

# Political Economy of Arab Uprisings

## Abstract

During the transition from 2010 to 2011, social movements started to be a common occurrence within the Arab public sphere ranging from the Atlantic Ocean to the Persian Gulf. The said movements were coined with many names such as Arab Spring, Arab Uprisings and Arab Revolutions. Although neither of these names are sufficient enough to explain the process, it is possible to state that the year 2011 triggered one of the most important transformation periods in the history of modern Middle East. In this context, this article titled 'Political-Economy of the Arab Uprisings' will present a political-economic review of these uprisings. To read the Arab Uprisings only from a democracy demand perspective without making a class analysis, will prevent us from reaching the main answer of Muhammed Bouazizi's self-immolation or why Dera was the starting point of the uprising in Syria. The study aims to understand and explain the events through a long-term examination based on this justification. The Arab Uprisings of 2011 were not spontaneous events. It has its roots and future consequences. By withdrawing from the narrow perspective of sectarian-essentialist entrapment, the expression of class hierarchies and exclusion which still persists in the Middle East after the Arab Uprisings will ensure the understanding of the structures that the "New Middle East" has inherited.

**Key Words:** Middle East, Arab Uprisings, political-economic, liberalization, neoliberalism, financial crisis.

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## Arap Ayaklanmalarının Ekonomik Politigi

### Öz

2010'dan 2011 yılına geçilirken toplumsal hareketler Atlantik Okyanusu'ndan İran Körfezi'ne uzanan Arap kamusal alanında kendisini yaygın bir şekilde göstermeye başladı. Söz konusu hareketler Arap Baharı, Arap Uyanışı, Arap Ayaklanmaları ve Arap Devrimi gibi pek çok isim ile kendisine yer buldu. Bu isimlerden herhangi birisi süreci anlatmak için yeterli olmasa da 2011 yılının modern Ortadođu tarihindeki önemli dönüşüm süreçlerinden birini tetiklediğini söylemek mümkündür. Bu bağlamda, 'Arap Ayaklanmalarının Politik-Ekonomisi' başlıklı bu çalışma, ayaklanmaların politik-ekonomik bir incelemesini sunacaktır. Arap Ayaklanmaları'nın sınıfsal bir analizi yapılmadan sadece demokrasi talebi çerçevesinde okunması, sürecin gerçek sebebinin ve Muhammed Bouazizi'nin niçin kendini yaktığının ya da Suriye'de ayaklanmaların niçin Dera'da başladığının asıl cevabına ulaşmamızı engeller. Yapılan bu temellendirme üzerine, çalışma uzun dönemli bir inceleme ile olayları anlamaya ve açıklamaya çalışacaktır. Arap Ayaklanmaları 2011'de başlayan anlık olaylar değildir. Kökleri ve geleceğe yansıyan sonuçları vardır. Mezhepsel-özcü sıkışmışlığın dar merceğinden uzaklaşarak Arap Ayaklanmaları sonrası Ortadođu'da hala varlığını sürdüren sınıfsal hiyerarşiler ve dışlamaların anlatılması "Yeni Ortadođu"ya miras kalan yapıları anlamayı sağlayacaktır.

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**Anahtar Kelimeler:** Ortadođu, Arap Ayaklanmaları, politik ekonomi, liberalleşme, neoliberalizm, finansal kriz.

## تغييرات اروشلاي سايسلا خاصتقلا

### ةصالخلا

مع الانتهاء من عام 2010 والدخول في عام 2011 بدأت تحركات اجتماعية تتجلى بشكل واسع في الرقعة الجغرافية العربية الممتدة من المحيط الأطلسي حتى الخليج العربي (خليج البصرة). وتم إطلاق العديد من المسميات على هذه التحركات مثل الربيع العربي والصحوة العربية والانتفاضات العربية والثورات العربية. وعلى الرغم من أن أيًا من هذه الأسماء لم يكن كافيًا لوصف هذه المرحلة إلا أنه يمكن القول إن عام 2011 تسبب في أحد أهم عمليات التحول في التاريخ المعاصر للشرق الأوسط. وفي هذا السياق ستقدم هذه الدراسة بعنوان «الاقتصاد السياسي للثورات العربية» تحليلًا سياسيًا اقتصاديًا للثورات التي حدثت. إن قراءة الثورات العربية في إطار المتطلبات الديمقراطية دون تحليلها وفق تصنيف معين بمنعنا من الوصول إلى الإجابة الحقيقية لسؤال لماذا قام محمد البوعزيزي بإحراق نفسه أو لماذا بدأت الثورة السورية في درعا. وعلى هذا الأساس ستحاول الدراسة فهم الأحداث وشرحها من خلال تحليل طويل الأمد. الثورات العربية ليست أحداثًا لحظية بدأت عام 2011. بل لها جذور ونتائج تنعكس على المستقبل. إن توضيح الإقصاءات والتسلسلات الهرمية الطبقية التي لا تزال قائمة حتى الآن في الشرق الأوسط بعد الثورات العربية من خلال الابتعاد عن النظرة الضيقة للقيود الطائفية سيساعد على فهم الهياكل التي بقيت مبرأًا «للشرق الأوسط الجديد».

**الكلمات المفتاحية:** الشرق الأوسط، الثورات العربية، الاقتصاد السياسي، التحرر (الليبرالية)، الليبرالية الجديدة، الأزمة المالية.

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## Introduction

During the transition from 2010 to 2011, social movements started to be a common occurrence within the Arab public sphere ranging from the Atlantic Ocean to the Persian Gulf. The said movements were coined with many names such as Arab Spring, Arab Uprisings and Arab Revolutions. Although neither of these names are sufficient enough to explain the process, it is possible to state that the year 2011 triggered one of the most important transformation periods in the history of Modern Middle East.<sup>1</sup> The uprisings lead to a fracture regarding the approach to the region both on state and regional level and the international community. In this context, this article titled 'Political-Economy of the Arab Uprisings' will present a political-economic review of these uprisings.

Analyses assessing Arab uprisings as one single unit should be avoided. However, it is important to know the similarities between what we witness in the region and what we experience in many countries.<sup>2</sup> In terms of political events and public uprisings in the recent years, every nation produced outputs according to the effects created by their own economic and social structure specific to their own history, power relations, denominational structure. However, when the uprisings were examined, it can be seen that religion, tribalism, specific historical experience and similar characteristics attributed to the region, have not prevented Middle East societies from experiencing the same social and political movements as the rest of the world.<sup>3</sup>

The idea that the only way to understand the Middle Eastern history is to put it into a global context<sup>4</sup> is the pathfinder of the basic claim of the study. Because, it is not possible to evaluate the political economic reasons and foundations of Arab uprisings, differently from the global context. Global context of the study is neoliberal order. Arab countries transformed from an understanding of economy based on improvement and welfare to a system which is for the good of the elite in and which the people become economically polarized. This situation is the essential reason of 2011 uprisings. This distorted situation caused by uprisings in Arab countries, which is the con-

<sup>1</sup> Avi Shlaim, "Israel, Palestine, and Arab Uprising", ed. Fawaz A. Gerges, *The New Middle East: Protest and Revolution in the Arab World*, (Cambridge: Cambridge University Press, 2014), p. 380.

<sup>2</sup> Bassam Haddad, "Syria, The Arab Uprisings, and The Political Economy of Authoritarian Resilience", *Journal For And About Social Movements* 4 (1) (2012), p. 117.

<sup>3</sup> James L. Gelvin, *The Modern Middle East* (New York: Oxford University Press, Fourth Edition, 2016), p. 318.

<sup>4</sup> Gelvin, *The Modern Middle East*, p. 260.

tinuance of polarization between classes, is also the most important problem of future generations. Therefore the existence of new instabilities which can be experienced in Arab countries after the uprisings shouldn't be forgotten.

By keeping in mind the criticism that we cannot obtain a wide perspective as we are too close to the Arab uprisings<sup>5</sup>, the study has been started in order to provide a political economic first draft for the uprisings<sup>6</sup> without passing judgments about the importance of the uprisings. The discourse by Ilan Pappé that "what I can suggest as a historian is it is necessary to carefully review the historical development of the issue with the hope that it will bring some light on the current crisis in the Middle East" defines the method of the study.<sup>7</sup>

The study aims at revealing the political economy of Arab uprisings with a historical examination. Because when the economic aspect is left unattended, learning the history falls short and theory of economy becomes meaningless as it is detached from its historical background.<sup>8</sup> Although the study doesn't have a claim like examining the uprisings within the frame of an economy theory, it aims at making sense of policy-economy relation by establishing a historical background. In the modern world, parallel existence of state and market and their mutual interaction create the political economy. Political economy focuses on how state and its relevant political processes affect production and distribution of richness, especially on how political decisions and interests affect the position of economic activities and expenses and benefits arising from these activities.<sup>9</sup> How these focus points are created in Arab countries shall be examined in the text. Political economy approach has too much to contribute to the explanation of the dynamic of ongoing political and economic transitions and the initial motivation of the uprisings.<sup>10</sup>

While the study reveals the political economy aspect of the uprising, it doesn't push the democratic demands aside. Economic equality of opportunity demands aren't distinguished from the democratic equality, and demands of having a word both in politics and economy are emphasized.

<sup>5</sup> James Gelvin writes in his book that being close to events makes it impossible to gain a broad perspective and therefore how to make judgments about the importance of Arab uprisings, Gelvin, *The Modern Middle East*, pp. 259-260.

<sup>6</sup> *Ibid*, p. 260.

<sup>7</sup> Ilan Pappé, *The Modern Middle East* (London and New York: Routledge, 2005), p. 40.

<sup>8</sup> Leo Huberman, *Man's Wordly Goods* (New York and London: Monthly Review Press, 1968), p. vii.

<sup>9</sup> Robert Gilpin, *The Political Economy of International Relations* (Princeton, New Jersey: Princeton University Press, 1987), pp. 8-9.

<sup>10</sup> Alan Richards and John Waterbury and Melani Cammett, *Ishac Diwan, A Political Economy of the Middle East* (Colorado: Westview Press, Updated 2013 Edition), p. 352.

While the text provides a political economical explanation, it doesn't intend to examine Arab uprisings with a holistic understanding. It is a text written with the presupposition that it is not the only factor to be articulated to neoliberalism as the reason of the uprisings and within the limitation of the requirement that the roots and results of each uprising should be discussed in the context of conditions specific to their countries. The study shall focus on the part of social and economic justice considering that human rights against authoritarian regimes, democracy, social and economic demands, which are indicated as the reasons of Arab uprisings, are actually parts of a whole but the essence of each part should be understood.

The study aims at understanding 2011 uprising through the continuities and failures by examining the political economical roots of the uprisings historically. It advocates that instead of considering each uprising as a single event of each nation state, they should be evaluated in a wide context.

James Gelvin tells in his book that if a Middle Eastern Rip van Winkle<sup>11</sup> went to sleep within ten years after the World War I and woke up seventy-eight years later, he would encounter many things he was familiar with.<sup>12</sup> Similarly, if Middle Eastern Rip van Winkle had fallen asleep during the Arab uprisings in early 2011, he might have thought he would see a different world when he woke up. Would a different world be waiting for Winkle who slept knowing that two autocrat names resigned from duty, in many countries of the region, the regime leader encountered threats to their seats and people shouted out their demands in streets?

### **Political-Economic Roots of Arab Uprisings**

Arab regions, which were ruled under the Ottoman Empire for long years, were ruled with the effect of large states before World War I in different patterns and they gained independence after the second great war. One of the claims of the study is that Arab regions were also affected by the articulation process of Ottoman Empire to global economic systems in the 19<sup>th</sup> century. With the mentioned articulation, class formation occurred in Arab countries and denominational foundations which reach for independence and after were laid. After the independence, first, the top class was tried to be eaten

<sup>11</sup> Rip van Winkle is the hero of famous story of Wahington Irving published in 1819. In the story, Winkle slept for 20 years due to a curse and he found everything different when he woke up and returned to his town.

<sup>12</sup> Gelvin, *The Modern Middle East*, p. 259.

away under the rule of populist regimes but the denominational stratification continued with the existence of structural problems that couldn't be removed. Liberal policies of 1970's and 1980's reinforced the strategic relation of upper classes and regimes. Middle East, which is not in a different economy are than the global economic order, is no exception from the own contradictions of neoliberal system.

The change, which Ottoman Empire went through, that is the transformation,<sup>13</sup> affected the Arab provinces of the empire, too. Since the time Ottoman rule started in Arab provinces, authorized people from the center needed to cooperate with the notables of the provinces. This relationship was established on providing mutual interests for both parties. Administrative behaviour rules brought by the Reform era could have ended these privileges. In this case, how would the notables protect their privileges?<sup>14</sup>

One way to do this was to use the economic opportunities which emerged when Europe infiltrated into Levant commercially. As Ottoman Empire articulated to the international markets, its economic life started to depend on the development of export materials needed in Europe. This situation brought increased planting of agricultural goods such as wheat and barley and caused the local notables to enter into the process of acquiring more land in order to start commercial agriculture. They acquired more lands with the Land Law in 1858.<sup>15</sup>

With the 1858 law, a class was created with private property lands. This class was both the owner of vast lands and a merchant class related to European states due to commercial agriculture. Therefore, 19<sup>th</sup> century was important for Arab provinces.

In the 19<sup>th</sup> century, integration of Middle East to modern world economy and international states system created results which can be called as double revolution for the region.<sup>16</sup> Modern political history starts with the collapse of Ottoman Empire, however, economic history starts earlier, in the middle of 19<sup>th</sup> century. In many places, merchants, farmers and inhabitants put local Middle Eastern economies in a new era. The intention was to re-establish the local agricultural production in the capitalist line. It was a new phenomenon

<sup>13</sup> William L. Cleveland and Martin Bunton, *Modern Middle East* Boulder: Westview Press, Fifth Edition, 2013), p. xii.

<sup>14</sup> *Ibid*, pp. 84- 85.

<sup>15</sup> *Ibid*, p. 85.

<sup>16</sup> Gelvin, *The Modern Middle East*, p. 349.

for the region that what would be grown was determined by profit, not the need to eat.<sup>17</sup>

In the 19<sup>th</sup> century, Middle East region embraced industry and technology related parts of modernity became experts in commercial agriculture and got its share of imperialist globalization. Modernization was rambling in terms of geography and improvement by the life of many Middle Eastern people were then depending on the economic powers far away from themselves.<sup>18</sup> Moreover, according to the point of view of the schools of thought, which discussed the political economy based on global system and the theory of independence, developed by Samir Amin, Immanuel Wallerstein and others, regions like Middle East marginalized in 16<sup>th</sup> century with the rise of capitalism.<sup>19</sup> Although the study doesn't come so far in time, it determined that the economic change experienced by Middle East in the 19<sup>th</sup> century should definitely be kept in mind.

20<sup>th</sup> century started with the war, which caused an important breakup in the region. World War I caused Ottoman Empire to collapse and its lands to be divided. With the decisions made in the San Remo conference, Arab provinces were divided between the Great Britain and France as units called mandate.<sup>20</sup> In Arab provinces, the period between two great wars was the period of British and French domination. Establishment of separate states instead of Ottoman political order brought very heavy economic and ideological regulations on the people of the region. Once integrated economic unit under a single empire authority was then separated. Each new Arab state has their own customs tariffs and laws, on money and economic relations established with mandate ruler states.<sup>21</sup>

No general improvement could be expected in the Middle East before the World War II. Colonialist or mandating powers didn't make investments in the income distribution and welfare policies. Polarization continued with the existence of a small social layer managing the majority living in poverty in the societies.<sup>22</sup> Integration with global economy marginalized the Middle Eastern economy. Marginalization meant a deeper crack between state and

<sup>17</sup> Pappe, *The Modern Middle East*, p. 41.

<sup>18</sup> Simon Murden, "Political Economy from Modernization to Globalization", ed. Youssef M. Choueiri, In *A Companion to The History of The Middle East*, (Oxford: Blackwell Publishing, 2005), pp. 374-375.

<sup>19</sup> Pappe, *The Modern Middle East*, p. 39.

<sup>20</sup> Cleveland and Bunton, *Modern Middle East*, pp. 151-153.

<sup>21</sup> *Ibid*, pp. 159-160.

<sup>22</sup> Pappe, *The Modern Middle East*, p. 45.

society, the rich and the poor. Those who were in a good condition in the former system continued it and they found new ways to get richer by staying in the management.<sup>23</sup>

The mandate period can be stretched until the XIX. Century to the source of wealth of the landowning notable class whom the British and French based their presence on. This situation was created due to the profitability of the real estate investment being attractive and the increased prices of export based products owing to the 1858 Ottoman Land Legal Code. Adding the land distribution the local notables in mandate period, we encounter a view in which for example in Syria, 1 percent of population owned 50 percent of land in the middle of XX. Century. The existence of this imbalance caused land reforms to be in the center of regimes after World War II.<sup>24</sup>

World War II accelerated the end of British -French domination in the Middle East and Arab states gained their independence after war.<sup>25</sup>

Recent era Middle Eastern history can be divided into two sub-periods: first period starting in 1929-1945 and ending at the beginning of 1970's and second period starting in 1970's and continuing until today.<sup>26</sup> The mentioned political division of period includes the breakups in economy policies, so this study complies with the division.

## **From Developmental Policies To Neoliberal Policies: Political-Economic Changes of Regimes**

Arab states entered the period after the second Great War as independent nation states. Before the war, management was in the hands of great powers and upper classes related to them.

Egypt, Syria and Iraq, which are central Arab states, witnessed massive changes at the beginning of 1950's and 1960's. Upper class civil politicians, who were educated in European institutions, were replaced by young officers from lower classes or rural areas of the society. New administrative staff started reform programs in order to gain social justice, economic improvement and superiority against Israel, this situation made the countries open for Soviet Union influence.<sup>27</sup>

<sup>23</sup> Ibid, p. 43.

<sup>24</sup> Gelvin, *The Modern Middle East*, pp. 274-275.

<sup>25</sup> Cleveland and Bunton, *Modern Middle East*, p. 161.

<sup>26</sup> Gelvin, *The Modern Middle East*, p. 260.

<sup>27</sup> Cleveland and Bunton, *Modern Middle East*, pp. 253-254.

Military officers and their 'civilized' successors, who took the power after World War II caused the rooted political elites to weaken. Military coups strengthened the representatives of new middle class and rural groups. Transition of political and bureaucratic power to the formerly excluded section provided expansion of health, education systems, fixation of house rents and social policies such as food aid.<sup>28</sup>

After the independence, secular modernists created a socio-economic revolution for the Arab world. Political systems left by England and France were removed. Scale, richness and social power of land owners and merchant class, which were in relation with the colonialist powers, were considerably reduced. Arab modernists used the organization power of state in order to establish a social base to support their administration. State planning, common public property and inward-oriented strategy were included in the economic philosophy. State directed development and welfare state were two feet of Arab modernists.<sup>29</sup>

By nationalizing the economy and reducing the expenses in order to need foreign aid less, local share was tried to be increased. Living standards increased compared to the past.<sup>30</sup> Although many people benefited from public sector employment, free education, health services and the system providing subvention for basic goods, there were officers, bureaucrats, public section capitalists and workers in the center of new dominant coalition. There was a social contract. In return for improvement and social justice, the people were expected to accept the national project started by the administrators.<sup>31</sup>

The formula of the management bargain emerging after the World War II in Middle East was "benefit for compliance".<sup>32</sup> New political-economic policies executed for improvement in countries in the periphery of the world economy were designed in order to support the new management bargain. In general, these policies included economic improvement led by state, central economic planning and import substitution industrialization.<sup>33</sup>

New administrator class expanded the state's role in order to realize reform programs, started executing planned economies, created state bureaucracies decreasing enterprise. They established elected authoritarian single

<sup>28</sup> Gelvin, *The Modern Middle East*, p. 279-281.

<sup>29</sup> Murden, "Political Economy from Modernization to Globalization", pp. 375-376.

<sup>30</sup> Pappe, *The Modern Middle East*, p.45.

<sup>31</sup> Murden, "Political Economy from Modernization to Globalization", p. 376.

<sup>32</sup> Gelvin, *The Modern Middle East*, p. 261.

<sup>33</sup> *Ibid*, p. 263.

party regimes with parliaments which weren't effective in spite of the discourse of public democracy.<sup>34</sup> With policies like land reform, nationalization, the state power increased in an unpredictable way.

There were Gulf monarchies which gained a modern outlook due to rising oil prices beside the Arab regimes that opted towards developmentalist policies. These states gave their countries physically modern looks with income from oil and on the other hand they aided the Arab countries, which were deprived of such an income, in the form of direct aids and investments. Besides these direct aids and investments, workers were migrating to rich gulf monarchies from countries such as Egypt, Lebanon, Yemen, Jordan and Syria. The foreign currencies sent by these immigrant workers and the investments they made to their own countries were important sources for the countries they came from.

Controlling the economic sources gave the states the opportunity to increase its roles in the society and regulate the society in a way to be controlled better. Governments made their citizens to obey them using centrally planned economies and unrivaled state power. State benefits were very large.<sup>35</sup> State leadership interlocked with key social groups of society, whose loyalties were resulted from fragile estimations of instrumental and thus patron-client relationship in corporate and ideological aspects. Regime's cessation of the "ruling bargain", which made this relationship possible, would definitely cause the opposition of public groups living off the state.<sup>36</sup>

Even the Middle Eastern countries which didn't experience a military coup embraced most of the administrative, economic policies executed in Egypt and Syria.<sup>37</sup> Developmentalist policies were the determining factor of state policy in independent Arab states.

Developmentalist policies created hope for a while. New housings, roads, public services, schools, hospitals and public works increased the welfare level of people. However, this situation couldn't be sustained in a realistic way. Corruptions and clumsiness became common in rapidly expanding public section. This was an unavoidable situation for political systems established on the patron-client relationship. As investments were misled and produ-

<sup>34</sup> Cleveland and Bunton, *Modern Middle East*, p. 254.

<sup>35</sup> Gelvin, *The Modern Middle East*, p. 282.

<sup>36</sup> Daniel Brumberg, "Authoritarian Legacies and Reform Strategies in the Arab World", ed. Rex Brynen, Bahgat Korany, Paul Noble, In *Political Liberalization, Democratization in the Arab World*, (Boulder: Lynne Rienner Publishers, 1995), p. 234.

<sup>37</sup> Gelvin, *The Modern Middle East*, p. 283.

ctivity decreases, inward-oriented economy became counter-productive in short time. While economic improvement decreased, demand of welfare used up the existing sources and states started to become indebted.<sup>38</sup> Agriculture reforms period, giant industry projects and creation of large bureaucracies ended with the decrease in the influence of Soviet Union and growth in the influence of the West.<sup>39</sup>

Foreign currencies from the workers who migrated to Gulf created private capital entrance in their own countries. Existence of these foreign currency incomes, which coincided with the time in which Arab countries were in financial crisis, couldn't provide an exit from crisis on its own. It was understood that the public sector had to get rid of its liabilities. This economic reform idea was called "infatih" which meant opening.<sup>40</sup>

Egypt, which had the leading role in developmentalist policies took the first step, in the initiative subject, too. Anwar Sadat regime started to release some restrictions on certain economic activities, encourage trade with private and foreign investments and stop public expenditures in the middle of 1970's. Initiative created a new alliance between bureaucracy and private sector. In 1980's, initiative policies were executed in the other Arab regimes more or less.<sup>41</sup>

With the claim that public sector remained away from competition and unproductive, Anwar Sadat faced towards the aim of liberalization of economy by bringing initiatives for domestic and foreign capital investments. He changed some of the basic principles of land reform by facilitating purchase and sales of government lands and increasing land rents. Initiative presented profitable opportunities for private sector enterprises which were lucky enough to have relations with public sector.<sup>42</sup> Sadat's policy reversed the land reform. Rural aristocracy was re-established in national policies. In addition to re-emerging of old social structures, some older forms of agriculture emerged, too. Sharecropping returned to Egypt in the middle of 1970's.<sup>43</sup>

The important problem in initiative period was a distorted development While reform was checkered, the earnings weren't distributed to all sections of people. New markets addressed to newly emerging private sector oligar-

<sup>38</sup> Murden, "Political Economy from Modernization to Globalization", pp. 376-377.

<sup>39</sup> Pappé, *The Modern Middle East*, p. 48.

<sup>40</sup> Murden, "Political Economy from Modernization to Globalization", p. 379.

<sup>41</sup> *Ibid.*

<sup>42</sup> Cleveland and Bunton, *Modern Middle East*, p. 373.

<sup>43</sup> Pappé, *The Modern Middle East*, p. 81.

chs and bureaucrats with alliances in the state. In crony capitalism, business relations were determined by personal, domestic and marital relations. The most important result of this situation was the increased corruption.<sup>44</sup> When the growth in gross domestic product were lower than the growth in the population, a crisis emerged. In Egypt, inflation increased from 10 percent to 30 percent in 1970's, which was one of the highest rates in the modern history of Egypt. With unemployment rate of %15 and the gap in payment balance, heavy foreign debts indicated the failure of new policy. In countries like Egypt, policies like initiative didn't meet the expectations.<sup>45</sup>

When national laws about production, trade and foreign trade were liberalized, all underdeveloped countries encountered serious budget gaps which they couldn't compensate for by themselves. A vicious cycle occurred almost everywhere. Loosening the legislation caused a boost in export, consumption and inflation and this situation led to commerce gap and increase in foreign debts. As a result, real or actual devaluations in local money increased inflation pressure and decreased the living standard of many people. At the same time, reductions in public expenditures and decrease in subsidies caused salary cuts and collective redundancy in public sector.<sup>46</sup>

In 1970's and 1980's, authoritarian leaders started to establish relations with businessmen. This situation was more than just pursuing their own interests. Authoritarian leaders and their children became economic elites in time. Their interests were reflected to their partnerships, policy preferences.<sup>47</sup>

In spite of the existence of social disturbances, it was a paradox that regimes had a stable appearance. Alber Hourani explains that this was actually not a paradox with the concept he borrowed from Ibn Khaldun and updates: The stability of a political regime can be said to depend on the combination of three factors. If a consistent dominant group can connect its interest with the interest of strong elements in society and if the alliance of interest can express the power of dominants by a political idea which is legit for an important section of society, then the society is stable.<sup>48</sup> Officers, top level civil servants, merchants, industrialists and new rentier class all together demanded regimes that permitted consumer goods export and maintained a mixed

<sup>44</sup> Murden, "Political Economy from Modernization to Globalization", p. 379.

<sup>45</sup> Pappé, *The Modern Middle East*, p. 49.

<sup>46</sup> Murden, "Political Economy from Modernization to Globalization", p. 385.

<sup>47</sup> Haddad, "Authoritarian Resilience", p. 122.

<sup>48</sup> Albert Hourani, *A History of The Arab Peoples*, (Cambridge, Massachusetts: The Belknap Press of Harvard University Press, 1991), p. 448.

economy which was stable, which could maintain the order, having good enough relations to permit free worker and money transfer, which outweighed for private sector. Many regimes were such at the end of 1970's.<sup>49</sup> So, for the lower classes, could the legitimacy of regimes continue to exist?

After the disintegration of Soviet Union, liberalization of Arab economy accelerated the final fall of reform energy and planning.<sup>50</sup> 1980's were the years in which changes occurred in the world order. While the state role was decreased by neoliberal policies, disintegration of USSR became the declaration of the economic and political victory of the West. 1970's and especially 1980's were the years in which Arab states understood that the central economic planning was not an effective economic method. State had no property to nationalize and oil prices decreased after a rapid increase. World economy was also in crisis. This situation brought neoliberal policies to the agenda in Arabic Middle East.<sup>51</sup>

## Neoliberal Policies

In 1980's and 1990's, re-construction of global market accelerated the common acceptance of neoliberal policies, when Soviet Union was disintegrated and China was integrated in the global economy, capitalist social relations obliged states to comply with the norms determined in international level and spread world-wide.<sup>52</sup> In Middle East, in which economies started to deregulation with liberal initiative in 1970's, this process was closely related with the pressure made to the region's countries in the 1980's in order to obtain foreign currency input to decrease economic crisis and liabilities.<sup>53</sup>

Neoliberal policies were tried in Arab world in December 1976 for the first time. IMF demanded Egypt government to make reductions in supply aid and direct state subsidies in return for granting loans and delaying debt payments. As a result, a bloody uprising occurred. Similar IMF uprisings occurred also in Morocco (1983), Tunisia (1984), Lebanon (1987), Algeria (1988) and Jordan (1989, 1996), where IMF imposed neoliberal conditions about debt payments and new loans.<sup>54</sup> One of the social aid programs providing

<sup>49</sup> Hourani, *A History of The Arab Peoples*, p. 450.

<sup>50</sup> Pappe, *The Modern Middle East*, p. 82.

<sup>51</sup> Gelvin, *The Modern Middle East*, p. 285.

<sup>52</sup> Adam Hanieh, *Capitalism and Class in the Gulf Arab States* (New York: Palgrave-Macmillan, 2011), pp. 87-90, Adam Hanieh, *Lineages of Revolt* (Chicago: Haymarket Books, 2013), p. 14.

<sup>53</sup> Hanieh, *Lineages of Revolt*, p. 14.

<sup>54</sup> Gelvin, *The Modern Middle East*, p. 266.

social aid for the poor was subsidies provided for the basic consumption goods such as bread, sugar, rice and tea. With the mentioned supports, the price of these goods could be kept low. IMF warned Sadat that unless the money spent on subvention wasn't invested in more productive areas, no more loans would be given. Sadat government, which decreased the subvention on some goods and removed on some encountered with the rage of Egyptian people.<sup>55</sup> As we see in bread uprisings in Egypt in 1977 or in Iran in 1979, there was a fundamentally weak lower class such as semi-qualified or non-qualified worker section, low level civil servants, unregistered workers, seasonal workers who can take collective action when there is a problem affecting directly their own needs or loyalties.<sup>56</sup>

During 1980's Arab countries, which were struck in the debt and payment balance crisis tried to determine their payment schedules again. It was rapidly realized that the financial support to be obtained would depend on the approval of IMF and the World Bank. In order to get that approval, the countries had to accept removing the limitations in trade, starting privatization of state institutions, removing state supervision on labor force markets and indicating that they would develop a middle term policy which would remove the obstacles for capital transfers. In this context, dependence on Western states started through the dependence on foreign capital transfers, food import, military and economic aids and this situation caused the Arab countries to start embracing a series of neoliberal restructuring programs at the end of 1980's and beginning of 1990's.<sup>57</sup> In 1990's, growing financial crisis and foreign debts brought structural regulations to the forefront in Arab countries. Countries such as Algeria, Egypt, Jordan, which couldn't pay their foreign debts, had to execute stability programs of IMF and the World Bank which included measurements such as reduction in expenditures, strict audits on loans and public debts, increasing interest rates, controlling prices and costs.<sup>58</sup>

Economic reform wasn't made outrageously. For example, privatizations in Egypt were realized in a long time and full scope privatizations weren't the first implementations. The common implementation was the public-private sector partnership in basic services. The people who benefited from this situation most was the same groups who benefited from the initiative poli-

<sup>55</sup> Cleveland and Bunton, *Modern Middle East*, p. 374.

<sup>56</sup> Hourani, *A History of The Arab Peoples*, p. 451.

<sup>57</sup> Hanieh, *Lineages of Revolt*, p. 32.

<sup>58</sup> Murden, "Political Economy from Modernization to Globalization", p. 383.

cies.<sup>59</sup> Privatization caused crony capitalism rather than a real capitalism. Regime members who could leak information from inside took advantages for themselves benefiting from their relations with the government. The regimes that started to downsize or privatize state institutions brought about an increase in unemployment and removal of guarantees such as retirement.<sup>60</sup>

Agriculture was the most neglected sector almost everywhere. Negligence of agriculture caused recession or even decrease in agricultural production although the population lived in villages in many countries.<sup>61</sup> At the end of 1970's, a major part of food consumed in Arab countries was imported.<sup>62</sup> Middle scale land owners in rural areas or large land owners in countries which didn't go through land reform could make more profitable agriculture as they had the opportunity to obtain loans. However, villagers with less land or no land had no hope of improvement.<sup>63</sup> When we look at the figures of 2009, we can see that there was no change, half of the total food consumption was imported and Middle Eastern and Northern Africa regions ranked first among regions with food import dependence.<sup>64</sup> The uprising in Tunisia, which triggered 2011 uprisings, started in Sidi Bouzid, which was a rural area. However, the government established after the uprising did very little in order to meet the demands of people living in rural areas. When we consider in terms of Syria, people's uprising started in Dera, one of the agricultural areas deemed as the castles of the regime. Abolishment of agricultural support after 2000 and opening Syria market for cheaper agricultural import were the reasons causing the change of the region's support.<sup>65</sup> As a major part of the poverty in the Arab world was in rural areas, the influenced of agricultural section was very important in Arab uprisings. Increase in the population and unemployment, political, economic and ecological polarization and continuous prevalence of exploitation pushed farmers in rural areas into extreme poverty. In Syria, %62 of poor population live in rural areas and %77 of these people have no land.<sup>66</sup>

<sup>59</sup> Murden, "Political Economy from Modernization to Globalization", p. 384.

<sup>60</sup> Gelvin, *The Modern Middle East*, p. 286.

<sup>61</sup> Hourani, *A History of The Arab Peoples*, p. 437.

<sup>62</sup> *Ibid.*

<sup>63</sup> *Ibid.*, p. 438.

<sup>64</sup> Hanieh, *Lineages of Revolt*, p. 75.

<sup>65</sup> Rami Zurayk and Anne Gough, "Bread and Olive Oil: The Agrarian Roots of the Arab Uprisings", ed. Fawaz Gerges, In *The New Middle East*, (Cambridge: Cambridge University Press, 2014), pp. 107-112

<sup>66</sup> Fawaz Gerges, "Introduction: A Rapture", In *The New Middle East*, ed. Fawaz Gerges, (Cambridge: Cambridge University Press, 2014), p. 12.

We cannot evaluate these situations differently from the neoliberal reforms in the region in general.<sup>67</sup> While we are looking in the face of the fact that the public cannot benefit from agricultural policies, we also encounter the question about who benefits from them. With transition from subsistence farming to export-oriented agriculture as a result of neoliberal reforms, the profit obtained from export goes into the pockets of large land owners and then returns to politicians in order to sustain the supports.<sup>68</sup> It is possible to see the claim that neoliberal reforms reinforce the relationship between the political and economic elites, which is one of the points emphasized by this study, through agricultural policies.

When groups or classes, which are neglected in reform programs, resort to struggle in order to protect and guarantee their interests, economic instability directly led to social and political instability. The most suffering sections were the workers in the public sector, which wasn't restructured and urban poor people needing the state aids.<sup>69</sup> The rulers of the mentioned countries caused limited social gains, which were obtained in post-dependence period, to be seized again. They countered those opposing to liberalization with army and police force. As we can see here, the relationship between the authoritarianism and liberalism is a disturbing fact.<sup>70</sup>

Those who observed Arab countries in 1980's would encounter societies in which reinforced cultural bonds didn't bring a political union. In these countries, increase and unequal distribution of richness created a kind of economic growth but it also created an expanding gap between those profited most from the mentioned growth and development in rural area and those who lost profit.<sup>71</sup> Policies implemented in most Arab regimes were for the good of the strong sections of society: like those who supervised some private sections of economy, industry branches under private property, import and export and those who had relations with multi-national companies, the importance of which increased in the period of initiatives.<sup>72</sup>

Introduction of neoliberal economic policies to Middle East was neither sudden, nor total. States were afraid that if they disobeyed the management bargain they made with their people, people would riot. They didn't want to give up the political-economic device which made the masses obedient.

<sup>67</sup> The concept of reform, which is used in the study is not qualified as good or bad. It means the change occurred.

<sup>68</sup> Rami Zurayk and Anne Gough, "the Arab Uprisings", p. 122.

<sup>69</sup> Murden, "Political Economy from Modernization to Globalization", p. 385.

<sup>70</sup> Hanieh, *Lineages of Revolt*, pp. 64-65.

<sup>71</sup> Hourani, *A History of The Arab Peoples*, p. 447.

<sup>72</sup> *Ibid*, p. 450.

However, weak economic indications of existing regimes and absence of an alternative economic model obliged the political leaders in the region to change direction. States, who remained in between the international loan institution demanding the acceptance of new norms and people resisting any decision about re-negotiating the management bargain, embraced a partial reform understanding which combined a transitory market economy and unproductive command economy.<sup>73</sup>

From 1970's to 1990's, change and continuity happened in Middle East together. System changes such as the end of Cold War, disintegration of Soviets, removal of aids, population increase in USA brought about changes with results on the region. Authoritarian regimes continued their existence as continuity and they followed policies to close opponent channels with measurements they took.

Economic history of the Middle East in the 20<sup>th</sup> century was a disappointing story for many people rather than a healer or a bridge since it opened to West.<sup>74</sup> In general of the Arab world, neither the annual average increase of 2 percent in export incomes, which resulted from oil since 1985, nor the developments in macro-economic indicators and foreign payments balance reflected on people even in "a drop".<sup>75</sup>

## Arab Uprisings: A Stance Against Global Economic System

Ilan Pappé states three processes he determined as economic globalization of the region, excessive urbanization and exposure to new media revolution would have at least as much influence on shaping the future of the region as religion and culture.<sup>76</sup> History advances in a cumulative way and the events which are claimed to be revolutionary are both the reason and the result of change.<sup>77</sup> Therefore, 2011 uprisings and afterwards were both the reason and the result of change for Middle East.

If developmental policies made regimes gain outrageous power in Arabic Middle East and thus formed one of the basic foundations of autocracy; did the policies which were called as economic reform and which provided economic liberalization provide political liberalism, too?<sup>78</sup> State-civil society dichotomy in the Middle East and the causal relationship established with

<sup>73</sup> Gelvin, *The Modern Middle East*, pp. 285-286.

<sup>74</sup> Pappé, *The Modern Middle East*, p. 51.

<sup>75</sup> Gerges, "Introduction: A Rapture", p. 10.

<sup>76</sup> Pappé, *The Modern Middle East*, p. 291.

<sup>77</sup> Gelvin, *The Modern Middle East*, p. 259.

<sup>78</sup> *Ibid*, p. 287.

authoritarianism related to this base and weakness of capitalism are included in traditional examinations. The mentioned point of view approaches the authoritarianism with the understanding that both the personal rights were insufficient and state controlled oppression prevented the function of economy.<sup>79</sup> In this case, the reaction of Western states and institutions to 2011 uprisings were seeing those as related to the opposition against the autocratic patterns of the state essentially rather than regarding them as demonstration against free market economy policies.<sup>80</sup>

Apart from deep and mostly covered political meanings of Arab uprisings, one of its most permanent results will be the new point of view awakened in terms of Middle East's political economy. As it can be understood from the slogan shouted in the uprising that "bread, freedom, social justice", these are the most important issues in the minds of the demonstrators. That this slogan was embraced indicates the social crisis encountered by the majority of region in the years before the revolt, which meant a period full of high rates of unemployment, poverty, increase in food price and constantly growing threats on daily life.<sup>81</sup>

In the post-independence period, an important part of the legitimacy of the regime was subsidies and social expenditures. With neoliberal reform period, social expenditures started to decrease. During the 2000's, the rate of public expenditures in gross domestic product decreased severely in Egypt, Morocco, Tunisia and Jordan. The main reason of this was the decrease in public sector price expense. In Egypt, while the share of subsidies in public expenditures was %14 between 1980-1981, it was decreased to % 5.6 between 1996-1997. In order to realize this reduction, Egyptian government implied different strategies such as taking meat, fish and rice off the list, reducing the number of subsidized goods to four, reducing the number of people receiving aid, allowing the prices of sugar and bread to increase and reducing the quality and amount of supported products. In Tunisia and Morocco, important reduction in the number of subsidized products and changes which left an important part of urban and rural poor people off the scope of the aid plans occurred.<sup>82</sup>

Financial crisis, which broke out in 2008-2009 and evolved into a deeper global collapse than all the regressions after World War II in the past, rapidly became the justification for interventions by governments in living condi-

<sup>79</sup> Hanieh, *Lineages of Revolt*, 4, Eva Bellin, "The Robustness of Authoritarianism in the Middle East: Exceptionalism in Comparative Perspective", *Comparative Politics*, Vol: 36 (2) (2004), p. 139.

<sup>80</sup> *Ibid*, pp. 5-6.

<sup>81</sup> *Ibid*, p. 2.

<sup>82</sup> *Ibid*, p. 69.

ons and broader social rights. In spite of the severity of this crisis, its reflections in Middle East were misevaluated by the experts. As a criterion for economic welfare, gross domestic product growth rates were used as base and it was detected that the growth rates were high. Existence of optimistic growth rates conceals the fact that the society were polarizing. Global crisis built on many social crises which existed in the region for a very long time and deepened them.<sup>83</sup> In Arab World, food prices reached its highest level since 1990 in December 2010 and increase in the oil price caused the abolishment of most of fuel subsidies.<sup>84</sup> These increases after 2008 financial crisis are the ones forming the road to 2011 uprisings.

In 2010, before the revolts which Muhammed Buazizi triggered by burning himself, protests arose in Tunisia in 2008 from a rental discussion between Gafsa Phosphate Company, which was a state company in poor Redeyef in the west of country, and the richest businessmen of the region. These protests soon spread to other miner towns of the country. State president Zeynel Abidin claimed that the demands of the protesters became more and more political and quenched the revolt resorting to any kind of oppressive measurements.<sup>85</sup> 2008 Gafsa Mining Basin Revolt is regarded as the most important revolt in Tunisia since the Bread Revolt in 1984.<sup>86</sup>

Gafsa strike in Tunisia, labor movements in Egypt between 2004-2010 comprising more than three thousand strikes, sit-in protests and marches in which two million workers and their families participated were the expression of social and economic justice demands similar to IMF uprisings in 1970's and 1980's.<sup>87</sup> Therefore, this study names 2011 Arab Uprisings as "neo-IMF uprisings" in order to emphasize that they weren't different from the demands of other revolts and protests historically and determine their roots.

Transnational important factor of Arab uprisings is neoliberalism. Neoliberal policies broke the "benefit for compliance" formula, which connected Arabic governments and the people they ruled to each other after World War II, and the management bargain based on this formula, detracted Arab societies from their administrators. As a result of mentioned policies, social security network was weakened, the profit gained by the middle class from welfare state applications was reduced, the gap between rich and poor dee-

<sup>83</sup> Ibid, pp. 145-146.

<sup>84</sup> Gerges, "Introduction: A Rapture", p. 13.

<sup>85</sup> Gelvin, *The Modern Middle East*, p. 317.

<sup>86</sup> Eric Gobe, "The Gafsa Mining Basin between Riots and a Social Movement: Meaning and Significance of a Protest Movement in Ben Ali's Tunisia", HAL-SHS, 20 January 2011, s. 1, (last accessed 29 January 2017 <https://halshs.archives-ouvertes.fr/halshs-00557826/document>).

<sup>87</sup> Gelvin, *The Modern Middle East*, p. 332.

pened and a crony capitalist class was born, which drew the rage of people.<sup>88</sup> Before the waves of uprisings and protests, increased violations of labor force were made in the name of investment and growth.<sup>89</sup>

About privatization, which is the incarnation of neoliberal policies, the total income gained by Egypt from privatization between 2004-2008 was % 70 of the income gained from privatization since the structural compliance started in 1991. World Bank announced Egypt as “the most reformist country of regions” every year between 2006-2008.<sup>90</sup> In the most reformist country of the region, % 20 of population lived under poverty line, one-fifth were just above this line and in the risk of falling under the line.<sup>91</sup> When we look at Egypt after Tahrir in 2011, we can see that social revolution still hasn’t occurred, two or three corrupt businessmen were arrested but super-rich of the country remained super-rich, the army had a socio-economic dominance integrated with its control over real estate market, malls and factories producing basic goods.<sup>92</sup>

There are two major highlights throughout the study: that neoliberal policies increase economic polarization and increasing relationship levels of political and economic elites in reform process. The latter is a situation that Arab countries should resolve after uprisings at least as much as the former. Normative analyses, which were made excluding structural reasons and those who have strategic relations with the regime, and which are based on democracy-authoritarianism dichotomy will mislead us.<sup>93</sup> A factor, which has a central importance among the reasons of uprisings but which is included in the studies in a limited way is the relations recently growing between the political and economic elites.<sup>94</sup>

Bassam Haddad calls the relations between political and economic elites as new nexus of power. However, new combination of power is not enough to constantly cause protests. What brought the seemingly impenetrable wall of fear to an end was the meeting of various factors.<sup>95</sup> Therefore, increasing polarization and the new nexus of power, which is the connection between economic and political elites, are political-economic reasons of Arab uprisings.

<sup>88</sup> Ibid, p. 338

<sup>89</sup> Haddad, “Authoritarian Resilience”, p. 119.

<sup>90</sup> Hanieh, *Lineages of Revolt*, p. 52.

<sup>91</sup> Juan Cole, “Egypt’s Modern Revolutions and the Fall of Mubarak”, In *The New Middle East*, ed. Fawaz Gerges (Cambridge: Cambridge University Press, 2014), p. 75.

<sup>92</sup> Paul Amar, “Egypt”, In *Dispatches from the Arab Spring: Understanding the New Middle East*, ed. Paul Amar and Vijay Prashad, (Minneapolis London: University of Minnesota Press, 2013), p. 38.

<sup>93</sup> Haddad, “Authoritarian resilience”, p. 114.

<sup>94</sup> Ibid, p. 117.

<sup>95</sup> Haddad, “Authoritarian resilience”, pp. 118-121.

Elites' support for status quo is not a simple one because it is a norm almost everywhere. This is also a way of legitimating the status quo.<sup>96</sup> In fact for this reason, Syria, Damascus and Aleppo remained relatively silent due to a possibility of a better alternative not being able to be reached in the main parts of Syria as a whole.<sup>97</sup> In Syria, especially the upper class of business world is a strict supporter of the regime due to their interwoven interests. Even if a people-oriented leadership is yielded by the uprisings, it would be wrong to assume that business world interests and their social contractors would become a preference for state-oriented economic order.<sup>98</sup> The possibility of overthrowing the regime leaders in Egypt and Tunisia caused the army and capitalist class to undertake the responsibility of this transition, being aware of the fact that standing against the movement will increase its speed. In both countries, army made a guidance which would guarantee the stability that will ensure continuity of capitalist relationships. In Syria, divisions were dilatory as the wealth of the rich was interlocked with the regime itself.<sup>99</sup>

Uprisings in 2011 caused a lot more than overthrowing the authoritarian leaders. Protesters united in the axis of the demand to end authoritarian regimes and demonstrators gathered many different sections of the society. However, one of the most important things unearthed by the uprisings beyond this superficial image was that it showed that politics and economy, which were regarded as two separate areas, were in fact fused and parts of the same struggle. These revolts are the expression of not only political reform concerns, but also challenging the results created by capitalist development and neoliberal reforms.<sup>100</sup>

Working population was impoverished by implementing neoliberal reform policies unsoundly and controlling the resources in Arab world under their value. As these policies comprised controlling national sources by an external power and exchanging sources below their value, it means re-establishing the colonialism indirectly.<sup>101</sup>

<sup>96</sup> Ibid, p. 118

<sup>97</sup> Ibid, p. 122.

<sup>98</sup> Ibid, p. 123.

<sup>99</sup> Hanieh, Lineages of Revolt, p. 164.

<sup>100</sup> Ibid, p. 164

<sup>101</sup> Ali Kadri, "A Depressive Pre-Arab Uprising Economic Performance", In *The New Middle East*, ed. Fawaz Gerges, (Cambridge: Cambridge University Press, 2014), p. 94.

## Conclusion

The attempt to summarize recent history of the Middle East carries the risk of falling behind rapidly changing events. Tendencies, which may seem very important at a given moment may become unimportant with the influence of new and unexpected events.<sup>102</sup> Arab uprisings, which we can regard as the most important event of 2011, are now behind our perception due to factors such as Syrian civil war, increasing terrorism and ISIS. However, this doesn't mean that the desire for change and demand to question the order, which were put forth by the uprisings, has also fallen behind.

According to the Global Risks Report published as the text determining the agenda of the summit before Davos meeting in World Economic Forum between 17 – 20 January 2017; income inequality consistently decreased in industrialized countries during 20<sup>th</sup> century, but this situation was interrupted with the increase in the income of the %1 of the population, who earned the most income in countries such as USA, Canada, England since 1980's.<sup>103</sup> Although this determination is regarded as an assumption for developed countries, it puts forth that all countries are affected by the income inequality. That is what 2011 Arab uprisings intended to demonstrate. Again in relation with this determination, the fact that the theme of 2017 Davos meeting was "how can leaders react to the real disappointment of people left behind by globalized market capitalism"<sup>104</sup> indicates the degree of the crises which can be created by the global economic system. 2011 uprisings are the disappointment of "people left behind" in Arab countries, which aren't in a different economic order from global economic system's own internal contradictions and dead ends.

The last thirty years in Arab countries witnessed a chronic erosion in basic economic and social rights as a direct result of neoliberal policies in every sense. The heaviest damage of this erosion was on a whole the young generation which was condemned to a future comprising of unemployment, low paid jobs and social exclusion. This situation is not a unfortunate result of political misfortune or negligence of authoritarian leaders. These are the reasonable and predictable results of neoliberal reform, which was made by local elites and international institutions with social scale awareness.<sup>105</sup> Besides poverty,

<sup>102</sup> William L. Cleveland and Martin Bunton, *Modern Middle East*, (Boulder: Westview Press, Fourth Edition, 2009), p. 557.

<sup>103</sup> The Global Risks Report 2017, World Economic Forum, 11 January 2017, s. 11, (last accessed 18 January 2017, <https://www.weforum.org/reports/the-global-risks-report-2017>).

<sup>104</sup> Everything you need to know about Davos 2017, (last accessed 18 January 2017, <https://www.weforum.org/agenda/2017/01/everything-you-need-to-know-about-davos-2017>).

<sup>105</sup> Hanieh, *Lineages of Revolt*, p. 71.

unemployment and social exclusion, development and reinforcement of local capitalist class was concentric via the channel of state institutions and foreign companies.<sup>106</sup>

In summary, neoliberal reform brought about two results in Arab countries: While the people became impoverished and polarized, a small minority became rich and developed in connection with the state. Lower classes, which experienced the double effect both saw the obligatory power of state and they couldn't create the change they demanded because of the institutions or people desiring the continuity of stability continued to give their support to the regimes. We can repeat the question we asked in the introduction, which was if a different Middle East would await Rip van Winkle when he wakes up. The answer we'll get is the failure regarding redistribution where the Arab uprisings have come to.<sup>107</sup> However, continuity of despair and polarization put forth by the uprisings is the first problem to be solved in the new Middle East after uprisings.

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<sup>106</sup> Ibid, p. 73.

<sup>107</sup> Kadri, "Economic Performance", p. 90.

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