

Conference Report:

Democratic Transition and Development in the Arab World

Program on Arab Reform and Democracy
Center on Democracy and Development and the Rule of Law
Stanford University

The Program on Arab Reform and Democracy at Stanford University's Center on Democracy, Development and the Rule of Law convened its third annual conference on April 26 and 27, 2012. Entitled "*Democratic Transition and Development in the Arab World*", the conference featured internationally renowned scholars, experts, and activists from across the Middle East, Europe, and the United States. The conference was organized around six thematic issues: the political economy of reform, oil-dependent economies, youth, civil society, and women's and minorities' rights and inclusion within democratic transition, with a final roundtable session to discuss scenarios for integrated social and economic development.

Challenges to Development

George Kossaifi, Director of Dar Al-Tanmiya, a Beirut-based private consultancy firm for development, opened the conference by providing a statistical overview of the current demographic climate in the Middle East and the challenges that most Arab countries will face in pursuing development. There is much good news: region-wide, education levels, gender parity in education, life expectancy, fertility rates and unemployment rates have all improved, albeit slightly for the latter. However, the Arab world still has the highest unemployment rates among developing countries, a phenomenon from which those with higher education are not protected - in fact, in some countries unemployment is higher among those with higher skills. **Kossaifi** pointed to this as one explanation for the participation of youth in the Arab Spring. Unemployment remains particularly high among youth and women, a fact that emphasizes the need to create development policies that integrates youth and women.

Political Economy of Reform

Monghi Boughzala, professor of economics at the University of Tunis El-Manar, argued that economic development has taken a back seat to the political process, which is problematic as political and economic reform need to go hand in hand. Post-revolutionary macroeconomic indicators are in fact worse than pre-revolutionary levels in Tunisia and Egypt. He argued that Islamists are the main guiding force of economic development right now, but they may not last long, he cautioned, due to their poor management of the transition. He further posited that a steady state will be achieved only when there is at least one other secular competing party.

Abdulwahab Alkebsi, regional director of the Middle East and Africa programs at the Center for International Private Enterprise (CIPE), argued that economic opportunities, not just political participation, are needed to deliver the dignity and justice Arab movements have been calling for. He emphasized changing the social contract between citizens and the state through economic participation to close the dignity gap, a view espoused by **Boughzala** as well. Dignity may be delivered through economic opportunity by creating high value employment, self-employment

and economic participation. Economic participation is not just about making money. It is also about holding government accountable and more effective in policy making.

Job creation programs and microfinance projects have failed miserably across the region due to the poor ecosystem for entrepreneurship. Ninety-five percent of private companies in the Arab world are small and medium enterprises (SMEs), employing 70 to 75% of people in the private sector, yet 92% of business loans available go to large business. Corruption also kills SMEs. Reforming the educational system is critical- not just infusing it with more money, but changing the focus to respond to market needs. Despite the optimism expressed by **Boughzala, Alkebsi** and **Ibrahim Saif** in the role of the private sector in promoting development, **Alkebsi** cautioned against the over-reliance on the private sector without the creation of an ecosystem that can cultivate its participation and partnership with other groups in society in a healthy way.

Oil Dependent Economies and Social and Political Development

Hedi Larbi, Director of the Middle East Department at the World Bank, focused on oil-dependent economies in transition, arguing that economic development is not possible within a country without an effectively functioning state. Hopefully, Libya can learn from the Iraqi experience, in which early state-building efforts did not take into account the initial conditions, did not follow the right sequencing, and did not manage oil wealth correctly. Instead, Libya needs to build an effective state, which entails providing security and basic social services, implementing a transparent and participatory transition, managing expectations by providing and meeting realistic long- and short-term goals, and using the goodwill and expertise of the international community. Furthermore, Libya, as well as Iraq, must leverage oil revenue for economic diversification, transforming oil wealth into physical, human, and financial capital. The nascent active civil society in Libya must stay vigilant of politicians during this process.

Ibrahim Saif, an economist and senior associate at the Carnegie Middle East Center, focused on the reaction of GCC countries—oil-dependent economies *not* in transition—to the Arab Spring. Despite not experiencing Arab springs of their own, GCC countries are cautious about political developments in the rest of the Arab world and have been supporting regressive movements. Part of this move was the expansion of the GCC to include Jordan and Morocco. Internally, the Arab Spring triggered a massive wave of domestic spending, pledges amounting to an estimated \$150 billion or 12.8% of GDP in the GCC, which is straining fiscal balances and threatening to reignite inflation. It is unknown how long these expenditures will serve as a buffer for popular demands for reform and democratization, especially in light of increased crackdowns on freedom of expression and civil society organizations. The crackdowns, coupled with the long-term and irreversible trends in social welfare spending—which may become unsustainable as oil prices decline—do not bode well for these countries. A long-term assessment suggests that these countries must look towards diversification and revisit their authoritarian bargains. It does seem, however, that the GCC countries are moving in the direction of economic integration, at least at the sub-regional level trade agreements, which might be a key policy focus in the upcoming years.

Youth, ICTs and Development Opportunities

Lounba Skalli-Hanna, who leads the International Development Program at the School of International Service at American University, argued that youth have forced themselves onto the change agenda in the MENA region. When it comes to the use of internet and communication technologies, there is little hesitation by young people to use new technologies for a number of things such as knowledge acquisition, creation and circulation; self-directed learning and peer learning; citizen journalism as they bridge what is happening on the ground to the international community; and as a platform for discussing taboo topics such as sexual harassment of women. Despite these positive trends, youth entrepreneurship in the MENA region is the lowest score on the world scale. One way forward for supporting youth is through ICTs, so that they can be drawn into the change process as serious social actors and change agents. Investing in ICTs as tools and strategies for development needs to happen within the development of a strategic youth policy in the MENA countries. Investment should be directed to: educational services, civic engagement, entrepreneurship and business incubation, community ICT centers, technology to remote areas, and youth organizations.

Hatoon Al-Fassi, a Saudi historian at King Saud University in Riyadh, discussed the political and social use of the social media in Saudi Arabia. The first Saudi blogger appeared in 2005, writing about his life mixed with criticism of public affairs. Since then, social media use in Saudi has become increasingly politicized. It is used to campaign for women's driving, to make political demands, and as a platform for protest by youth and women, who have found shelter in it as a form of expression. Blogging is also a space for women and men banned from writing in the official papers, and YouTube has been used to develop and share satirical short films and series. During the Arab Spring, Saudi youth followed the actors of the Arab Spring directly and started to copy the model, becoming creative on their own terms. **Al-Fassi** stated that Saudi Arabia is starting to witness social change catalyzed by internal changes in Saudi society such as the increasing educational attainment of Saudis, an emerging pattern of challenging traditional and sectarian authority, and the rise of non-institutional grassroots forms of self-organization around ideas. In this, the social media can be a tool aiding social development in the Kingdom.

Civil Society

Civil society is crucial to both political and economic development, yet has remained relatively weak across the Arab world. **Laryssa Chomiak**, director of the Centre d'Etudes Maghrébines à Tunis, presented the need for local civil society organizations that enjoy wide legitimacy and a strong ability to mobilize in their region. She compared this to the fizzled efforts of foreign-funded civil society organizations, particularly after the Tunisian revolution. While there has been an explosion of civil society organizations in Tunisia since the revolution, from 8,000 registered under Ben Ali to 20,000 unofficially today, this masks the extent to which most of these organizations are not legitimate on the ground. **Chomiak** stressed the necessity of building associations around pressing socioeconomic needs based on what people themselves are asking for, not thematic issues like youth or women or others that the international community has deemed important. **Boughzala** pointed out that several civil society organizations are tied to the main political parties, also representing a departure from the horizontal buffer role that such organizations are theorized to play.

While Tunisia had minimal associational life under Ben Ali, Libya had practically none. **Rihab Elhaj**, co-founder of the New Libya Foundation, discussed the organization and horizontal mobilization that had been necessary to sustain the Libyan rebellion and provide humanitarian aid as a base for Libya's post-Qaddafi civil society. A survey of a convenience sample conducted in Tripoli by the New Libya Foundation found strong support among residents for education and democracy, an orientation toward state institutions over tribal or community affiliations, a surprisingly high degree of support for women's economic and political participation, and a non zero-sum view of economic development. While the sample in the survey is not representative, it points out the potential of using existing cultural and social resources to build civil society in Libya in a way that is responsive to the local environment and local needs.

The role of foreign support for nascent civil society was also discussed. **Chomiak** emphasized the extent to which local organizations in Tunisia do not have the capacity to meet international donors' heavy bureaucratic burden. Libya faces quite a different situation in that, as a country rich with resources, it is not seen as needing international funding, though **Elhaj** said the need and demand for technical assistance and expertise are large.

Integration of Women

In rather sobering discussions, the panelists discussed the future of women through democratic transition. **Valentine Moghadam**, professor of sociology at Northeastern University, claimed that the large presence of so many women in the protest movements of Morocco, Tunisia, and Egypt suggested the high aspirations of women and the need for new governments to recognize the role that women played and provide the necessary mechanisms for their inclusion in government and the formal economy. She also presented the gendered outcomes of other revolutions, comparing the egalitarian democratic transitions of Latin America and South Africa to the patriarchal ones of Eastern Europe and Russia, linking these outcomes to pre-transition gender norms and status, the degree of women's mobilization, the ideology and norms of the new movements or government, and the new state's capacity and will for rights-based development.

Calling women "allies of democratization", **Moghadam** pointed to the important part women played in building civil society throughout the authoritarian period. Yet **Amaney Jamal**, associate professor of political science at Princeton University, claimed that women were often beneficiaries of the old regimes. Furthermore, she pointed out the existence of cases where regressive outcomes on women's rights happened when parliaments had a greater say in policy. In contrast, some of the nondemocratic regimes in the Arab world, like Tunisia under Ben Ali, have been more pro-women's rights. In Egypt, Muslim Brotherhood supporters were more pro-women's rights than the general public in a recent poll **Jamal** cited. **Alkebsi** pointed out that women themselves can be some of the most ardent supporters of Islamist parties and opponents of pro-equality reforms, which **Jamal** described as survival strategies within patriarchal societies.

Yet there have been improvements. **Jamal** pointed to the reduced literacy gap, especially in Bahrain and Jordan. **Saif** drew attention to the disparities that statistics hide, pointing out that Jordan has one of the highest levels of female education, yet one of the lowest female labor participation rates. The Arab world in general has the lowest rates of female labor participation

of any region, a factor that **Moghadam** linked explicitly to worse outcomes for women under democracy. To address this, she recommended protection for small business owners, especially women, and promoting equality and justice within the family.

The State, the Individual, and Minorities

Mona Makram Ebeid, professor of Political Science and Sociology at the American University in Cairo, provided the view from the front lines in Egypt, where she sees ongoing struggles between the military council, the Muslim Brotherhood, and secular parties as a struggle for the identity of the state itself. Within this context, sectarian conflicts in Egypt have worsened since the revolution, with increasing segmentation, causing her to emphasize the need for cooperation between secularists and traditionalists, and for more connection between the Coptic and Muslim communities.

Nadim Shehadi, Associate Fellow at Chatham House, provided some historical context in which to consider questions of secularism and minority rights today. He claimed that 2011 protests and riots throughout the world, not just those in the Arab world, originate in a crisis over the relationship between state and individual. Since the 1980s, the contract in which the state takes charge of its citizens, promising cradle-to-grave support in return for giving up income and freedom in varying degrees, has begun to crack. Minorities had suffered under this model, **Shehadi** claimed, because of the age-old problem of how to aggregate from individual to group preferences, a problem especially acute for minorities, as they are not groups in terms of being sums of individuals, but groups in terms of possessing identities that need to be recognized.

The question of how to do that exactly was hotly debated. **Saif** argued the Islamist parties are “purely majoritarian” and after winning the elections, may not feel the need to include constitutional provisions for minorities. **Ebeid** proposed a greater role for al-Azhar, the ancient seat of Islamic learning in Egypt. Ahmed al-Tayeb, the head of al-Azhar, has released two statements, one a guarantee of basic liberties and rights for all citizens, that **Ebeid** argued should serve as a platform for drafting the new Egyptian constitution. **Shehadi** called attention to the “paradox of democratic revolution” – when people, often the middle class, revolt and then lose elections. **Moghadam** drew attention to the shrinking multiculturalism of the Arab world because of minority flight and urged making that central to the development agenda.

Conclusion

The Arab Spring may have led to the overthrow of some regimes, and more liberalizing reforms in other countries, but whether these political shakeups will translate into development gains remains to be seen. **Larry Diamond**, director of CDDRL, noted the invocation by conference participants of time-tested generalizations about transitions from other parts of the world, that he believes have a wide range of applicability in the Arab world, including: (1) the importance of forming strategically organized groups and coalition formation, (2) the importance of social and political inclusion for legitimacy and (3) the importance of sequencing political and economic reform with the caveat that there is no one way to get to one place and the emphasis on the role of civil society groups and think tanks. **Hicham Ben Abdallah**, consulting professor at Stanford University and founder of the Moulay Hicham Foundation, added that we cannot ignore the impact of geopolitics on these transitions, pointing to the silence on Bahrain, the Libyan

intervention, the resilience of the Syrian regime, and the role of Turkey and Iran as emerging regional powers.

Lina Khatib, manager and co-founder of the program on Arab Reform and Democracy, summarized the ideas that circulated during the two day conference as presenting six ways forward: (1) *Diverse development*: by focusing on the diversification of emerging political and economic platforms. (2) *Widening participation*: by collectively designing the transition. (3) *Shared development*: by pushing longstanding groups to work together in a horizontal model. (4) *State building/reform and good governance*: by re-imagining and developing a new role for the state that is more responsive and customized to each country's needs. (5) *International assistance*: by examining impact critically at the benefactor and beneficiary levels and seriously evaluating the political conditionality of democratic assistance. (6) *Creating a new conceptual framework about development*: by thinking beyond the state and its institutions as the sole or main agent of change and focusing on the role of new change agents in development, such women, youth, trade unions, the private sector, and so forth.

While the Arab Spring has brought irreversible changes to many countries in the Middle East, democracy itself is far from guaranteed. Indeed, systems of oligarchic or competitive authoritarianism may develop instead. Though the endpoint of transition is unclear, the importance of social and economic development in and of itself as well as its impact on political outcomes cannot be ignored. With this in mind, CDDRL's program on Arab Reform and Democracy will continue to report on, analyze, and offer policy-relevant recommendations on the economic, social, and political landscapes of the Arab World.