halls of power in the Middle East has been, for the most part, no.

There are exceptions to the dictatorial rule in the region. Morocco under King Mohammed VI has held

free and fair elections and repudiated some of the worst sins of his father's era. Bahrain too has broken out of the mold and moved to reform its political institutions.

There have been some promising steps in Yemen. But even these limited success stories do not stand out when lined up against Western democracies. Journalists have been imprisoned in Morocco for criticizing the government. In Bahrain, free elections are only half the story at best; the king's appointed parliament has powers equal to those of the elected body. In addition, problems with Shia political groups have plagued the nation, and recently the vice president of the Bahrain Center for Human Rights was imprisoned.

A survey of the region looking at the political process and numbers of political prisoners is a grim affair.

Democracy, reasonable people can agree, is not just about elections. Political parties must be free to form; freedoms of expression and of the press are prerequisites. Yet from Syria to Egypt, from Tunisia to Yemen, the picture is almost uniform. Anything that can be construed as a genuine threat to the political status quo is suppressed. Even the much-touted breakthrough reporting of satellite networks like al Jazeera and al Arabiya rarely steps across the line. The only exceptions to their gingerly reporting are in the Palestinian territories, where they operate under Israeli occupation, and in Iraq, where they have operated with American acquiescence.

Few Arab states operate with the ruthless efficiency Saddam Hussein's regime exhibited. His Baath Party's Stalinesque grip on rule and systematic elimination of political opponents is unmatched. Yet there are few places in the Middle East or North Africa where it pays to be a critic. In Saudi Arabia, human rights activists rejoiced over a small victory when the trial of three dissidents was opened to the public in 2004. The trial was closed without comment some weeks later. In Egypt, it took repeated interventions by the United States government to secure the freedom of a well-known human rights activist, Saad Eddin Ibrahim.

In these repressive lands, it should be no surprise that many have turned to extremism. The one-party state, de facto or de jure, offers no options. People must be enabled to offer choices to the Arab public. Where

genuine political parties and grassroots movements can flourish, there is limited enthusiasm for the nihilism of bin Laden.

Notwithstanding, many engaged in the current debate about the necessity of political and economic reform claim that there is no latent desire for political or economic freedom in the Arab world and that these are Western constructs which cannot hope to inform an outside observer about the true sentiments of the Arab people.

In order to swallow these denials, it is necessary to imagine a population entirely denuded of political or economic ambition. Normal expectations of government—to provide security, education, local services, and accountability—are set aside. Personal ambition, based on merit and hard work rather than government connections or bribery, must also be discounted. On a higher level, the freedom to express oneself—not, perhaps to overthrow government, but to cavil at a lack of teachers, an unrepaired street, a corrupt governor—this too must be thrown overboard. This is a world against nature.

Rather, there are wellsprings of anger, frustration, and bitterness in the Arab world. It is clear that in one-party states and stifling monarchies, there is a desperate search for a means of protest. The many gods that failed throughout this decades-long search have been cast aside: Nasserism is dead, as are illusions of Arab union. Baathism is finished in Iraq and bankrupt in Syria. Even the far more soothing nanny-statism of the Gulf is fading as oil treasure dwindles. Instead, protesters have embraced the one god that has never failed and with him the false prophets of Islamic extremism.

Ultimately, what Islamic extremism has to offer as a political, economic, or social model will not satisfy the real world requirements of a growing Arab world. People are looking for solutions; the rhetoric of al Qaeda and others offers only a temporary respite. If they are not freed to find those solutions for themselves through private enterprise, political ferment (including the right to demand accountability and change government), and free thought, then the current leadership of the region, sooner or later, will face revolution.