

SHIFTING PATTERNS OF ARAB POLITICS

Over the last seventy-five years, the endlessly shifting coalitions on the chessboard of Arab regional politics seem to have played by the same rules of the game. Yet, as private interests have become a major source of political power, there have been major changes in the powers and purposes of the players

By Lisa Anderson

Regional politics in the Arab World are often characterized as an endless game of rivalry, struggle, and competition for influence; the players may vary, but the rules don't change. In fact, however, today's rivals are fighting battles over very different stakes and deploying different arsenals than their predecessors in the 1950s, or even in the 1990s. Just as the early post-independence battles about the configuration of states gave way to Cold War struggles to sustain the stability of regimes, today's competition reflects new divides over the instruments and beneficiaries of government policy. To understand the patterns of contemporary Arab politics, we must examine not just the new players, but their new purposes and new powers.

Securing Independent States: Debating the Past

In the early postimperial years, when memories of European control were still fresh, political debates within the Arab World centered on the shape of the postcolonial order: how much of the legacy of European rule would survive? Sovereignty and statehood were prized as the symbols of autonomy, authority, and agency in a world structured, at least in part, by a global order reflected in the new United Nations. But who would exercise that sovereignty, and which states would be recognized as exercising it?

From the 1950s through the 1970s, these questions were debated in many forms and fora, as the relationships between nations, states, and governments were all contested. During this period, Egypt was not only the largest country in the region but also the most powerful, thanks to its demographic weight, cultural influence, and charismatic president, Gamal Abdel Nasser. Nasser's embrace of pan-Arab nationalism reflected and sustained the tension between revolutionary nationalism and state sovereignty that characterized the era. As Nasser wrote in the *Philosophy of the Revolution*, "There is an Arab circle surrounding us and



this circle is as much a part of us as we are a part of it.”

From the toppling of European-imposed monarchs in Egypt, Iraq, and Libya and the wresting of Algeria from France to the creation (and dissolution) of the United Arab Republic to the repeated (and failed) efforts to liberate Palestine from what was widely seen as an illegitimate foreign occupation, the region was convulsed in existential argument and dispute. Boundaries were porous and identities fluid as pan-Arab aspirations justified intervention in states across the region and republics and monarchies alike pursued proxy wars in civil conflicts in Yemen, Lebanon, Jordan, and elsewhere.

△ An aerial view of the New Administrative Capital, including the site of the Iconic Tower skyscraper, Cairo, April 10, 2021. *Amr Abdallah Dalsh/Reuters*

With the Arab military defeat and loss of territory to Israel in 1967, the heady ambitions to redraw the European map of the region gave way to more modest efforts simply to secure its borders. The withdrawal of the British from their last possessions east of Suez and the independence of the small Gulf states in 1971 marked the end of formal European control, and by the end of the decade, the Egyptian–Israeli peace treaty signaled the triumph of state interests over nationalist ambitions. Efforts to remake the past were finished. The arena of contestation was to move inside states and, as the oil embargo of 1973–74 suggested, power was to be defined not only by territory and population but increasingly by financial resources.

Safeguarding Stable Regimes: Prolonging the Present

In the struggles over the shape and even existence of newly independent countries, statehood and sovereignty had been the prize. Over the succeeding decades, however, as control of territory was secured and international recognition assured, regime stability came to take precedence over state-building. The global superpowers settled into a Cold War *détente* and, prizing predictability over uncertainty, supplied client regimes with the foreign and military aid that ensured policy continuity and, not unrelatedly, regime stability. So, too, did the availability of increased oil revenues—among both the oil producers and their regional allies— support regime stability. After decades of military coups, there was no regime change in the Arab World in the thirty years between the oil price increases of 1973 and the U.S. invasion of Iraq in 2003. Orderly succession upon the death of the rulers in Egypt, Saudi Arabia, Jordan, Morocco, and Syria illustrated the investment in regime continuity across the region.

Yet, this stability obscured important changes in the dynamic of regional politics; it represented not only the surrender of earlier nationalist aspirations, but also the abandonment of more conventional state-building. Regimes began to supplement and eventually supplant states as the focus of political loyalties. These autocratic rulers relied not on the popular support of citizens so much as on financial subsidies from external patrons that, in turn, they used to create and sustain networks of patronage at home. This shifted the discourse from appeals to citizens—appeals that might have produced demands for greater freedom and participation—to claims for allegiance based on ethnic and religious solidarities. This deliberate and often cynical tactic to evade accountability to a broad-based citizenry quickly escaped the control of the regimes; however, as such, identities proved at least as effective in mobilizing opposition as support. By the 1980s, the state-based order was challenged by Islamist and sectarian mobilization as groups based on networks of religious affiliation and ethnic kinship proliferated, providing aid and solace in communities where the state itself was weakening.

Indeed, although state boundaries were largely immovable and regimes seemed similarly secure, ordinary people were increasingly vulnerable. Conflict raged across the region, taking a major toll in human life without discernible impact on political regimes. The Lebanese Civil War of 1975-1990 cost an estimated 150 thousand lives and the exodus of almost one million people from the country, but it produced no change in the regime that governed the state. Shortly after the war ended, the parliament declared amnesty for all political and wartime crimes, promoting an outcome in which there was “no victor, no vanquished”. Similarly, after more than eight years and as many as a million casualties, the Iraq–Iran war of the 1980s produced a stalemate, and again, no change in regime. In 1990, the war was settled with an exchange of prisoners and a return to the status quo ante. The global investment in stability was confirmed in the decisive

rejection of Iraqi claims on Kuwait in 1991 and, less decisively, in the continuing failure to address Palestinian aspirations to statehood.

The human costs of regime stability were reflected not only in war casualties and refugee counts. By the 1990s, population growth and economic stagnation had converged to erode the gains in health, education, and employment of the preceding decades across the region, and the post-Cold War era saw little improvement as neoliberal policy prescriptions discouraged large-scale government investment in social welfare provision. By the turn of the century the Arab World had among the lowest adult literacy rates in the world; only 62 percent of the region's adults could read, well below the world average of 84 percent and the developing county average of 76 percent. The region's economies had stagnated: its share of global exports fell from 2.3 percent in 1990 to 1.8 percent in 2008, most of which was accounted for by oil and gas. This reliance on oil and neglect of labor-intensive sectors amplified scandalously high unemployment, especially among the young.

In fact, as the 21st century opened, the Middle East was becoming what economist Thomas Piketty and his colleagues called “a pioneer region in terms of extreme inequality”. Between 1990 and 2016, almost all income growth in the Arab World was absorbed by population increases. Although the wealthy got wealthier—even excluding the Gulf countries, the top ten percent of the region's population received more than half of total income—two-thirds of the population was living precariously in 2018. Some 40 percent of the population were classified as poor and an additional 25 percent as vulnerable to poverty. As columnist and journalist Rami Khouri observed, “this trend seems to be directly associated with the steady recent decline in the quality of state managed basic social services, mainly outside the Gulf region, including health care, education, water, electricity, transport, and social safety nets.”

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As urban slums proliferated and corruption ate away at the public bureaucracy, welfare responsibilities were assumed by charitable associations and governments saw their control of their citizenry slip away. And, indeed, perhaps ironically, the state-based order that was the platform for the region's regimes was decaying and citizens knew it, as one Cairene observed that “here there is no state; here people live in a state other than the state”. From Hamas to Hezbollah to the Muslim Brotherhood, region-wide networks secured support from private benefactors, rallied followers across state boundaries, and opposed regimes whose stability had been built largely on external rents, from oil money to foreign and military aid. And there were plenty of prospective recruits. Many governments

complained of the inroads made by Islamist movements and other sectarian organizations in providing social services, but few were prepared to compete for support. As military analyst Anthony Cordesman observed, it didn't matter whether "the regime is ruled by a King, Sheikh, President, or some [product of] a coup d'état," it was apparent that "many Middle Eastern states have no enemy greater than their own governments."

It was in this context that the uprisings of 2010-2013 broke out. The governments were taken by surprise, itself an indication of how detached they had become from the preoccupations of their citizens, and the initial response to the popular disturbances was confused. Many governments—and some of their opponents—resorted to the by-then tired reliance on sectarianism to frame expressions of popular discontent, despite its irrelevance to the calls for bread, freedom, dignity, and social justice. Civil disobedience and protest in Bahrain was characterized as Shiite rather than popular; the post-uprising presidential elections in Egypt eventually turned to a contest between the military and the Muslim Brotherhood; the Syrian regime quickly rallied Alawite allies to battle protesters; Yemen slid into civil war characterized by claims of Iranian support for Shiite rebels.

Within a few years, however, many of the efforts to capture popular support by reference to the early nationalist commitments or the religious and sectarian loyalties of the succeeding decades had been abandoned. As governments struggled to regain the upper hand in battles with their own

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people, a new emphasis appeared, a product of the previous decades of both neoliberal hostility to the state and growing disenchantment with profligate regimes: the polity as enterprise. Power would no longer be measured by chanting crowds or soldiers under arms. The revolutionary nationalist and the patronage-dispensing coreligionist were giving way to the business leader promising customer service and shareholder value. As Muhammad Bin Rashid Al-Maktoum, the prime minister of the Emirates, wrote in *My Story: Fifty Memories of Fifty Years of*

Service: “Today’s leaders are not the same as yesterday’s. Today’s leaders are the silent giants who possess money, not the politicians who make the noise... the babble of politics and its messy entanglements [are] of little benefit to us in the Arab world.”

As the decade after the Arab uprisings wore on, the “messy entanglements” of regional politics were sorted out. The triumph of the Muslim Brotherhood in Egypt was quickly reversed as the UAE and Saudi Arabia supported the installation of a new military regime. The temptations to prolong sectarian

mobilization within the region, represented principally by Qatari and Turkish support of groups affiliated with the Muslim Brotherhood in Tunisia, Libya, and elsewhere, were firmly and decisively resisted. In 2020, in a spectacular indication that neither nationalist pride nor religious allegiance would define the new political landscape, the UAE and Israel signed what were known as the Abraham Accords, a move that opened the door to Israel's normalization of relations not only with the UAE but also with Bahrain, Sudan, and Morocco. Economic cooperation, tourism, and foreign investment—especially in technology industries, including artificial intelligence and defense production—soon followed.

Ensuring Private Interests: Promising the Future

What was the logic of the newly emerging regional dynamic? Al-Maktoum suggested an answer in describing his counterparts in government as “in the business of shaping lives, planning futures and building nations”. The neoliberal foundations of globalization were presented as a new opportunity to reframe state–society relations, bypassing both states and regimes for an entirely new notion of governance modeled on the modern multinational corporation. To again quote Al-Maktoum (a prominent advocate of this new approach): “Maybe the time has come for [the Gulf Cooperation Council or the Arab League] to be overseen by leaders, managers, businessmen, heads of industry and entrepreneurs instead of foreign ministers.” He added, “Never underestimate your role for you are in the business of shaping lives, planning futures and building nations.”

The ruling families of the Gulf were among the most eager proponents of the retreat of the state and the restructuring of regimes as they adopted the watchwords of the global private sector, positioning their countries as “flexible, adaptive, entrepreneurial, and innovative”. They characterized themselves

less as stewards of states or members of political regimes than as management committees of family-owned businesses. Indeed, Crown Prince Mohammed Bin Salman of Saudi Arabia was soon dubbed the “CEO of Al-Saud Inc.,” having taken control of Aramco, the national oil company. The prince quickly became “deeply entwined with the fabric of the global financial system” as the major investor in the \$100 billion Vision Fund as well as in other international government funds.

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These were roles the rulers embraced publicly: As Ahmed Kanna, professor of anthropology and international studies, notes in *Dubai: the City as Corporation*, Al-Maktoum called himself the “CEO of Dubai”.

But the Gulf rulers were hardly alone in highlighting finance, entrepreneurship, and investment. Many governments, including a number of military regimes,

seized the initiative to drive economic investment that had once been left to crony capitalist allies. In 2020, Algeria's government, for example, announced that foreign investors could take majority stakes in projects in non-strategic sectors and took additional steps to seek new financing sources, including developing the Algiers stock exchange. Many of the countries of the region managed sovereign wealth funds—of the world's top fifty sovereign wealth funds, twelve were in the Middle East, including Egypt's at number forty-three. These funds were invested in projects designed both to generate domestic growth and employment and to partner with international private funds that typically made investments in riskier ventures such as technology firms, entertainment companies, and real estate projects—as befits funds responsible not to citizens, but to shareholders.

Other ways to attract private investment were proliferating as well. Various kinds of exceptional jurisdictions and privatized enclaves operating under special legal regimes, profiting and protecting their investors, appeared across the region. From special economic zones, self-contained “techno-cities” and science parks, gated residential communities and offshore cruise ships, to labor compounds and private islands, such enclaves provided a regional and even global class of wealthy entrepreneurs with bespoke legal regimes. Such regimes were afforded not only tax exemptions but dispute arbitration mechanisms outside the jurisdiction of national courts, and private security in lieu of the local police.

The role of the “shareholder” was increasingly complicating and even supplanting rights-based claims on governments. This citizen-as-economic-actor may have been born in the Gulf but was also transregional; wherever there was foreign investment, there were local partners, agents, and representatives looking for shares of the wealth, and governments prepared to accommodate them. When protests against a law granting amnesty to corrupt civil servants broke out in Tunisia in 2017, in what researcher and political scientist Nadia Marzouki called a “shift from transitional to transactional justice,” former President Caid Essebsi argued that it was necessary to restore the confidence required to bring back investors after the upheavals of the uprisings earlier in the decade.

For the beneficiaries of such arrangements, the rights of citizenship are superseded by the privileges conveyed by patronage and protection in private systems of governance that are often inconsistent with, even contrary to, national law. This disregard for local law permitted the growth of what might be called an archipelago of enclaves stretching across the region that knit together transnational networks of special financing, exclusive investment opportunities, commercial security firms, isolated airports, cloistered villas, and private meetings.

Although Saudi Arabia had ambitious plans for Riyadh, one of the most dramatic efforts to create a new investment-ready governmental enclave is Egypt's new administrative capital. As part of Egypt's Vision 2030, the new capital is being built halfway between Cairo and Suez, with all of the national ministries in a dedicated campus, twenty-one residential districts, several thousand schools, a technology and innovation park, nearly seven hundred hospitals and clinics, 1,250 mosques and churches, a ninety thousand-seat football stadium, forty thousand hotel rooms, a theme park four times the size of Disneyland, and a new international airport. The population is expected to be 6.5 million; part of the avowed purpose was to decant the overcrowded downtown of Cairo with its overburdened and decaying infrastructure.

From the vantage point of the denizens of these kinds of gated communities with private security and special economic zones with exclusive jurisdiction, the purpose of government had shifted from securing independence or safeguarding stability to ensuring the ease of doing business. In the 21st century, the purpose of government was fast becoming to facilitate the ability of captains of industry and finance to fly from enclave to enclave, making deals, securing licenses, and visiting theme parks conveniently. In this context, establishing relations with Israel was merely a smart business arrangement; the Jewish state was understood as neither a nationalist settler-colony nor a sectarian regime, but as a business-friendly enclave of technology transfer, investment financing, and technological innovation.

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The appeal of this new approach to governance in the Arab World—the promise of socially tolerant, economically prosperous illiberal autocracy—was considerable, at least for those who expected to benefit. It shared the “techno-optimism” of Silicon Valley, where companies from Facebook to Amazon transformed social life by making communication and commerce easier and more convenient, all the while creating vast invisible stores of surveillance data and fast growing disparities in wealth. Still reeling from the Arab Spring, many governments were, as political scientist Jon Alterman put it, “converging on a model that combines authoritarianism with a social safety net, strict limits on religious expression, a more liberalized social space, and an invigorated private sector. It might be called the ‘GCC consensus,’ but its practice reaches from Tunisia to Jordan and beyond”.

The Politics of Private Power and Public Risk

The visionaries understood both sides of the coin they were tendering. Al-Maktoum's first rule of leadership, for example, was that "processes, laws and systems" are to "serve the people, make their lives easier and more comfortable"—hardly a clarion call for freedom or social justice, but appealing in a context of decades of frustration and disappointment—and to that end, "they can be changed at any time". These rulers are not subject to the rule of law nor accountable to citizens; they prefer consultants to voters, marketing to campaigning, customers to citizens.

The designers, promoters, and beneficiaries of this new pattern of Arab politics were optimists. As Yousef Al-Otaiba, the United Arab Emirates' long-serving ambassador to Washington, put it: "What I've watched over the last several years is a shift in mindset, a shift in attitude; younger people are tired of conflict, they're tired of ideology. They want solutions. They want jobs. They want what every young person around the world wants. We're trying to approach long-standing issues with a completely different lens...essentially going from analog to digital."

The challenge to this model of governance is the question of what will happen to those in the interstices, outside the enclaves. There were millions of people in southern Tunisia, across Libya, in Yemen, Syria, Lebanon, and

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elsewhere across the region who were left outside, neglected by these new regimes, abandoned to fight over remnants of older political loyalties, nursing envy and grievance. Indeed, even within countries whose rulers were embracing the business-friendly future, there were those who saw themselves left behind. As historian Khaled Fahmy wrote of the Egyptian capital: "Assuming that the aim of building a new administrative capital is to alleviate the pressure from downtown Cairo where the

majority of government offices are located, and assuming, for argument's sake, that the 5 million inhabitants will actually be moved from overcrowded city, what will happen to the rest of us?"

"The rest of us" in the region have reason to worry. Companies solicitous of their shareholders, concerned for their customers, even willing to care for their employees, are not accountable to the people who don't buy their shares, purchase their products, or produce their goods. In a world of competing business enterprises, who is responsible for the public interest?

Lebanon serves as a salutary, if disquieting, warning. After the end of the civil war, the Lebanese political elite, like many of its counterparts elsewhere in the region, used a mixture of sectarian identity politics and patronage to secure support. But the merger of business and politics was evident early in the role of Prime Minister Rafik Hariri's construction company, Solidere, in the rebuilding of Beirut. According to the International Crisis Group, "In reality these leaders were mostly serving themselves—they have amassed considerable wealth in the post-war era. In the process, they neglected economic development and helped ruin the country's finances." By the opening of the third decade of the 21st century, they went on, Lebanon was "rapidly becoming a mosaic of disjointed fiefdoms in which political actors struggle, sometimes violently, to control access to basic resources and security. Extreme poverty is on the rise, threatening a humanitarian crisis and further destabilization".

Lebanon's humanitarian catastrophe was kept at bay by remittances sent by the millions of Lebanese living abroad—a private solution to a very public calamity. Might other private solutions to the challenge of providing public goods be found? Perhaps. We are all, as Ambassador Al-Otaiba put it, "in the very, very early stages of re-imagining what the Middle East looks like and how it operates". However, in the absence of governments that see themselves as more than investors—responsible to citizens above shareholders, promoting constituents over customers—what is for some a tantalizing dream of opportunities may be a daunting vision of bleak prospects for those left behind. 