

The difficult Arab transition

Turmoil, transitions and trespasses

Arab countries that experienced uprisings are currently at a crossroads, facing tremendous political, social and economic challenges. The various groups that took power have all failed to lead the transition: they were unable to reach a consensus on the state's new framework or to address the immediate needs of citizens. In some countries, such as Bahrain, violence and foreign intervention are preventing peaceful transition, while in others, especially **Syria, Yemen and Libya**, uprisings have become increasingly violent, raising the death toll exponentially and making peace barely feasible. In Egypt and Tunisia, too, tensions are again on the rise, threatening any potential national consensus.

A primary objective of the transitional period was meant to be the elaboration of a holistic new social contract, as well as a means for implementing participatory, transparent and accountable governance. However, after decades of oppression and weak and unaccountable institutional structures, the countries lacked prior experience and had limited capacity to democratically manage diversities and differences, which is essential for engaging effectively in the political process. Moreover, remnants of the old regimes are still omnipresent among political and institutional elites: corruption, nepotism as well as accepted forms of graft in state institutions hinder a country's ability to provide for its citizens and to guarantee their rights.

In **Egypt**, where the Constitution adopted in January 2014 is meant to protect political, civil, economic and social rights, it is clear that fundamental rights, including freedom of assembly and freedom of expression and demonstration are under grave threat. The Constitution allows many areas to be "regulated by law," giving the Government broad powers in many areas. Thus the Ministry of Defense and the army

are given a special role in public life and the Ministry of Interior and the security apparatuses have the right to cancel demonstrations in the name of safeguarding "peace and security," while peaceful demonstrators can be jailed up to seven years. The same is true for the right to strike: article 15 states that "peaceful strikes are a right regulated by law," opening the door for legislation that effectively criminalizes strikes.

In **Tunisia**, after the security void that followed the revolution in 2011, the democratically elected transitional council failed to draft a new constitution and organized public elections to reconstitute the state's institutions within one year. Since then, successive transitional governments have failed to address the security issues: jihadi attacks are on the rise, casting a dark shadow on the country's future. Leftist opposition figures like Chokri Belaid and Mohammed Brahmi, along with several security and army officials were assassinated in the spring of 2014. Borders are highly permeable, allowing hard drugs, military equipment and small arms to be smuggled in from Libya. The security issue is taken up by political parties and used to political ends, making it difficult to address the problem effectively, and thereby fostering what is called "islamogangsterism" in Tunisia. While the latest version of the constitution and the appointment of a new electoral commission are positively perceived, in the long run only inclusivity and respect for diversity among the parties and political institutions will break the political impasse and other questions related to security threats and borders.

In **Bahrain**, despite the findings and recommendations of the famous "Bassiouni report" by an independent commission of inquiry, the Government continues to deny its human rights violations and the crimes it is perpetrating against its people. Freedom

of expression and opinion are being trampled daily and human rights activists are jailed for peaceful activities. With an increasingly difficult social and economic situation, resulting from years of inadequate policy that failed to guarantee equality and rights, peaceful demonstrations were met with more repressive laws, including the banning of protests in the capital Manama and tougher anti-terrorism laws, imposing longer prison terms and revoking citizenship.

Neocolonialist economic and trade approaches

One of the main questions raised by the uprisings is the appropriateness of the economic choices and development models adopted by Arab countries over decades. Over the last 10 years, the Arab region has experienced a decline in productive capacities, along with a decline in decent job-generating activities, despite high economic growth rates in the past few years in countries such as Egypt, Morocco and Tunisia. Structural Adjustment Programmes were coupled with reduced social spending and the marginalization of developmental projects, while the dominant macroeconomic model prioritized trade and investment liberalization and deregulation, as well as the dismantling of state-owned enterprises. In this context, Arab countries have struggled with balance of payment problems and debts incurred through borrowing from international institutions under undemocratic regimes. This necessitated a higher share of gross domestic product (GDP) allocated to debt servicing which in turn affects the reallocation of national resources and funds away from projects that support citizens and protect their social and economic rights. Moreover, weak redistributive mechanisms, including inadequate

tax policy and inefficient service provision, have increased social and geographical inequalities.

Although for decades, countries in the Arab region have relied heavily on food and fuel price subsidies as a form of social protection, the austerity-related policy proposals of the International Monetary Fund (IMF) include unwinding subsidies on food and fuel products coupled with better poor-household targeting schemes, described as a doorway to “economic recovery.” At the same time, the Deauville partnership, launched by the EU in 2011, reportedly to support countries in transition, is pushing for more trade liberalization and the signing of Deep and Comprehensive Free Trade agreements (DCFTAs) in four countries: Morocco, Tunisia, Egypt and Jordan. The negotiations in Morocco will include an expansion of the existing EU trade agreement to include, in addition to tariff reduction, regulations on services, trade, a new investment framework to protect foreign investors, liberalization of public procurement, competition and intellectual property protection. They will address areas that are at the heart of the macroeconomic structure and may directly affect the state’s policy space in terms of regulating the economy in line with national development goals. Negotiations are being done without assessing the social and environmental impact of the existing free trade agreement between the EU and Morocco, or of the potential effects of the proposed regulations in different areas. Civil society actors have already warned against potential negative effects on sustainability, development, human rights, and the future of productive sectors and have demanded full transparency in the negotiations course, which are yet to be disclosed.

In **Egypt**, revenues dropped dramatically after the revolution in 2011 and the budget deficit aggressively increased. Negotiations with the IMF over a USD 3.2 billion loan (later raised to USD 4.8

billion) reached a deadlock over proposals to reduce public expenditures by lifting subsidies on energy among other things. Moreover, no country has heeded the call of CSOs in Egypt in demanding fair and transparent debt audit mechanisms and an eventual cancellation of the country’s odious debts, all incurred under the previous regime. As the country has a total of USD 35 billion in foreign debt and debt servicing has a larger share of the budget than social expenditure, such steps are much needed to ensure a viable transition and the realization of people’s social and economic rights.

In **Sudan**, the Government adopted an IMF austerity package in June 2012, but resisted pressure to totally cut subsidies until September 2013, after which inflation rose to 44 percent and unrest was widespread, leading to the death of 50 demonstrators, according to Amnesty International. Fuel subsidies cost around USD 1.7 billion per year, which might not be very sustainable but given that 40 percent of the Sudanese people live below the poverty line and the country’s foreign debt amounts to USD 40 billion (82.2 % of GDP in 2012), abruptly cutting them is also not economically viable. In fact, since around 75 percent of debt is owed to the Paris Club of creditor nations, what is needed is a transparent and fair audit that would finally result in the partial or total cancellation of the debt. But IMF Mission Chief for Sudan Edward Gemayel noted that “it will be near impossible for Sudan to secure debt relief even if it satisfied technical and economic requirements,” given the political complications. In other words, any debt relief deal with Sudan would require the unanimous consent of all 55 countries in Paris Club, which is highly improbable.

Inadequate development efforts and means for reshaping them

The Arab 2013 Development Report states that “The Arab region has made impressive progress towards many Millennium

Development Goals (MDGs), particularly in education,” adding that some of the countries that experienced upheaval were considered “best students” in liberalization efforts and progress towards the MDGs, especially Tunisia. The challenges it identified are “good governance, quality and not just quantity of development, empowering women and reducing inequalities.” The report was intended to assess progress towards the MDGs, learn from mistakes and not repeat them in the future. However, its approach is identical to the previous one, and it is also fragmented and goal oriented. As the UN-NGLS organized CSO regional consultation noted, fragmentation was one of the inherent problems of the MDGs approach; checking progress “in silos” masked true social and economic problems. Yet the 2013 report still handles the different development sectors as separate, making no mention of a comprehensive framework linking them within a new development paradigm.

Some recommendations for the new paradigm were suggested during the two CSO regional consultations in March 2013 and July 2013, primarily: 1) rebalancing power relations for more justice, 2) ensuring the fulfillment of human rights and overcoming exclusion, 3) ensuring equitable distribution and safe use of natural resources, and 4) establishing participatory governance, accountability and transparency.

- **Rebalancing power relations** highlights the need to move from undemocratic “rentier” economies to “Democratic Developmental States.” This transition would then need to empower productive capacities, reform the trade and investment architecture, along with the financial architecture and macroeconomic model, enact redistributive policies for equity and social justice, enhance transparency, accountability and civic engagement in public policymaking, and establish peace and security. Making this transition possible requires

fundamental changes at the international level as well as the national one. Thus trade partners and agreements should be reevaluated based on their contribution to development objectives and their respect for human rights. Moreover, imbalances in global trade relations and the financial architecture should be reformed based on the suggestions of the 2013 UNCTAD report on trade and development, whereby IMF imposed policy conditionality should be lifted. Moreover the increasing amount of odious debts that impede on a state's policy space and nurtures injustice should be relieved or restructured.

- **Adopting an unalienable rights-based approach** is essential for achieving the well-being and dignity of all people, which must be the ultimate objective of sustainable development. States must be urged to abide by international standards and fulfill economic, social, cultural, political and civil rights for all. In the Arab region, meeting these goals requires: ending foreign occupation, reforming security policies to respect civil and political rights, fulfilling human rights toward equitable empowerment for all, and obligating the private sector to respect human rights. Comprehensive development policies and programmes are essential in order to realize human rights, including education, health care, decent work, social protection, based on equality and non-discrimination. Reforms are needed in the Arab region to empower people equitably, with particular attention to women, youth and people with disability, ensuring their adequate inclusion.
- **Regulating the use of natural resources**, the lack of which underlies many of the tremendous environmental challenges facing the Arab region, such as agricultural sustainability and sovereignty, extractive industries, energy and water

shortages. Food sovereignty is the cornerstone of agricultural sustainability in the region. To achieve sustainable agriculture, small-scale farming must be supported through the model of food sovereignty. Organic and agro-ecological practices must be promoted, and food production should be oriented to serve local consumption needs before export markets. Moreover, natural resources, especially water, are unevenly distributed in Arab countries with some rural areas lacking access to water services and clean drinking water; the same goes for energy, with some areas lacking electricity installations. The root causes of these issues are mainly structural problems characteristic of Arab states: corruption, bureaucratic obstacles, inefficient planning, and poor infrastructure.

- **Establishing participatory governance, accountability and transparency** is essential in order to craft this new social contract. The responsibility to respect these conditions is not limited to states but also falls on international institutions embroiled in the region. Consequently, it is imperative to focus on the following priorities: Mutual accountability based on human rights mechanisms and standards, accountability in global economic and financial governance, accountability to extra-territorial obligations, binding corporate obligations, participatory and accountable national governance, defining post-2015 priorities and benchmarks through a bottom-up process.

Social justice and developmental objectives cannot be realized without adopting a “new social contract between citizens and the State based on the human rights framework and protection of citizenship” in the post-2015 agenda. However, such a transformation would be taking place in a climate of increasing violence and insecurity and

rising exclusion and extremism. Furthermore, economic difficulties increase impatience among populations and thus political instability. Finally, the above-mentioned specificities of a renewed social contract do not carry short-term economic benefits.

These issues were at the heart of the debate on the nature of the transition; whether it should be limited to setting a new political framework for the state or should also include economic choices and development models. From a civil society perspective, the main reasons behind inequalities are related to the decrease in productivity and thus in employability, as well as the unfair redistribution of wealth. It is therefore imperative to take into account economic transition in the agenda of change while discussing the new social contract and the role of the state. This requires a rights-based development agenda and new economic and social choices based on the result of an inclusive, open and democratic national dialogue. ■