

Facing the Uncertain: A Critical Appraisal of the Arab Uprisings

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OVERVIEW

THE YEAR 2011 saw unprecedented changes in the Arab world. Several Arab tyrants which ruled comfortably for decades have been toppled ... not by military coups—as happened so often in modern Arab history—but by popular uprisings. The disgruntled Arabs have always blamed their dictators for their countries' relative backwardness. And suddenly, the success of the Tunisians and Egyptians in overthrowing their long-time rulers made others believe that they too can achieve what their North African brothers and sisters have achieved. People flooded the streets everywhere dancing, shouting, and celebrating. The decades of cronyism, corruption, and dictatorship were over! The March to Modernity can finally take off! The glorious future is within reach! ... at least, this is what people *have* thought back then. Naturally, the West has joined the celebrations. Editorials predicted not only the end of tyranny in the Arab world, but many Western observers speculated about *when* the wind of “democratic change” is going to reach not only Central Asia, but also China!

As we all know, things developed in a way that few people have predicted. The quick toppling of dictators after a couple of

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weeks of peaceful demonstrations—as was the case in Tunisia and Egypt—has not been reproduced anywhere else. The rebellion in Libya developed into a bloody civil war that led to the intervention of the NATO. The Yemeni uprising claimed the life of almost 1,800 people. The catastrophic situation in Syria is getting, one year after the start of the uprising, ever grimmer with no end in sight. Sweeping uprisings did not happen in the rest of the Arab world, let alone in Central Asia or China! The “Arab Spring”—as the revolts have been dubbed by Western media—did not produce prospering democracies anywhere yet. Instead, the challenges of transition have proven to be daunting. The economies of effected countries are in bad shape. Domestic stability is still fragile. Even more worrisome, tensions between Sunnis and Shiites—in the region as a whole—are increasing.

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Thus, the initial euphoria, both in the Arab world and in the West, has largely been replaced by outright disappointment, if not despair. The current state of mind is best captured by the most outspoken champion of democratic change in the Arab world for decades, Abdel Bari Atwan, who has written recently: “The region is experiencing now its darkest hour. The prospects of civil, sectarian, and regional wars are becoming ever more real.”

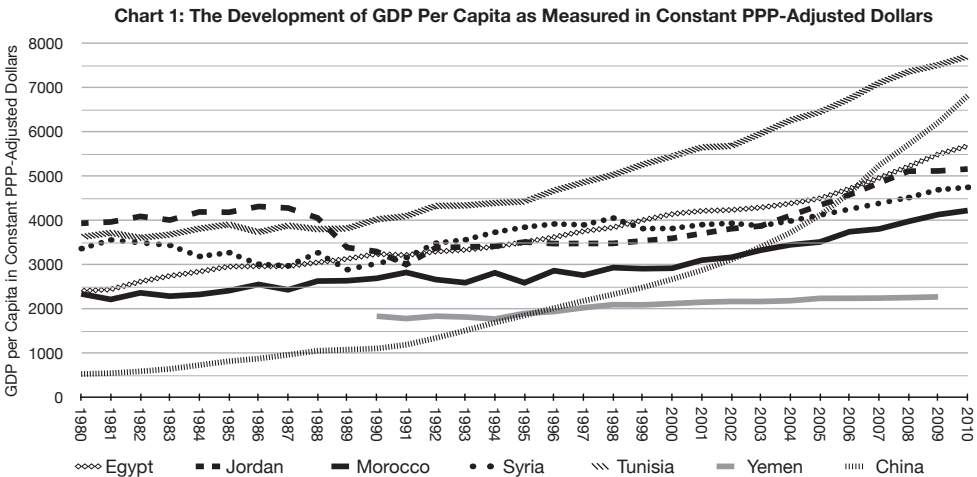
What has went wrong with the “Arab Spring?” Many Arabs believe—as often the case—that the conspiracies of the imperialistic West, Israel, and their local agents are to be blamed. In this paper, we will try to reach a more adequate understanding of what went wrong. We will start by circumscribing the socioeconomic achievements and shortcomings of the past decades. Because our readers are more familiar with China’s economic development, we will include statistical data about China for comparison. We will also illustrate shortly how the unrealized potentials of the Arab states were the result of bad governance. After that, we will go into some depth about the uprisings that have taken place so far

and the new realities they have created. This will bring us back to the challenges of development and the question whether the new emerging order will be more capable of addressing them. In the last chapter, we will discuss briefly some suggestions for China's foreign policy.

I. CORE PROBLEM: BAD GOVERNANCE

AFTER the success of the first Arab uprising in Tunisia in ousting Zine el-Abidine Ben Ali who has been the country's dictator for 22 years, the Libyan tyrant Muammar Gaddafi gave a televised speech to scold the Tunisians for their stupidity. After all, their crazy actions caused them to "lose" such a farsighted and irreplaceable leader as Ben Ali. In his speech, Gaddafi seemed to be genuinely confused: He cited statistics about the economic development that has been achieved in the past decades to prove that Ben Ali was "the best leader Tunisia ever had." An irritated Gaddafi asked repeatedly: "What's wrong with you?!"

For once, Gaddafi was not so wrong—at least superficially. Tunisia enjoyed a relatively good economic development for decades. When Ben Ali became president in 1988, the GDP per capita was at 3,797 constant PPP-adjusted dollars.¹ In 2010, it reached 7,700 PPP-adjusted dollars. If we put the oil-rich Gulf states with their inevitably higher GDP per capita aside and look at the rest of the Arab world, we find that Tunisia had in 2010 the second-highest

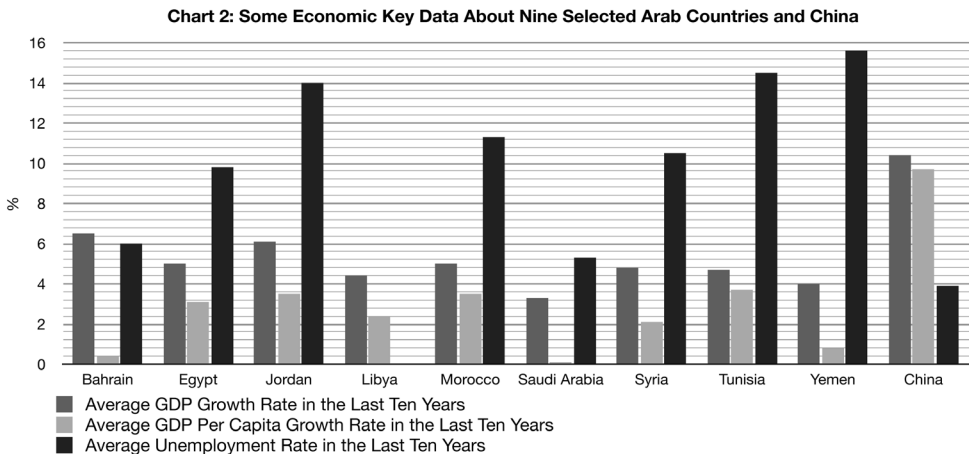


GDP per capita after Lebanon (12,600 PPP-adjusted dollars).²

Other Arab countries performed not very bad either. If we track the development of the GDP per capita over the past three decades in some representative Arab countries (see Chart 1), we can see that they all had some success in raising the living standards of their people (as measured in GDP per capita).³ Of course, the success of the Arab governments was modest compared to that of China. China's development becomes all the more impressive when we take into account that the living standards of the Chinese people were much lower three decades ago than in all depicted Arab countries. In a relatively short time, China managed to surpass most of them. This is one indicator that the Arab governments were doing something utterly wrong.

A second indicator can be found by studying Chart 2.⁴ If we look at the average GDP growth rates over the last decade in the nine selected Arab states, we see that all of them enjoyed modest to relatively high growth rates over the past decade. However, we must draw attention not to one, but to two “buts” here: first, while growth rates ranging from 3-6% can be considered as very high for developed economies, they indicate a serious underperformance for developing countries; second, this fact is highlighted by the very high unemployment rate in the region.

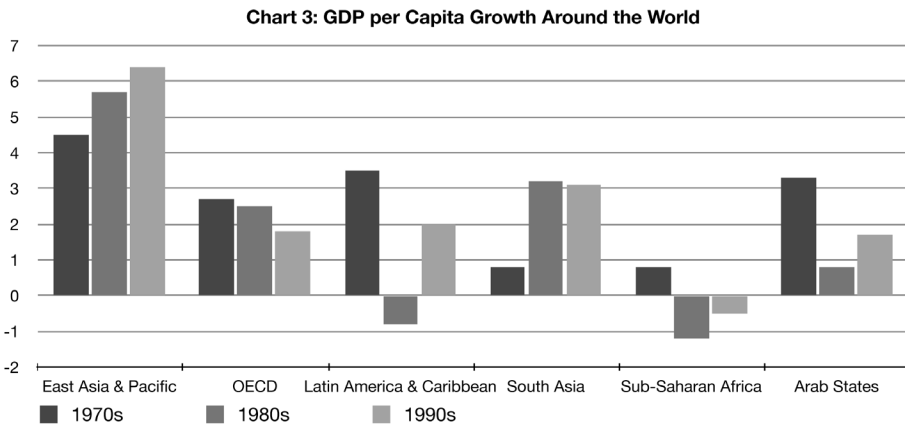
A third—and very dangerous—indicator that the Arab regimes were not following a wise development strategy can be found in the sectoral division of unemployment in Arab societies. In many



other regions of the world, unemployment is more a problem for the less qualified than for the well-educated. The opposite of this pattern can be seen in the Arab world: unemployment rate among the youth is, in some Arab countries, between 20-30% and many of them is relatively well-educated. Having a high rate of young and well-educated people of the middle class without jobs and without future prospects can be a ticking bomb. After all, those are the people with the highest future expectations. Further, those people feel an extra pressure because of the fact that their parents invested a lot of money in their education. It must be noted here that—like China and unlike Europe—the family in the Arab culture plays a very important role. Living on their parents’ support, despite the fact that they have earned a higher-education degree, can be extremely frustrating. After all, they should be supporting their parents by now and not vice versa.

Dorothea Schmidt from the International Labor Organization (ILO) points out that “even if young people have jobs, working conditions are often very poor: low wages, little social protection, lack of secure contracts and career prospects, and weak or lacking trade unions to give them a voice.” In fact, a social safety net is provided in many Arab countries only to state employees. Thus, unemployment entails the danger of slipping back to poverty.

The Arab population grew between 1970 and 2010 from 128 to 359 million people, of whom 31.6% are under the age of 15 (for comparison, the figure for China is 19%). Thus, the lack of



development strategy that focuses on creating attractive future prospects for the young Arab societies is only going to get bigger if not addressed soon.

To summarize: Economically speaking, most Arab countries managed to raise the living standards of their people (see Chart 3 for comparison with other world regions).⁵ The people however did not only grow wealthier, but also “greedier”: They wanted not only to be able to buy food, televisions, and cars, but also to have rewarding jobs that corresponded to their level of education, wages that enable them to live comfortably, and bright future prospects for themselves and their children. Looking at the economic data we can conclude that the Arab governments left a lot of potentials unfulfilled.

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We can call what we described so far as the “objective background” to the accumulating discontent in the Arab street. But few people—if any—judge their well-being by studying “objective” statistics about their country’s economic performance over the decades. Rather, one defines his own wealth based on his own subjective perception. This perception is influenced by the comparisons one makes of himself with other members of his family, friends circle, and society. The disgruntlement of the middle class in many Arab countries intensified as the rich not only got richer, but also did so by unjust means. This needs some explanation.

In the last decade, Arab countries like Egypt and Syria implemented many economic reforms which aimed at increasing the size of the private sector. The problem, however, was that these privatization efforts were carried out without introducing fair-play rules. The result being that the main beneficiaries were the entourage of the political ruling class. This factor combined with the rampant corruption led to concentrating the newly generated wealth in the hands of the well-connected.

The economic mismanagement in most Arab countries went hand in hand with political oppression. The rulers indulged in

delusions of grandeur which they sustained by lionizing their accomplishments and tuning out their utter failures in utilizing the full potentials of their societies. Staged shows of public adoration strengthened their belief in their historic uniqueness. Their political opponents were imprisoned, silenced, and tortured.⁶ The family of the president or the monarch concentrated political power and economic wealth in its hands. In fact, all overthrown Arab rulers so far had plans to pass the scepter of power to their sons after them—which infuriated the people even more.

Now, twenty or thirty years ago, stories about cases of corruption, undeserved wealth, and nepotism would not have been able to reach as many people as they are doing today. Back then, the media was firmly in the iron hands of the state. The propaganda machine spread the good news and silenced bad ones. But the information landscape changed dramatically with the rise of independent Arab media outlets (like *Al-Jazeera* in the late 1990s and later *Al-Arabia*), the birth of many private newspapers and magazines, and to a lesser extent the spread of the Internet. Controlling independent satellite TV channels, like *Al-Jazeera* or *Al-Arabia*, which broadcasted from other countries was virtually impossible. Newly established national private newspapers and magazines fought countless battles with the censorship authorities over re-defining those red lines that cannot be crossed. An effective control of the Internet was also unfeasible—despite the *illusions* held by censorship authorities in many countries (some of them to be found outside the Arab world!). New blogs and websites are being created in the instance old ones get shut down or blocked.

Thus, we can say that the dynamics of three trends led to the inevitable explosion of public anger: (1) economic mismanagement; (2) political oppression; and (3) the free flow of information which spread and fed the discontent of the people. Understanding this *gestalt* is very important. It enables us to put current and future developments into perspective: Political freedom alone will not satisfy the people in Tunisia, Egypt, or elsewhere. Of equal—if, in fact, not higher—importance is managing the challenges of modernization and development. We shall return to this point later.

II. UPRISINGS: CHANGING REALITIES

ON DECEMBER 17, 2010, a street vendor named Mohamed Bouazizi set himself on fire in a small Tunisian town to protest against the humiliations and unjust treatment he suffered from the local authorities. This incident became the “straw that broke the camel’s back”—as the Arabic idiom goes. Disgruntled young and well-educated people of the middle class took collective action by starting isolated demonstrations that quickly turned into a massive popular uprising that led to overthrowing Tunisia’s dictator. The success of the Tunisians emboldened the Egyptians to purge Mubarak who has been their dictator for thirty years. By then, what *Al-Jazeera* coined as the “wall of silence” was irrevocably broken and the masses began to make their voices heard. Protests spread in varying degrees of popular participation to many Arab countries.

The Arab rulers were so lost in their own self-gratification that the popular uprisings caught them totally off-guard. They had to conjure creative explanations to make sense out of the fact that their own people could become so ungrateful and turn against them. The spectrum of their creativity ranged from Gaddafi’s musing about “hallucination pills” that have been added by shadowy forces to the tea and coffee of the protestors to the Syrian regime’s accusation of a “cosmic conspiracy”—as if not only “Western imperialists” of this Earth, but also aliens from other planets were involved!

We will not indulge here into summarizing what happened over the course of the last year. Rather, we will discuss briefly two ways in which the protests in different Arab countries were similar to each other and three ways in which they were different. Then, we will talk about the impact of the “Arab Spring” on the intellectual discourse in the Arab world.

Similarities

HOW DID the mobilization process work? Many people believe that social media outlets like Facebook and Twitter played a vital role in mobilizing and coordinating the protest movements. Some go even so far as to speak of “Facebook Revolutions.” Evidence though

does not support this widely spread hypothesis. Dubai School of Government measured the “Facebook penetration level” in all Arab countries—that is to say how large the proportion of people in a certain country which has a Facebook account is. In Tunisia, the Facebook penetration level is 17.5%; in Egypt, 5.5%; in Libya, 4%; in Syria, 1%; and in Yemen, 0.7%.⁷

The first similarity in all uprisings relates to the two factors that played an essential role in mobilizing the street: (1) the word of mouth; and (2) the 24-hour emotionally charged live reporting of *Al-Jazeera* and other TV channels. From the first moment, *Al-Jazeera* took the side of the demonstrators and kept adding oil to the spreading fire of their rage.

The second similarity pertains to how the protestors defined the aim of their protest movements. Restoring honor and dignity was a recurring theme in all protests around the Arab world. The demonstrators articulated time and again that they not only wanted bread, but also—more importantly—their “honor” restored. For them, this meant ending all kinds of corruption, nepotism, political persecution and harassment by the local authorities, lifting the bans on the freedom of speech, and putting those who encroached on the rights of the people on trial. How can these aims be achieved? Well, as we will discuss in the next section, protests in different countries delivered different answers to this question. All those answers, however, envisioned increasing the public participation in the political process.

Differences

WHILE IT IS true that the general euphoric mode after the success of the Tunisian and Egyptian uprisings led to igniting the fire of popular unrest elsewhere in the Arab world, it is not entirely accurate to speak of a domino effect. Remember that the Arab world consists of 22 countries. Its boundaries spread from the Atlantic Ocean in the west to the Arabian Sea in the east, and from the Mediterranean Sea in the north to the Horn of Africa and the Indian Ocean in the southeast. The spreading fire of popular unrest did not touch every country. Spared were the poorest Arab societies

in Africa—the likes of Comoros, Djibouti and Mauritania—and the richest in the Gulf area—like Qatar and the United Arab Emirates. But even in the countries in which the fire of unrest raged, we can still discern some distinctive patterns.

First, consider the leading forces of each protest movement. In Tunisia and Egypt, well-educated and young people who lacked future perspectives led and coordinated the uprisings. In Yemen, the demonstrators were being led by political opposition forces. In Bahrain, the Shiites—who constitute the majority of the population and who are being treated as second-class citizens—staged massive demonstrations that have been crushed by the tanks of the Gulf Cooperation Council. In Libya, the fighting on the ground was carried out by young people who didn't enjoy higher education. Unlike Tunisia and Egypt, the Libyan rebels cannot be considered as representatives of a disgruntled middle-class.

Second, while all protestors in the Arab world were standing up for restoring honor and dignity, they differed in the way they sought to achieve these aims. In Tunisia, Egypt and Syria, demonstrators started by demanding political reforms of the political system. The harsh response of the security forces had the exact opposite effect. Instead of intimidating the protestors, new forces from society joined in and the demands became more radical: Not reforming, but toppling down the political system became their core demand. In Yemen, regime change was from the beginning on the agenda of the demonstrators. In Bahrain, the Shiites demanded more civil rights and equal treatment by the government. In the kingdoms of Jordan and Morocco, the protestors sought to limit the powers of the king and increase the scope of public political participation.

Third, the army's response differed. In Tunisia and Egypt, it allied itself with the protest movements—and precipitated their ultimate success. In Libya, the armed forces were torn between supporting the protests and protecting the ruler. The result was an armed conflict. In Syria, the army is still standing firmly behind the regime. The result being a continuous slaughter of the demonstrators. Thus, the position of the army proved to be crucial to the fate of the uprising.

Arab Public Opinion

THE UNITY of the Arab street in rallying in moral support behind the uprisings did not last long. In regards to Bahrain, fears of sectarian divisions and an Iranian friendly Shiite awakening in the entire Gulf region did prevent some Arabs—specially in the Gulf countries—from expressing their moral support to the demonstrations in Bahrain. In the Libyan case, the Arab street seem to be even more divided: Was the the military intervention of the NATO (the military arm of Western imperialism, as most Arabs see it) justifiable? Famous Arab intellectual and writer, Abdel Bari Atwan, stated clearly in a television interview that given the choice between domestic political oppression and “foreign colonialism,” he would not hesitate a second in choosing the former. Of course, not all Arabs agree with this characterization—specially given the fact that Gaddafi was about to slaughter the rebels in the city of Benghazi. In Syria, the regime still has supporters inside and outside the country. Many Arabs do appreciate the fact that Syria refused to sign a peace treaty with Israel and that it is still supporting Hisbollah in Lebanon. Thus, some do sincerely believe that there is a Western conspiracy against Syria.

Unfortunately, the Arab world still lacks the “culture of respecting differing opinions.” When it comes to such emotionally charged questions as those related to the Arab revolutions, people tend to attack the personal integrity of those whom they disagree with. In the eyes of some, the supporters of Western intervention to bring down murderous dictators become very quickly agents of Western imperialism, while in the eyes of others, critics of this or that populous revolt turn into cheap servants of tyranny.

III. POLITICAL CHALLENGES

GENERALLY SPEAKING, the Arab states can be divided into four categories:

1. Countries undergoing radical political transformation: Tunisia, Egypt, Libya, and Yemen.
2. Countries undergoing evolutionary reforms: The kingdoms of Jordan and Morocco, and the Sultanate of Oman. Other

future candidates include Algeria, Bahrain, and even Saudi Arabia.

3. Regimes exercising political repression: Syria alone is in this (short-term) category.
4. Continuation of the status quo: It is extremely difficult to predict how long the other Arab countries will remain in this category.

As the political system in the countries of the first and second categories is becoming more emancipatory with time, we are witnessing the rise of three political forces: Islamic parties, social or socialist parties, and liberal parties. There is, of course, within each camp a wide spectrum of competing and, sometimes, conflicting ideas. We must remember the fact that during the dictatorial era there was little space for political opposition. Therefore, political programs of emerging political forces need time to mature and the real-life experience of governing to evolve.

The political parties that are affiliated with the Muslim Brotherhood are the clear winner of the democratization process, so far. Their victories in parliamentary elections in Tunisia, Egypt and Morocco took many analysts by surprise. Many people in the West began sounding the alarm bells. We must, however, distinguish between three kinds of Islamist movements: (1) Terrorist organizations, like Al-Qaeda, that rely on violence to achieve radical aims. Such movements have very little support among Arab people; (2) Ultra-conservative political parties (like the *Salafists* in Egypt). The conservatism of those parties is social in nature and is focused on setting limits on individual freedom and social norms of behavior. Banning alcohol, enforcing the *Hijab*, and restricting the freedom of women is on top of their agenda. For ultra-conservative Muslims, life is seen as a passing stage where people must abide by a set of rules. Those who do so will be rewarded by going to Paradise after death and those who don't will be doomed to endure the eternity of hell. According to this world view, economic wellbeing is only secondary. (3) Relatively moderate Islamic parties. Although the Muslim Brothers are considered to be relatively moderate, they should not, however, be considered as a monolithic organization. There are pronounced differences among the Brothers regarding

the degree of rigidity or openness as well as regarding political preferences.

Europe's fear of the political Islam is clearly exaggerated as well as—to a certain degree—hypocritical. Europe itself has many Christian parties. In fact, Europe's most important country, Germany, is ruled by a chancellor from the Christian Democratic Union. We believe that the participation of Islamic parties in the political process is not necessarily a bad thing. Turkey's Islamic oriented Justice and Development Party may offer a role model for many Islamic parties in the region.

Lumping all Islamic-oriented political forces together is a big mistake often made by some Western observers. Factually, an Islamic party can adopt more liberal policies than a party which categorizes itself as social or even liberal. The majority of Arab people are wary of the term "liberal" because they associate it with the Western way of life that many view as being "decadent."

These are some general lines regarding the emerging political forces in the Arab world. What about the specifics of the effected countries? Well, it seems that the transformation is going best in Tunisia. Elsewhere, it is facing tremendous challenges and dazzling uncertainties—as we shall demonstrate here shortly.

Egypt

FIRST WE must acknowledge that the Egyptian revolution made some concrete achievements: The hated excesses of the security forces have decreased significantly, the press is freer than it was before, and corrupt officials and former leaders are on trial. Unfortunately, the economic situation doesn't look rosy. The unemployment has increased dramatically over the last year. Notably, according to the United Nations Development Program, those under the age of 29 account for 90% of the unemployed. Tourism—a very important sector in Egypt and Tunisia—has also been hit hard.

The climate of political instability is hardly helpful for creating an investment-friendly environment. *The Economist* reported last year that foreign investments which peaked at US\$12 billion in 2008 have almost dried up by now. Spontaneous strikes represent

an increasing risk factor for business. To make things worse, recent court rulings overturned land sales and privatization deals that have been concluded long ago.

The Supreme Council of the Armed Forces, the highest decision-making body, is in a difficult position. The 24 senior officers have appointed a civilian government of technocrats and they meet regularly with the civilian leaders. However, accommodating the sometimes contradicting demands of all the different political forces, young activists and demonstrators is virtually impossible. The youth is so impatient that any delays in meeting their demands result in them taking to the street. The result was that the cabinet has been reshuffled several times, adding to the climate of political uncertainty.

Despite many accusations and rumors that the senior officers might be planning to cling to power, the military seems sincere in its desire to hand over the political leadership to an elected government. The military is, however, keen on protecting its interests. It resides over a vast business empire which accounts for 15% of GDP. Thus, the question of the future of the military's business empire must be resolved first, before the military can agree to go back to the barracks. The current plan is for presidential elections to be held in June.

Despite all the uncertainties of the present moment, not all Egyptians are gloomy in their future estimates. Some of them understand that the transformation process is bound to be long and full of dangers. The political activist and prominent intellectual Abdel Halim Qindil put it best: "We entered a time of dangers, but it is much better than the previous time of stagnation." Others don't agree. The sluggish economy, the lack of security and the frequent street battles between security forces and the protestors make them yearn for stability above anything else.

Libya

EGYPT'S difficulties shrink in comparison to those of Libya. To understand Libya's difficulties, we must first review what happened there during the months of fighting against Gaddafi. The Libyan revolution was carried out by young fighters on the ground. Those

fighters did not belong to any political movement and most of them had strong religious inclinations. There was no central organization to coordinate the rebellion. In fact, in accordance with Libya's tribal system, the fighters organized themselves *locally*.

The National Transition Council (NTC) made itself the spokes-organ of the rebels. It was not asked to assume that position by the fighters. The NTC consisted of defecting senior officials of Gaddafi's regime and of exile opposition members. Ideological and personal divisions were clearly visible from the start.

The result of this arrangement was that after Gaddafi's defeat the real power was with the fighters who toppled the old regime. Their loyalty is to their local tribes. The transitional government which has been announced in mid-November consists of technocrats with little power. Libya is witnessing now rivalries among local centers of power and among the local actors. The latest example was the oil-rich Cyrenaica declaring its autonomy and calling for a federal Libya.

Elections are scheduled for late June. There is, however, no national political movement and it is unlikely for a national development strategy to be agreed upon easily.

Syria

THE SITUATION in Syria seems to be most difficult. It has been more than one year since the protests started and they still haven't gathered enough momentum to bring down the regime. The urban middle class in Damascus and Aleppo (Syria's two largest cities) haven't joined the uprising yet in considerable numbers. The brutality of the security forces and the army are leading to an ever higher death toll. Despite all of that, it seems unlikely that the conflict would subside in the foreseeable future: The regime doesn't want to look weak by giving in to substantial political reform concessions and it is at the same time unable to silence the demonstrators.

The economic situation is worsening rapidly. Prices are rising and incomes are falling. Shops are open only on part-time basis. Factories are being shut down. Power cuts are frequent. Tourism is dead. It is unclear how long the Syrian economy can take the ongoing unrest before collapsing.

A Western military intervention appears though to be extremely unlikely. Syria has a much better equipped army that cannot be defeated without afflicting losses on the attackers. At the same time, Syria doesn't have Libya's oil so that a future government might not be able to repay NATO the costs of military intervention. Further, the West fears Syria's alliance with Iran and Hisbollah in Lebanon. There are genuine fears—which might or might not be warranted—that Hisbollah could revenge Syria by attacking Israel and dragging it into the conflict.

Israel itself is not really keen on seeing a regime change in Damascus. Despite its rhetorics, the Syrian foreign policy was very predictable in the past decades. Despite Israel occupying the Golan Heights since 1967, Syria did not make any attempts since the October War of 1973 to regain that territory. A democratic government might prove to be more nationalistic and less "prudent." Thus, many Arab observers do doubt the West's sincerity in its demands for Assad to step down.

Unfortunately, the situation could get worse. There is a talk in the Syrian media that the armed forces should shift away from "restraint" in dealing with the "terrorists." The world has seen much death and destruction in Syria. But the army hasn't unleashed its full firepower yet. It may start using helicopter gunships and jet bombers. After all, the Syrian army is, by and large, still loyal to the regime.

IV. CHALLENGES OF DEVELOPMENT

AFTER HAVING discussed some short-term challenges, we would like now to complete the circle by going back to the starting point of this paper: Dealing with the challenges of development and modernization by realizing the full potentials of the Arab people.

The Economist has described once the Arab economies accurately as not being based on socialism, but on distorted capitalism. Economic activities are regulated by prices and there is a private sector. However, the state sector is very strong, the bureaucracy is overpowering, corruption is in many countries rampant, and the government hands out massive subsidies. In Egypt, for example,

subsidies for food and fuel account for 10% of GDP. The problem is that the majority of Arab people regard it as the government responsibility to counteract economic hardships with subsidies and job programs in the public sector. The result is an ever inflating bureaucracy and growing public debt.⁸ The latter must lead at some point to downgrading the credit rating.

Putting the Arab economies on a healthy path of development requires inevitably accelerating the speed of privatization, shrinking the state sector, increasing competition and decreasing subsidies. Some people argue that the Arab world might emulate Eastern Europe's experience after the fall of Communism as it managed back then to build functioning democracies and market economies. Unfortunately, Eastern Europe's experience is unique. The goal of joining the EU gave East-European politicians a clear agenda of what must be done. There is no such blueprint for Tunisia, Egypt, or any other Arab country. In fact, the high unemployment, widespread corruption and sense of hopelessness among the youth didn't lead to demands of overhauling the economic system. Economic liberalization is very unpopular in the Arab world. Most Arabs share the widespread misconception in the world that capitalism is an unjust system which enables the rich to get richer and dooms the poor to become poorer. Besides, the privatization wave under the old regimes led only to enriching its cronies.

Unfortunately, the demise of the Soviet Union as a result of the hasty political reforms of Mikhail Gorbachev has not been studied carefully ... or rather, the right lessons have not been absorbed. There is a strong reluctance to admit that Deng Xiaoping was right in asserting the supreme primacy of political stability. Conducting a successful modernization process requires a government of technocrats that sets "to cross the river by feeling the stones." Instead, the "liberated" countries are finding themselves in a vicious triangle of impatient people, free press that can stir up the "angry mob," and democratic elections where the "angry mob" can kick governments that aren't fast enough in delivering the promised change out of office.

In the Arab world as elsewhere, there is a serious lack of understanding of the dynamics of economic functioning. People

tend to think in a linear way by assuming a clear causality between a political measure and its effects. The effects must show in a reasonable time after the measure has been taken; otherwise, it was ineffective! In reality, however, the economic system does consist of many interconnected variables. The linear logic of “*A causes B*” loses its validity. The political measure *A* does not only affect *B*, but also *C*, *M*, and maybe *P*. A classic example is tax increases. Increasing taxes might have a positive impact on investment and growth; it might affect the attractiveness of the country as destination of foreign capital; it might lead to increases in the government revenue; etc. Some of these effects might never occur, other only after some considerable time.

Creating an investment-friendly environment requires working on many tracks simultaneously: improving the infrastructure, giving tax incentives, generating political stability, establishing the rule of law, and having competitive unit labor costs. Naturally, this is a long-term process. In the mean time, the political opponents can appeal to the emotional level of the people and decry “selling the country to the greedy capitalists,” condemn the moral decay, etc. In fact, recurring election cycles on local and national levels can be a deterrent towards pursuing a long-term development strategy. Politicians can see their ideological prejudices “confirmed” by exaggerating those signs, events and statistics that agree with their point of view and ignoring those that don’t (psychologists call this tendency “affirmative perception”). Surely, there will be no shortage of politicians who promise to elevate all the sufferings and transform the country in a heartbeat.

Democracy is certainly not the best choice for developing countries; but the woes and agonies of the past make people unwilling to accept anything else. This, however, could change with time. As Alexander Lukin shows in his excellent book, *The Political Culture of the Russian ‘Democrats’*, many Russians during the last days of the Soviet empire believed democracy to be a panacea which would bring them ultimate justice and prosperity. It was not until having lived through Yeltsin’s disappointing performance that they abandoned their hopes in democracy altogether and became cynical about it.

V. RECOMMENDATIONS FOR CHINA'S FOREIGN POLICY

UNFORTUNATELY, China's non-interference policy is misconceived by many Arabs as being a form of moral support for the hated Arab dictators. As a result, a significant part of the Arab public opinion is turning against China. A smaller part still admires China's firm stand in the Security Council to prevent any sanctions against Syria.

China must explain the philosophy behind its foreign policy approach to the broader Arab public.

A serious debate about the advantages and disadvantages of an unconditional adherence to the non-interference policy is due in China. Regardless, China must explain the philosophy behind its foreign policy approach to the broader Arab public. As we noted earlier, the Arab media is becoming freer and freer and it is on the side of the revolutions. In

fact, Arab journalists deem it as their responsibility to support the uprisings. Thus, it is very important for Chinese officials to appear on *Al-Jazeera* and other Arab media outlets. Filing complaints to those media organizations that air negative reports about China seem to be the first option that comes to the mind of the officials of China's foreign policy apparatus. We must, however, admit that it has not been very effective. A better strategy would focus on engagement—especially with those media outlets that we disagree with the most.

A Chinese PR-campaign should focus on articulating three themes:

1. Explaining the philosophy behind China's non-interference policy. Two thoughts should be articulated here time and again: (A) How the humiliations China suffered in the past because of the interventions of imperialist powers shaped China's belief that a country should be solely responsible for determining its fate; and (B) How interventions around the world have done more harm than good.⁹
2. China's approach to foreign policy differs not only from the West's but also from Russia's approach. Although it might seem strange for the Chinese, but Arab news coverage usually mentions Russian and Chinese positions regarding the Arab

revolts in the same breath. This is a little bit odd. After all, Russia doesn't have a non-interference policy.

3. China's attitude in its relations with foreign countries is based on mutual respect and is aimed at realizing mutual benefits. This differs, of course, from the West's way of preaching its values to others. This, again, must be pointed out—again and again!

China has invested a great amount of money in building schools, high-ways and hospitals in Africa. But, if the public perception of China as an exploiter who takes hold in the Arab collective conscious, democratically elected future governments might be under pressure from the public to take anti-Chinese measures. Change is happening in the Arab world and China should realize that. This change is brought about either by popular uprisings or by rulers who are starting to reform before their people rebel against them. The future of the Arab world holds many new opportunities for China. Freeing the Arab political will from the American control can open new doors for China for investments in the vital energy and natural resources sectors. We should not let such opportunities slip by!

¹ In order to make comparisons of the GDP per capita among different countries more coherent, we must convert the GDP per capita of each country into a common currency—like the U.S. dollar. Doing this by using the exchange rate is not the best way to make reasonable comparisons of the different living standards. You can buy, for example, more fruits and vegetables with the equivalent of \$100 in China than in the United States. The so-called “purchasing power parities (PPP) adjusted dollars” solves this problem by taking the *purchasing power* of the local currency into account.

² Source: World Bank's database.

³ This chart is created based on *World Bank* data.

⁴ This chart is created based on *World Bank* data. Please note: (1) Unemployment data for Bahrain is only available for 2001; (2) No unemployment data for Libya are available; and (3) Unemployment rate in Saudi Arabia excludes women.

⁵ This chart is created based on *World Bank* data.

⁶ The fact that the security forces in the Arab world are hated so much by the people is demonstrated best by the wrath the protestors in Tunisia and Egypt unleashed on police stations.

⁷ The censorship authorities in China overestimate clearly the influence of Facebook, Twitter and other social media platforms. Although it is not the topic of this paper, I want to state my deep concern about the increasing and senseless Internet censorship activities in China. The responsible authorities are clearly deriving the wrong lessons from the uprisings in the Arab world. In fact, I do firmly believe that in most cases unjustifiable censorship of the Internet is counterproductive: on the one hand, it increases the discontent of the Chinese middle class (the very same effect a smart policy should avoid); on the other, it falls short of a declaration of war against new technologies. How China plans to become a center for innovation while at the very same time the censorship authorities fight fiercely the newest innovations in the IT-sector remains a mystery to me!

⁸ In Egypt, there is a job guarantee for university graduates in the public sector. The interim government has expanded the bureaucracy further by creating 450,000 new jobs in the public sector!

⁹ This point doesn't reflect my true opinion. Nonetheless, I'm giving here advice about how I think that China's non-interference approach should be sold to the Arab world.