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The Unravelling of Arab Autocracy: Socioeconomic Factors in Context

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1. Introduction

After a sustained period of autocratic rule in the Arab region following the independence of the Arab countries in the wake of World War II, the successful Tunisian uprising of December 2010 has ushered in what seems to be a new political phase – the beginnings of the unravelling of Arab autocracy. However, more than four years later, this trajectory is yet to take hold region-wide and, for the foreseeable future, its eventual outcome remains uncertain. Of four countries where the uprisings managed to overthrow the incumbent regime (namely, Tunisia, Egypt, Libya and Yemen), and one where this attempt has been ongoing for the past four years (Syria), only Tunisia appears to be moving in the direction of a genuine democracy, as attested by its approved constitution of January 2014, the parliamentary elections of 26 October and the presidential elections on 21 December of the same year, as well as the generally and relatively peaceful transfer of power among its major political contestants.

The election of a new president in June 2014 notwithstanding, Egypt's democratic future is yet to be fully clarified. Yemen and Libya have been experiencing political instability-cum-intermittent armed conflicts, while, in Syria, the ensuing tragic and vicious civil war continues unabated.¹

Indeed, while the foundations of the long persisting autocracy have been shaken in parts of the AW, major factors that, for many years, have underpinned the persistence of Arab autocracy remain in place

and continue to pose a threat to democratic reversals in the region. This threat has been reinforced by the expanding influence of strictly fundamentalist Islamist parties (mainly the Islamic State of Iraq and Syria (ISIS) and Al-Nusra) that, in 2014, embarked on armed attacks in Syria and Iraq, subsequently triggering US aerial interventions in an attempt primarily to help protect the Kurdish regions in northern Iraq from ISIS.

However, I shall assume, hopefully correctly, that the recent successes of Islamist groups constitute only a passing phase, and that they will be contained and reversed. In other words, the developments mentioned notwithstanding, my postulation is that the uprisings do signal the beginnings of a positive change in the Arab region and call for a better understanding of the dynamics of transition towards sustained democracy in the region – one that builds on the received literature, as well as the area's own specific experience with long surviving autocratic governance.

A gamut of interacting economic, political and other factors underpin the uprisings. But the role of any single or group of factors identified as underlying the uprisings cannot be isolated from the role of other factors pushing in the same direction. Thus, whatever the socioeconomic triggers, their role can be properly assessed only in the context of the overall trend for fundamental democratic change in the Arab region, irrespective of its ultimate success or failure. This outcome, in turn, is dependent on whether the conditions for a successful transition are being met or not. And, to the extent that such a transition is successful in the countries mentioned, it would likely induce a growing democratic space in the region.

In approaching the issues at hand, this chapter focuses on the Arab region as a whole (a cross-country analysis). However, we remain cognisant that the underlying factors of the Arab uprisings vary from one case to another, as does the role of domestic elements in unravelling the autocratic order. These elements would seem to have been more dominant and decisive in the case of Tunisia and Egypt than in the other cases, which, in turn, might explain the comparatively rapid success of uprisings in these two counties. Where appropriate, references to individual country experiences will be made.

The rest of the chapter is divided into five sections: Section 2 briefly touches on the transition literature. Section 3 explains the reasons for the persistence of Arab autocracies; Section 4 analyses the factors unravelling the Arab autocracy, beginning with Tunisia and the role of socioeconomic factors; Section 5 assesses the conditions for a successful transition; Section 6 concludes the chapter.

2. The literature on transitions: A brief note

Triggered by the modernisation hypothesis, there is an intensive and growing literature on democratic transitions (mainly cross-country work) spanning varied approaches to explaining this phenomenon. Essentially, this hypothesis states that, as countries develop economically – in other words, as they become more industrialised and urbanised with growing levels of wealth and education – social structure becomes complex and labour more active, while technological advances empower producers as well as civil societies – in consequence, dictatorial controls become less effective. These factors provide the incentives or requisites for a move towards democracy, the relationship between development and democracy being correlational and not causal (Lipset, 1959, 1960).

As Inglehart and Welzel (2009) elucidated, economic development brings about a coherent set of social and political changes. It is conducive to democracy in that these changes engender a transformation in people's values and motivations, in particular, the rise of self-expression values alongside the rise of the knowledge sector, reflecting, as it were, the desire for freedom and autonomy as universal aspirations.

The modernisation thesis has its critics as well as supporters (for a review of the debate see Inglehart and Welzel, 2009). While perhaps most studies do find a positive relationship (Barro, 2012), other studies offer alternative explanations for the transition process to democracy. Differences in the methodologies employed – countries selected, statistical methods applied, selection of socioeconomic indicators, democracy measures chosen, the form of the relationship tested – may partly account for these varying interpretations.

Several alternative approaches to the modernisation hypothesis have been put forward to explain the transition process. To illustrate, they include the randomness of this transition at all levels of development (Przeworski and Fernando, 1997; Przeworski et al., 2000); historical reasons for the observed positive correlation (but with no evidence of a causal relationship) between income and democracy, in other words, a change in the existing balance of power between social classes whereby the middle class may find that its interests are aligned with a push for democratisation in the face of prevailing autocratic rule by the elites (Acemoglu et al., 2008, 2009);² the importance of geographic neighbourhood, whereby there is a tendency for transitions to democracy to cluster regionally (Gleditsch and Ward, 2006); the role of past experiences with democracy in such transitions, with economic recessions

increasing their likelihood (Ulfelder and Lustik, 2007); the unfolding of democratic transitions in the wake of wars, as demonstrated by the European experience (Therborn, 1977).

On the other hand, supporters of the modernisation hypothesis abound. Thus, among others, Epstein and colleagues (2006) show that higher incomes per capita significantly increase the likelihood of democratic regimes, but additionally argue that partial democracies (in-between autocracy and democracy) are much more susceptible to democratic transitions and hence should be the point of focus of transition analysis. Challenging the analysis of Acemoglu and colleagues (2008), Barro (2012) took into consideration a much longer timescale (1870–2009) and found very strong support for the modernisation hypothesis; similarly critiquing Boix and Stokes (2003), he argues that, when employing a longer time series, one that goes back to when no country was democratic, then the modernisation effect comes out very clearly, especially for the pre-1950 period.

Other researchers have drawn attention to differentiating between historical periods. Boix and Stokes (2003) emphasise that, whereas questions of inequality and redistribution policies were important for the fight for universal suffrage in the first wave of democratisation in France or Britain, these factors were probably less decisive for the collapse of communist regimes in the late 1980s and early 1990s, as these were largely driven by emancipative values, rather than economic development. Lupu and Murali (2009) also argue that, across a large span of history, including the democracies of the nineteenth century, no relationship between economic development and democratic development is evident. However, limiting the analyses to the post-war democracies of the twentieth century, economic development has had a consistent effect on democratic development. This suggests that there is room to develop theories about varied democratic trajectories in different historical periods.

The experience of the Arab region in the post-World War II period, when most of the Arab countries became independent, does not conform to the modernity hypothesis to the extent that Arab autocracies remained entrenched despite notable socioeconomic development. Instead, other factors, a few of which are unique to the Arab region, largely explain its lagging move towards democracy, and they go beyond transition hypotheses that, at least in part, might explain transitions elsewhere (see Section 4).

But now that the foundations of Arab autocracy have started to unravel, modernity factors could very well, in the future, exert a greater

positive influence on the transition process in the region, especially if, in the wake of the Arab uprisings, the factors retarding the move towards democracy weaken significantly. In the meantime, these factors continue to exert influence, and the question of consolidating the democratic process in the post-uprisings phase does, therefore, need to be addressed (Section 5).

3. On the persistence of the Arab democracy deficit

3.1 Autocracy in the Arab region

A number of measures concerning the level of democracy/autocracy are employed in the empirical literature. Commonly used is the Polity IV Index, which includes data going back many years that are readily available for model testing. A more recent and comprehensive measure (as of 2006) is the Economist Intelligence Unit (EIU) Index. In what follows, we make use of both of them.

The Polity IV scheme consists of six component measures that record key qualities of executive recruitment, constraints on executive authority and political competition. The scheme also records changes in the institutionalised qualities of governing authority.³ The 'polity score' captures this regime authority spectrum on a 21-point scale, ranging from -10 (hereditary monarchy) to +10 (consolidated democracy). They can also be converted to regime categories: a three-part categorisation is recommended: 'autocracies' (-10 to -6), 'anocracies' (-5 to +5) and 'democracies' (+6 to +10); there are also three special values: -66, -77 and -88 for, respectively, periods of interruption (foreign occupation), interregnum (breakdown of central authority) and transition, during which new institutions are being set up.

The EIU Index is a weighted average of 60 indicators grouped in five different categories: electoral process and pluralism, civil liberties, functioning of government, political participation and political culture. In addition to a numeric score and a ranking, the index categorises countries as one of four regime types: full democracies (a score of 8-10), flawed democracies (6-7.9), hybrid regimes (4-5.9) and authoritarian regimes (0-3.9).

A caveat

We should, of course, keep in mind that empirical measurements of democracy that attempt to capture its basic features – such as political competition, participation and civil liberties – do not necessarily succeed in fully reflecting the true democratic status in any given country; this

is debatably truer in developing than in developed countries. In part, this may be attributed to methodological flaws of the measurements, but could also be attributed to their coding rules, which do not always capture accurately the abuses of the governing classes and/or of special interest groups (Munck and Verkuilen, 2002).

The general prevalence of autocracy in the Arab region in the post-World War II period, 1960–2013, when most of the Arab countries became independent, is depicted in the polity scores of Table 3.1 and Figure 3.1.

Figure 3.1, contrasting democracy scores of various regions, indicates that, as of the early 1990s, only the Arab region remained in the negative zone; and while there has since occurred a general move towards democracy across the regions, as of 2013 the AW continues to lag behind, remaining in the autocracy zone.

On the eve of the uprisings in 2010, only three countries, Lebanon, Algeria and Iraq, gained positive scores (6, 2 and 3 respectively); these have been maintained by the first two countries through 2014. Iraq, as noted, was drawn that year into a deep conflict as a result of the

Table 3.1 Polity scores across Arab countries

	1970	1980	1990	2000	2010	2011	2012	2013
Algeria	-9	-9	-2	-3	2	2	2	2
Bahrain		-10	-10	-9	-5	-8	-10	-10
Egypt	-7	-6	-6	-6	-3	-2	-88	-4
Iraq	-7	-9	-9	-9	3	3	3	3
Jordan	-9	-10	-4	-2	-3	-3	-3	-3
Kuwait	-9	-10	-66	-7	-7	-7	-7	-7
Lebanon	5	-77	-66	-66	6	6	6	6
Libya	-7	-7	-7	-7	-7	-77	-77	-77
Mauritania	-7	-7	-7	-6	-2	-2	-2	-2
Morocco	-9	-8	-8	-6	-6	-4	-4	-4
Oman	-10	-10	-10	-9	-8	-8	-8	-8
Qatar	..	-10	-10	-10	-10	-10	-10	-10
Saudi Arabia	-10	-10	-10	-10	-10	-10	-10	-10
Sudan	-88	-7	-7	-7	-2			..
Syria	-9	-9	-9	-7	-7	-7	-9	-9
Tunisia	-8	-9	-5	-3	-4	-88	-88	-88
UAE	..	-8	-8	-8	-8	-8	-8	-8
Yemen	..		-88	-2	-2	-2	3	3

Source: Polity Scores Data Series (2013).

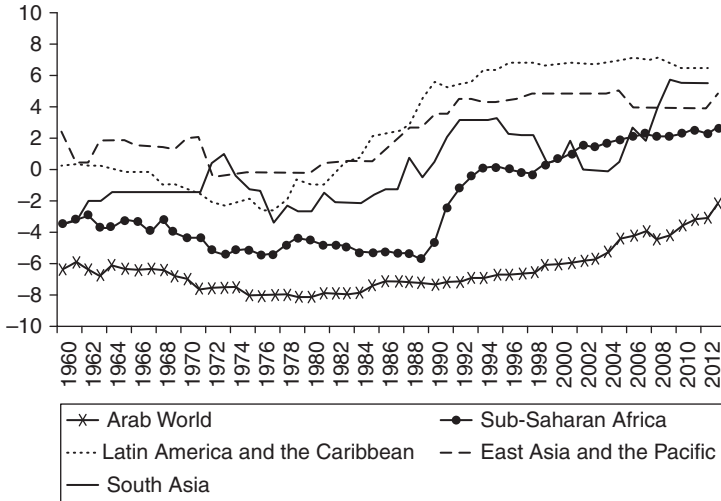


Figure 3.1 Polity scores across regions (1960–2013)

Source: Based on Polity Scores Data Series (2014).

ISIS assault. Yemen's score in 2012 and 2013 was 3 up from -2 previously, but again domestic armed conflicts intensified in 2014 and the first half of 2015. Egypt, with scores of -3 and -2 respectively for 2010 and 2011, was classified in 2012 as a regime in transition, but its score deteriorated to -4 in 2013. Tunisia, with a score of -4 for 2010, moved to a regime in transition in the subsequent three years, but with an expected positive score for 2014. Libya, with a score of -7 for 2010, was categorised in the following three years as a country with a broken central authority; it continued to witness armed conflicts in 2014 and the first half of 2015. Briefly, as of the end of 2014, only a few Arab countries had positive polity scores, with two additional ones being classified either as a regime in transition or having a broken central authority. The rest, comprising the majority of the Arab states, have, throughout, been assigned negative scores, with a number of them showing limited progress.

Noteworthy are the wide differences in the polity scores for individual countries: the obvious contrasts are Saudi Arabia, where absolute monarchy has long prevailed, with a score of -10 for 2013, and Lebanon's exceptional consociational but constrained democracy, with a high positive score of 6 for the same year. Equally, the negative scores encompass countries with both relatively high and low per capita incomes.⁴

Table 3.2 EIU Democracy Index for the Arab countries (2010–2012)

	2012 rank	2012 score	2011 rank	2011 score	2010 rank	2010 score
Tunisia	90	5.67	92	5.53	145	2.79
Lebanon	99	5.05	94	5.32	86	5.82
Mauritania	110	4.17	109	4.17	115	3.86
Iraq	113	4.10	112	4.03	112	4
Egypt	109	4.56	115	3.95	138	3.07
Jordan	121	3.76	118	3.89	117	3.74
Morocco	115	4.07	119	3.83	116	3.79
Kuwait	119	3.78	122	3.74	114	3.88
Libya	95	5.15	125	3.55	158	1.94
Algeria	118	3.83	130	3.44	125	3.44
Oman	135	3.26	134	3.26	143	2.86
Qatar	138	3.18	138	3.18	137	3.09
Bahrain	150	2.53	144	2.92	122	3.49
Djibouti	147	2.74	148	2.68	154	2.2
United Arab Emirates	149	2.58	149	2.58	148	2.52
Yemen	140	3.12	150	2.57	147	2.64
Sudan	154	2.38	153	2.38	151	2.42
Syria	164	1.63	157	1.99	153	2.31
Saudi Arabia	163	1.71	161	1.77	161	1.84

Source: EIU Reports, 2011 and 2012.

A somewhat similar story is revealed by the EIU Democracy Index (Table 3.2).⁵ Looking at individual country scores for 2010, all of the Arab countries were classified as autocratic, with the exception of Lebanon and Iraq, which were classified as hybrid regimes. For 2012, 5 additional countries (Tunisia, Mauritania, Algeria, Egypt, Morocco and Libya) joined the latter category, the remaining 12 Arab countries retaining their autocratic status. By region (Table 3.3) for 2010–2012, the AW score is the lowest and is classified as autocratic, but so is Sub-Saharan Africa, though with a higher score.

Thus the AW missed out on the so-called third wave of democratisation (Huntington, 1991) that commenced with democratic transitions in Southern Europe in the mid-1970s. Regime changes in Latin America were set in motion in the 1980s and continued into the 1990s. Next came the transformation of Central and Eastern Europe upon the dissolution of the Soviet Union, beginning in 1989. Democratic transitions swept through Sub-Saharan Africa in the early to mid-1990s (though

Table 3.3 EIU Democracy Index across regions (2010–2012)

Region	EIU Index		
	2010	2011	2012
North America	8.63	8.59	8.59
Western Europe	8.45	8.4	8.44
Eastern Europe	5.55	5.5	5.51
Latin America and the Caribbean	6.37	6.35	6.36
Asia and Australasia	5.53	5.51	5.56
Middle East and North Africa	3.43	3.62	3.73
Sub-Saharan Africa	4.23	4.32	4.33
Total	5.46	5.49	5.52

Source: EIU Reports, 2011 and 2012.

many were not sustained), and occurred more sporadically in various parts of Asia in the 1980s through to the 2000s.

But, of course, not all the countries that have embarked on the democratisation process have necessarily attained full democracy. Many remain classified as flawed or partial democracies.

In contrast to the Arab region's democracy record, Arab development, as indicated by the rate of growth, per capita income, education and health indicators, among others, has not fared badly (World Bank, 2014). The region's average growth rate in the past 20 years was above the world average and above that of other regions, with the exception of East and South Asia. The average income per capita in 2000–2013 for the high-income Gulf Cooperation Council (GCC) group (at almost USD 27,000) was only second to the Organisation for Economic Co-operation and Development (OECD); and, since 2000, some (especially Qatar and the United Arab Emirates (UAE)) have surpassed the average income per capita of the OECD, while the average income per capita for the whole Arab region (comprising both the oil and diversified non-oil economies) was only slightly below USD 4,000, which was more than twice the median income for the developing world. Finally, looking at the Human Development Index (HDI) (Figure 3.2), the Arab region has been developing in line with other regions.

If the Arab experience, in contrast with that of other regions in the world, does not conform to the modernisation hypothesis that

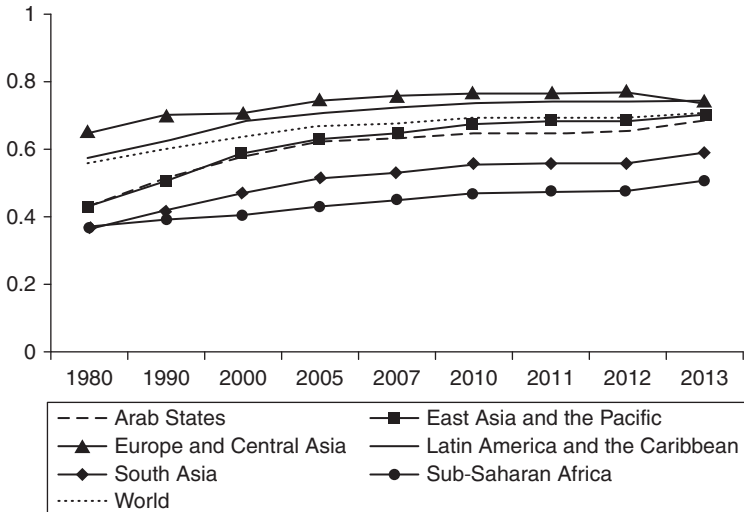


Figure 3.2 HDI across regions (1980–2013)

Source: Human Development Report (2014).

stipulates a positive correlation between democracy and development, then the question arises: What explains the persistence of Arab autocracies, at least until the outbreak of the Tunisian uprising?

3.2 Underpinnings of the democracy deficit

Numerous past and more recent analyses have analysed the question of lagging democracy in the Arab region. These vary from a broad historical viewpoint to more focused analyses on underlying factors (Center for Arab Unity Studies, 1983; Sharabi, 1988; Hudson, 1991; Kedourie, 1994; Salameh, 1994; Waterbury, 1994; Al Naqeeb, 1996; Bichara, 2006; Harik, 2006; Noland, 2008; Diamond, 2010; Elbadawi and Makdisi, 2011, 2013; Amin et al., 2012; Chaney, 2012).⁶ Space limitations, however, do not allow a review of this literature here. Instead I shall refer to recent work by Ibrahim Elbadawi and myself that, informed by existing literature, attempts to explain the long persisting Arab democracy deficit (Elbadawi and Makdisi, 2011).⁷ Taking the modernisation hypothesis as a framework for analysing long-term cross-country differences in the standards of democracy, rather than as a theory of political transition, this hypothesis is deployed as a benchmark model for analysing the Arab democracy deficit relative to the counterfactual consistent with its level

of development, as well as for testing hypotheses that might explain the persistence of this deficit.

Very briefly summarised, the model (for details refer to Elbadawi and Makdisi, 2010) shows that, for the Arab region as a whole, while the extended 'modernity' variables (for example, income, education, neighbour polity and female percentage of the labour force) are important determinants of democracy in the long run, they fail to explain why the Arab democracy deficit has persisted relative to other comparator regions.⁸ Post-colonial rule has had a negative impact (a preponderance of Arab countries became authoritarian immediately after independence) but, in turn, does not furnish evidence of the deficit. Ethnic fractionalisation reduces the persistence of polity, whether autocratic or democratic. However, the results imply that ethnic fractionalisation does not seem to have affected democratisation in the Arab region.

Religion, specifically Islamic religious practices and/or traditions, have been invoked by a number of writers as promoting autocracy in the Arab region (Rothstein and Broms, 2011; Chaney, 2012); in our model, both Muslim and Christian dummy variables are found to be insignificant and small in scale, suggesting that they have no influence on polity. Other writers have reached similar conclusions (Kuru, 2014; Maseland and van Hoorn, 2013). But, of course, religion can be employed as an instrument to promote authoritarian rule: clerics beholden to the ruler, especially in oil-rich countries, have played and continue to play the role of defenders of the status quo (Aldashev et al., 2013).⁹

What fundamentally seems to explain the persisting democracy deficit in the Arab region, are oil and conflicts, in particular the Arab/Israeli conflict, along with all their attendant disruptive foreign interventions. The oil curse effect, the trade-off between economic welfare and political rights, is well established in the literature (for a review see Ross, 2014). However, two qualifications to the oil effect should be noted (Elbadawi and Makdisi, 2013): first, below a certain per capita level it is not a significant factor and, secondly, it acts as an impediment to democracy only in autocracies and partial democracies, and not in countries that are already democratic. So far, neither condition stands in a majority of the Arab oil countries. But conflicts are found to have a unique negative effect on the democratisation process of the Arab region, partly because these conflicts, in particular the ongoing Arab/Israeli conflict (the Palestinian question) have been exploited by some incumbent autocratic regions to justify their rule. More generally, the persistence of this question helped maintain a conflict-prone

regional environment that was inimical to democracy: it provided a region-wide pretext for authoritarian rulers to escape the consequences of their national failures, and also contributed, in a few cases, to the outbreak of civil wars (e.g. Jordan, Lebanon), whose settlement did not lead to a significant change in the political status quo. In contrast, in other regions of the contemporary world, with no experience similar to the Palestinian one, civil conflicts have mostly been followed by a process towards democracy, noted reversals notwithstanding (Jai Kwan Jung, 2008).

On their part, the case studies have enabled a deeper and more nuanced understanding of the oil and conflict thesis, leading to four important conclusions:

1. The influence of oil wealth in permitting the trade-off between economic welfare and political freedom cannot be considered in isolation from the specific socio-political history of the country concerned. To illustrate, in Iraq the effect of oil wealth was tempered by the ability of the cross-ethnic nationalist movement to undermine the legitimacy of the monarchy, and saw the overthrow of the monarchy in 1958. In Algeria, the influence of oil wealth should be considered in the context of the political alliance of the party that took over power after independence with the military and bureaucracy. In Kuwait, the important merchant class has been able to extract certain political rights (an elected legislature) before and after the oil era began: as a result, a partial democracy has started to emerge (see Elbadawi and Kubursi, 2014). In Saudi Arabia, fundamentalist religious groups have, throughout, exercised great influence over the nature of the state.
2. It is necessary to recognise fully the important indirect influences oil wealth has had on non-oil Arab countries in the region as it tended to reinforce their autocratic regimes. In some of these countries, for instance, oil wealth has been used to support particular religious/political groups. This support, irrespective of its charitable aspects, has often accentuated already existing social/religious divisions and rendered the leaders of these groups politically beholden to their benefactors. In other countries, oil wealth has been used to help autocratic regimes spend lavishly on their security/military establishment, or support them in their regional wars.
3. The negative impact of the Arab/Israeli conflict has varied from one country to another, being felt more in countries nearer to the stage

of the conflict, such as Jordan, Lebanon, Syria, Egypt and Iraq than, for example, in Algeria or some of the Gulf States. For countries that have gone through a civil war, such as Sudan and Lebanon, the wars' corrosive impact on polity has been manifested in a number of ways. For example, in the former case it encouraged military coups, while in the latter it contributed to a deepening of sectarian divisions and, in consequence, hindered a potential move to a more advanced democracy.

4. Finally, foreign military interventions (for example, Kuwait and Iraq) and the rise of Islamic fundamentalism (encouraged by such interventions) have also acted, in one way or another, to bolster authoritarianism in the region. The ruling authorities have not hesitated, and would not hesitate, to use the potential threat, let alone a real one as has transpired, posed by fundamentalist groups to the existing political order as an added justification for their authoritarian rule, with its attendant violations of political and civil rights of citizens. The role that fundamentalist movements have come to play after the uprisings, briefly noted in Section 4, lies outside the purview of this chapter.

The case studies also reveal that the Arab countries have shared additional common explanatory factors (e.g. historical legacies, co-optation of business elites). And as El-Affendi (2011) put it succinctly: what stands out is that the post-independence Arab rulers continued to arrogate to themselves the same privileges and powers that the colonial state had enjoyed, thus alienating themselves from their societies as much as the colonial powers had done before them.

4. Unravelling of the Arab autocracy and the role of socioeconomic factors

Whatever the immediate triggers for the Tunisian and Egyptian uprisings, their underlying factors had been building over the years, and their success provides additional incentives for the push towards a wider democratic space in the region. But this push faces resistance: the major factors that, in the first place, had obstructed the rise of democracy continue to exist, though perhaps their influence might have somewhat waned.

Numerous writings have been published on various facets of the Arab uprisings. Drawing on recent analyses, I submit five major factors

explaining the unravelling of the Arab autocracy that started in Tunisia:¹⁰

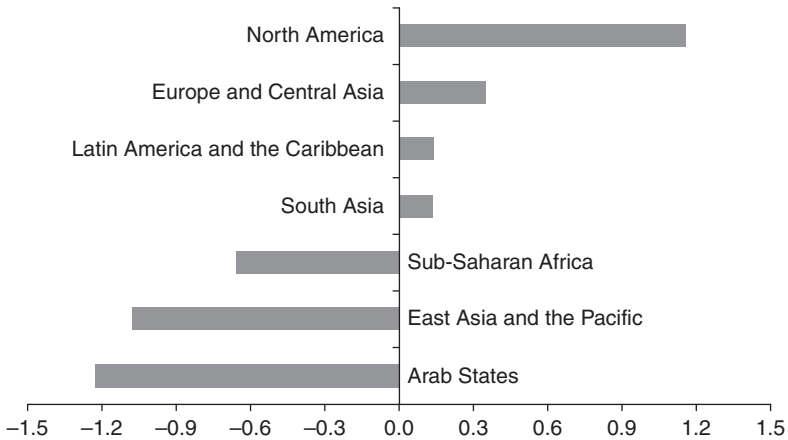
1. The declining economic role of the state (its downsizing) that has been accompanied by a sharp rise in the levels of unemployment, especially youth unemployment, and growing inequality.
2. The impact of greater openness, both within the Arab region and with the outside world.
3. Deep-seated ambitions, not only for socioeconomic advancement, but also for greater freedom and political participation.
4. The impact of growing democracy in the Arab region or the neighbourhood effect.
5. The impact of conflict resolution in the region, especially the Arab/Israeli conflict that admittedly remains a potential factor.

In the period following the fall of the Soviet Union, the gradual shift in the development paradigm from a nationalist developmental strategy based on a public sector-oriented economy to a market economy had a major consequence. With this shift, and for various reasons, including misguided policies, the private sector failed to generate sufficient employment opportunities that state and public sector institutions had previously provided (no matter how inefficiently), especially for the youth.

Some analysts point out that when economic growth faltered, as in the 1980s, implementation of economic reforms was uneven, hesitant and incomplete, and not infrequently accompanied by cronyism and corruption (Ansani and Daniele, 2012). Indeed, it is not only the impact of economic policies on growth performance that should be considered, but, equally, if not more importantly, that of institutions, both economic and political. Institutional performance, as has been argued, plays a determining role in explaining differences in per capita income outcomes (Acemoglu and Robinson, 2008), and institutional performance in the Arab region has not generally been of high quality (Table 3.4).

Whatever the causes of the faltering Arab growth, in the period 2005–2010 Arab youth unemployment reached high levels, averaging more than 25 per cent, and continued to rise in both 2011 and 2012 (the highest rate among various developing regions, ILO, 2013). This growing unemployment tended to weaken the regimes' authoritarian hold on power and weaken its authoritarian bargain, more so in the non-oil-producing than the oil-rich countries; in other words, impacting

Table 3.4 Voice and accountability across regions (2011)



Source: Based on World Bank, WDI, 2012.

on their ability to trade off public goods and other economic benefits for political rights and participation. As some writers have put it, the Arab Social Contract started to unravel (Amin et al., 2012). Indeed, according to Elbadawi and Makdisi (2013), it is shown that high unemployment levels (above 10 per cent) were one of the factors underlying the uprisings. The unemployment channel appears to be particularly relevant to explaining recent Arab uprisings in the low-to medium-resource-endowed countries, such as Egypt, Syria, Tunisia and Yemen, or those that are ripe for change, such as Algeria and Sudan.

Furthermore, the declining economic role of the state has helped promote the growth and empowerment of independent civil society organisations that traditionally press for economic and political reforms. Of course, as already mentioned in the preceding section (Section 3), the Arab ruling classes have attempted to counter this trend by co-opting both the business and intellectual elites, and indeed by forging partnerships between high government officials and business tycoons (who basically engaged in rent-seeking activities). In practice, this meant that a few groups were favoured and received the larger part of the benefits of growth to the relative exclusion of the majority of the populace; this phenomenon, in turn, bred growing resentment among the latter. While the trend in income inequality may not have changed significantly in the past few decades (Hakimian et al., 2013),¹¹ discontent, associated

with disillusionment with economic prospects, led to what has been termed ‘unhappy growth’ (Amin et al., 2012).

The impact of greater openness, both within the Arab region and with the outside world, on weakening the authoritarian bargain is perhaps self-evident. It helps civil society organisations, including those run by students, women and other social groups, to press harder for political reform. And, as amply demonstrated by the recent uprisings, there are deep-seated ambitions, not only for socioeconomic advancement, but also for greater freedom and political participation on the part of large segments of the populace who have felt disenfranchised and largely excluded from the benefits of economic development.

The unexpected success of mass street mobilisation in both Tunisia and Egypt has acted as a spark for similar mass movements in other Arab countries: in particular, the younger generations pressed successfully for the dismantling of the autocratic regimes of both countries via mostly peaceful means, including intensive use of the rapidly spreading social networks (Figure 3.3).

The uprisings of the Arab youth were influenced by two underlying factors: primarily they had lost faith in the role of traditionalist reformist political parties, which proved incapable (for whatever reason) to act as agents of political change and therefore had to be left behind. But, also, they were influenced by the ripple effects of the important democratic changes that had taken place in other regions of the developing world.

It is true that subsequent uprisings, in Syria, Yemen and Libya, have turned into armed conflicts with confessional and/or tribal overtones. And, especially in the Syrian case, the ongoing tragic conflict has

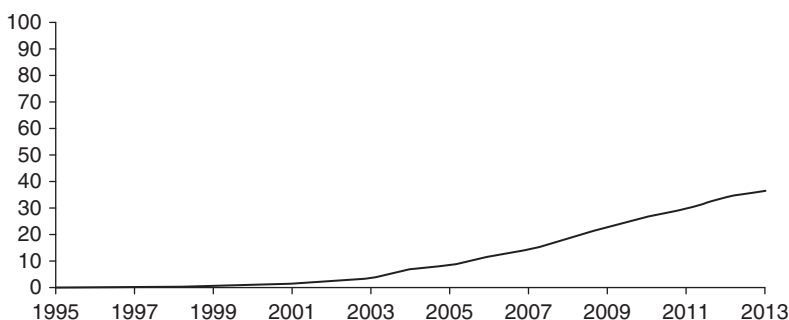


Figure 3.3 Internet users (per 100 people) in the Arab states (1995–2013)

Source: World Bank, WDI (2014).

attracted armed fundamentalist groups whose aims are contrary to the original popular demands for political freedom and socio-economic reform. Nonetheless, the transitional regimes that will follow the settlement of these internal conflicts will be under growing pressure to put a genuinely democratic order in place, especially if other Arab countries manage to develop and/or consolidate their democracies.

Indeed, societies located in democratic neighbourhoods tend to be more susceptible to democratic transition. Moreover, resource rents could very well cease to be a constraint to democratic transition in democratic regions, even for highly resource-endowed societies (Elbadawi and Makdisi, 2013). Hence, should the current Arab uprisings swell into a major regional democratic phenomenon, it might very well spread to the highly resource-endowed GCC societies that, save Bahrain, have so far remained unaffected.

Similarly, we should consider the potential impact of settling regional conflicts, in particular the Arab/Israeli conflict that, in the past decades, have destabilised the region and influenced negatively potential moves towards democracy, albeit to varying degrees from one country to another. Hence, one can postulate that, should the various violent conflicts afflicting the AW be resolved, including, above all, a just and sustainable resolution of the Palestinian question, this would greatly reinforce the trend towards a genuine democracy in the region. And where partial democracies already exist this would only act as a further element in pushing for full democratic change, as such democracies are more susceptible to democratic transitions than autocracies (Elbadawi and Makdisi, 2013).

5. Consolidation of the democratic transition?

Generally, as current Arab uprisings expand and consolidate, they will, as noted in Section 4, generate an increasingly positive neighbourhood externality. But, as the experiences of other regions teach us, the consolidation of democracy is a not a foregone conclusion. For this consolidation to take place, a number of challenges will need to be met. I here point out three of them:

1. A major challenge is the willingness and ability of the political victors in the countries that manage to break the hold of autocratic rule to establish genuinely representative, accountable and transparent political institutions that would guarantee basic human rights (freedom of expression and free choice being at the top of these

rights), provide the opportunity for the most disadvantaged groups to participate, institutionalise their rights to make choices and challenge public policies, and hold governments accountable, as well as ensure equitable development or IG.

If such institutions are established and become operable and secure, whereby the toppled elite is not replaced by a new elite with a similar pattern of behaviour, then we need not fear initial electoral success of particular politico/religious groups. Under these circumstances, their initial success can later be democratically contained, if not reversed, especially if they fail in governing developments; Tunisia, in particular, represents a good demonstration of this matter.

2. Another challenge facing the consolidation of the democratic process is the ability to frame and implement a broad and inclusive long-term socioeconomic strategy: this strategy should create expectations that growth, expanding employment opportunities, fairness and equity will play major roles in the transition to a new economy. This would imply modernising the public sector and eliminating its 'elite capture', with the objective of ensuring that newly emerging political and business interests are not capable of forestalling the implementation of desired socioeconomic reforms.

Looking at the record of democratic transitions elsewhere, they resulted, not infrequently, in economic recessions which either derailed or potentially could have derailed the process of substantive political reform. Of note are studies showing that transition countries that succeeded in implementing socioeconomic reform have forged ahead economically more than those that failed to do so (Amin et al., 2012).

3. Finally, we cannot but keep in mind the corrosive impact of regional conflicts. Briefly, the consolidation of democracy in the region could remain precarious in the absence of fundamental resolutions to prevailing major conflicts, especially the central Arab/Israeli conflict, acceptable to the parties concerned. The corrosive impact of this conflict and the more recently emerging sectarian divisiveness pose threats of reversals in the countries that manage to break out of the grip of entrenched autocracies. This potential threat may be greater in countries closer to the central conflict and/or are exposed to potential divisive sectarian influences. It remains true, however, that the more countries in transition succeed in implementing a genuine democracy, along with a viable socioeconomic strategy based on the

principles of IG, the less is the potential threat of reversal posed by such conflicts.

6. Concluding remarks

Looking at the socioeconomic dimension of the Arab uprisings, three major factors have been building up as fundamental triggers: high unemployment, persisting deep inequality and relative exclusion of the populace from the benefits of growth. These factors led to growing public resentment and alienation from the authorities. But, important as they might have been, they remain part of a wider spectrum of causes leading to the overthrow of autocracy, beginning with Tunisia and Egypt. Deep-seated desires for greater freedom and political participation, improved governance, and accountable and inclusive institutions have also played major, indeed paramount, roles as potential triggers for change, let alone the additional impact of geopolitics and foreign interventions. It would be difficult to assign weights to economic versus non-economic triggers. What perhaps can be said is that these factors have been interacting all along, and when the opportunity arose (whatever the triggering circumstances), public pressure for major political change could no longer be held back.

The phase of dismantling Arab autocracy is just beginning. So far only Tunisia appears to be moving towards a substantive democracy, with Egypt falling behind. The eventual outcome of the other uprisings remains highly uncertain. While some reforms have been introduced in the other Arab countries, the regional contagion of democracy remains contained. The elements pushing for change are being resisted by the elements that have maintained the persistence of the Arab democracy deficit. An eventual breakthrough will, no doubt, take place, and the regional space of democracy will widen. It is a question of time and, hopefully, not necessarily a very long stretch of time.

Notes

1. Bahrain has also witnessed mass popular protests demanding political reform. But, with the assistance of Saudi Arabia, the authorities have so far been able to thwart any potential uprising, leading substantive change in the incumbent regime.
2. According to the authors, democracy is most likely when inequality is neither too low nor too high. This leads to the main empirical prediction, a curvilinear relationship between inequality and democracy: an inverted U-shaped curve.

3. The Polity Index data include information only on the institutions of the central government and on political groups acting, or reacting, within the scope of that authority. The data does not include consideration of groups and territories that are actively removed from that authority (in other words, separatists or 'fragments'; these are considered separate, though not independent, polities) or segments of the population that are not yet effectively politicised in relation to central state politics.
4. We should keep in mind the limitations of the democracy measurements noted above. They might explain, for example, why Kuwait, with its relatively freely elected and active national assembly, remains classified as highly autocratic, with a polity score of -7 for 2012. Or why, for the same year, Lebanon's score was $+6$, which puts it in the non-differentiated 'democracy' category, though its political regime is enshrined with sectarian features that discriminate among citizens: unequal electoral rights and varying personal status laws to which they are subject, depending on their religious affiliation.
5. According to the EIU Index, the Middle East and North Africa (MENA) region includes Iran and Israel. Their removal would not change the weighted average significantly.
6. The following references are but a tiny sample of writings starting in the early 1980s and representing differing views of this question: Center for Arab Unity Studies, 1983; Sharabi 1988; Hudson 1991; Kedourie, 1994; Salameh 1994; Waterbury, 1994; Al Naqeeb 1996; Harik, 2004; Bichara, 2006; Noland 2008; Diamond 2010; Elbadawi and Makdisi, 2011, 2013; Amin et al., 2012; Chaney, 2012.
7. This chapter is part of wider research projects in which Samir Makdisi is participating whose aim is successively: (1) explaining the Arab democracy deficit and (2) understanding democratic transitions in the AW, which we have been jointly managing with the participation of a number of scholars. The projects comprise both cross-country work and case studies. The findings of the first project have appeared as EM 2011; a manuscript that includes the research findings of the second project is under preparation.
8. Modernisation variables appear to have accounted for the determinants of democracy in Sub-Saharan Africa and East Asia. Additionally, though the Latin American dummy is found to be significant in scale, it is only about one third that of the Arab dummy coefficient.
9. Some writers caution that, in contrast with Islam, which, as a religious faith, is compatible with democracy, Islamist fundamentalism is not: Islamist movements may embrace ballots but merely as a political exigency, while continuing to reject the concept of political pluralism that underlies democratic governance (see Tibi, 2008).
10. There is a vast and growing literature on the Arab uprisings which we cannot review here, so will only refer to a few select writings.
11. The authors point out that data tend to place the MENA region's income distribution levels between those for Africa and Asia, and that they tend to have moderately high levels of inequality overall (some countries, like Egypt, are at the lower end of the scale of inequality, with an income distribution closer to the Asian pattern; others, such as Iran, have fairly high inequality, closer to African levels). A key finding is that, despite huge structural changes

in these economies, income distribution has not changed by much. Over the last few years, there are indications of a worsening tendency, but the trend is not noticeable when compared to worsening income distribution in fast-growing Asian countries.

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