

## **Social disparities and class distinction in the Arab region**

**Social disparities and class distinction in the Arab region**  
These papers are the outcome of a conference that was held in  
Tunis, Tunisia (16-17 September 2016)



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# Researchers Biographies

- **Mohamed Elagati: Researcher & Director of the Arab Forum for Alternatives** ([www.afaegypt.org](http://www.afaegypt.org)) Social science researcher and Civil society expert , M. Sc. degree in Political Development from Cairo University, Faculty of Economics & Political Sciences, in 2001. Conducted several research concerning civil society, social movements, and political reform in the Arab Region, including policy analysis and recommendation papers, as well and Editor of more than ten books in same field. In Addition to articles published in newspapers, such as Elsherouk in Egypt and Elsafer in Lebanon. (All papers and articles on the blog: (<http://elagati.wordpress.com/>)).
- **Mohamed Said Saadi** (Moroccan Academic, Professor of Economics and Public administration in the faculty of law in universities of Marrakesh and Casablanca, previous state minister of social security, family and childhood in the time from 1998-2000. He worked as an expert on gender in the economic commission of the United Nations in Africa. He has many writings on economics, development, and social justice in Morocco).
- **Khalid Ali** (Egyptian lawyer and human rights activist).
- **Fathi Chamkhi** (Tunisian professor and international expert on indebtedness, He got his PhD in Geography from Paris-7 University in France. Founder and member of the trustees committee of RAD association, He received the Alfonso Comin international award in 2012).
- **Abdelmawla Ismail** (Researcher in the field of environment and development- the Egyptian association for collective rights).
- **Mongia Hedfi** (Tunisian Researcher and feminist activist, Holds a Master's degree in Demography, Human Sciences, University of Tunis 2004, also has experience in women-rights research).
- **Heba Khalil** (Researcher, deputy director of the Egyptian center for social and economic rights, had her bachelor degree in political science, and Master's degree in international law. Now she is PhD Student, The University of Illinois at Urbana- Champaign.
- **Said Al Hashmi** (researcher and interested in issues of human rights and civil society in Oman, had a bachelor's degree in political science and economics in 1999 from Kuwait and a master's degree in strategic studies in 2006 from the University of Aberdeen in the UK. He has published several books and studies, including, for example, a book entitled "The word

between spaces of freedom and limits of accountability", with many other scholars, published by Arab Cultural Center, Beirut, 2010. In addition, a book entitled "Omani spring: Reading context and connotations," Dar Al-Farabi, Beirut 2012. And from his studies we mention, "the civil society institutions in Oman: Reality and Challenges, Arab Future Journal, Beirut Issue 369, November 2009," the dialectic of reform in the Gulf Arab countries between political and human rights, Arab Journal of Political Science, Nos. 45-46, Winter-Spring 2015 ).

- **Wassim Laabidi** (Tunisian researcher in social and cooperative economy, He holds a master's in economics, A researcher with the American University in Cairo as part of project for rural farming since 2016).

- **Maan Dammag** (Professor at the Department of Philosophy, University of Sanaa, Secretary of the Student Sector at the Yemeni Socialist party between 1994 and 1997).

- **Joseph Daher** (He got his PhD from the School of Oriental and Asian Studies (SOAS) in London. His thesis focused on historical materialism and Hezbollah, and it is scheduled to publish his book "The Political Economy of Hezbollah" in 2016, a political activist, who has Arabic, French and English publications. He also blogs in Syria Freedom Forever).

- **Fadila Akkache** (An Algerian researcher and a university professor. She has written about political participation, social movements and the impact of economic liberalization on the development path in Algeria. She has an interest in economic and social issues related to development and social justice).

- **Zuhair Tawfiq** (Jordanian writer and academic, a member of the Jordanian Writers Association and Jordanian Philosophy Assembly of and Jordanians Critics Association, and a former activist amongst the Jordanian left).

- **Omayma Kamal** (Egyptian economic journalist, Editor in chief of the daily newspaper "Akhbar Al-Youm", Former senior economic editor in Al-Shorouk newspaper, She holds a BA of Information, from Cairo University, writes a weekly column in Al-Shorouk on social justice issues and labor movements).

- **Toufiq Haddad** (Palestinian researcher and writer, holds a PhD degree in development from the School of Oriental and African Studies (SOAS) in London in 2015).

# Introduction

Capitalism has since the Industrial Revolution presented itself as the only way towards human progress and the ideal social system. According to capitalist ideologies, society is basically run by the elite in the form of those specialized in political and management sciences, finance, accountancy, and economics, which means a separation between the production process and the management process. In other words, society will be separated from the centers of wealth and profit accumulation or will be deprived of its collective production. This system is not new, for it is only a modern version of societies that were divided according to class and social status. The main difference now is that the gap between classes is widening in an unprecedented manner, which divided societies into a minority that controls wealth and authority and is surrounded by a group of technocrats and politicians who defend its ideologies on one hand and a majority that works nonstop and is constantly marginalized and deprived of its rights on the other hand. This is done in most of the North under democratic systems and in most of the South under totalitarian regimes.

Globalization, neoliberal policies, market economy, and austerity measures played a major role in deepening the rift between different classes in society and so did the marginalization of workers and the deterioration of public services. As a result of the alarming level of social disparities, goal number 10 of the Sustainable Development Goals for year 2030 is reducing inequalities among and within countries.

Any analysis of class struggle leads to the political and economic theory of dialectical materialism, also known as Marxism. According to this theory, history can be understood through class struggle in which one class exploits another, which

becomes obvious in master-slave, noble-commoner, employer-worker relations or simply persecutor- persecuted relations. These classes have always been at war together and this war ends either with a revolution that transforms the entire society or with the collapse of both classes<sup>1</sup>.

Despite technological, scientific, and industrial advances, gaps between the rich and the poor still persist and the accumulation of wealth in the hands of the few is seen in stark contrast to abject poverty suffered by the majority who do not have access to basic needs such as food, water, clothing, and shelter<sup>2</sup>.

This book is comprised of articles and papers that tackle the issue of social disparities in terms of concepts, definitions, manifestations as well as the role of protests, the intervention of international financial institutions, environmental problematics, and the empowerment of women. Emphasis is laid on social disparities in a number of Arab countries: Egypt, Tunisia, Algeria, Yemen, Oman, and Jordan.

The book is divided into three parts. The first part tackles the concepts and its different perspectives. Through three papers in which the Moroccan thinker Dr. Mohamed Said Saadi presents a paper on the concept in different schools of thought and the main problematics that it is facing in the Arab reality. In addition, the Egyptian human rights activist Mr. Khalid Ali presents visions on the role protests in affecting social disparities in the Arab region, and about the responsibility of international financial institutions in aggravating social disparities in our region writes the Tunisian parliamentarian and economic researcher Fathi Chamkhi. While in the second part, a group of researchers from

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<sup>1</sup> Shaimaa al-Louiz. "Social Disparities as the Basis of Class Struggle [Arabic]." Huffington Post Arabic, January 26, 2016: <https://goo.gl/cEoGSr>

<sup>2</sup> Ibid.



different countries in the region presents case studies for their countries that they are Egypt, Tunisia, Oman, and Yemen. As for the Third part, it raises the effects of these disparities on social categories and issues, and through two chapters, the book tackles women as an example for the affected categories and Environment as an example of the issues affected by disparities. AFA through its Research team presents an analysis conclusion for the book building upon what was tackled in the book to crystalize the most important causes and manifestations of social disparities. Moreover, as a trial for widening margins for participation with different opinions and ideas on that issue, the book adds as an appendix a group of articles that was presented during the conference that was held on the same issue in Tunisia in September 2016.



# Background Papers



# **Social disparities in the Arab region: Concepts and problematics**

**Mohamed Said Saadi**

## **Introduction:**

Social disparities are becoming a real threat to the stability and security of societies, especially in the light of globalization and the neo-liberal policies associated with them such as the liberation of economy, privatization, and austerity measures, all of which have a remarkably negative impact on the economy, public services, and workers' rights. That is why the International Community ratified goal number 10 of the UN Sustainable Development Goals about reducing inequality within and among countries.

Social disparities played a major role in the eruption of Arab revolutions in addition, of course, to oppression, tyranny, and corruption. The same disparities fueled a number of sectarian and civil conflicts that still tear the region apart. That is why there is no solution for the crisis from which Arab societies are suffering that is not based on a radical treatment of the economic and social roots of this complex crisis.

The main purpose of this paper is to determine the magnitude of social disparities in the Arab region, examine their structural causes, and analyze their impact on the social and political stability of Arab countries. This would necessitate starting with a brief account of the concept of social disparities then looking into the main characteristics of these disparities and analyzing the main reasons for the creation of such disparities and their impact on Arab countries.

## **1- The concept of economic and social disparities:**

### **1.1 Definition of social disparities:**

If social disparities are defined in the simplest terms as differences between people's social and economic conditions, then the main questions that need to be answered are related to this difference: Difference between who and who? Moreover, what kind of difference? To answer the first question, it is important to note that social disparities are measured through the position of an individual or a family within a given society, region, continent, or even on the international level. Most studies on social disparities focus on the distribution of income, consumption, or resources on the individual or family level (to calculate the Gini coefficient for example) or among a group of people that share the same characteristics such as age group (children, the elderly), gender, ethnicity, religion, sect, and so on. As for the second question, the difference can be in cash income or in abilities (such as education, health, housing... etc.). This brings to the forefront the issue of inequality of opportunities in addition to inequality of income. Some studies argue that guaranteeing equal opportunities for all individuals in all aspects of life (education, healthcare, insurance... etc.) is sufficient to achieve social justice in a given society. However, some do not agree to this assumption. For example, Ibrahim al-Eissawi argues that equal opportunity is an indispensable prerequisite for social justice, but is by no means sufficient. He explains that because a huge gap can always exist between incomes and wealth, it is important to add to equal opportunity the necessity of working constantly on bridging such gaps<sup>3</sup>. Several theories focused on the examination of the nature of social and economic

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<sup>3</sup> Ibrahim al-Eissawi. *Social Justice and Development Patterns*. The Arab Center for Research and Policy Studies. Doha, 2014, p.110.

disparities associated with capitalist systems, some of which are briefly tackled here<sup>4</sup>.

### 1.2 Marxist theory:

Karl Marx argues that the main reason for economic disparities in a capitalist system is exploitation, oppression, and relations of production. The capitalist class that owns means of production exercise control over surplus labor, which leads to a constant conflict between the bourgeoisie and the proletariat. Class struggle has, in fact, been characteristic of different relations of production, which can, for example, be seen in slavery and feudalism. As for the small, transitional class known as the “petite bourgeoisie” or “smaller capitalists,” it is bound to disappear owing to its members’ inability to compete with big capitalists. According to Marx, the growing gap between the proletariat and the bourgeoisie gives rise to a state of polarization that starts the struggle between the two classes.

Marx’s theory also states that the persistence of this class gap is always contingent upon the bourgeoisie’s ability at maintain the status quo which is done through concentrating capital in the hands of the few as well as attempting to exercise control on institutions (the state, the army, the media) and on the ideological sphere in the society (religion, morality, philosophy, economic theories). All those tools are used to enhance the power of capitalists and subjugate the working class.

### 1.3 Max Weber’s theory:

Max Weber argues that social disparities and the hierarchy of power that results from them are not only attributed to economic factors as Marx said, but also to non-economic ones.

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<sup>4</sup> Patrice Bonnewitz. *Classes sociales et inégalités : Stratification et mobilité*. Bréal, 2015.

The social hierarchy, he explains, is based on three main factors: class, social status, and political power. Class is closely associated with economic power while social status is associated with a number of privileges that include family background, level of education, and life style. According to Weber, the unequal distribution of these privileges distinguishes economic power from social status. All these factors lead groups with common interests to form alliances in order to defend those interests. Weber cites the example of parties, whether political parties, professional organizations, or lobby groups, as one type of these groups in which individuals unite in order to exercise influence and control the decision making process or the state itself.

#### 1.4 Pierre Bourdieu's theory:

Pierre Bourdieu's theory of class distinction takes the theories of both Karl Marx and Max Weber as his point of departure. He also argues that social disparities inside a given society are also attributed to other types of capital that prevail in this society such as cultural capital and social capital. Bourdieu defines cultural capital as the knowledge, skills, and qualifications that are used by their holders to acquire cultural authority and achieve material and/or symbolic gains. Political capital, on the other hand, is defined as the material and/or symbolic gains acquired through the maintenance and constant development of a network of relationships and connections and of an established set of values that are almost endowed with institutional recognition. Bourdieu's theory underlines the existence of three social classes: the dominant class that includes industrialists, major trade tycoons, and businessmen in addition to engineers, university professors, and senior employees, the petite bourgeoisie that includes owners of small businesses, traders, technicians, teachers, civil servants, and craftsmen, and the working class that includes farmers and workers, both skilled and unskilled. It is noteworthy that Bourdieu considers cultural



and social capital, or symbolic capital, more influential than financial or economic capital, since the first is at the heart of class struggles where the most powerful class is involved in a constant attempt at imposing its own vision on the rest of the society.

## **2- Characteristics of social and economic disparities in the Arab region<sup>5</sup>:**

There are several types and aspects of economic and social disparities in the Arab world that it is difficult to sum them up. However, emphasis will be particularly laid on income, poverty, human development, and gender inequality. The examination of these types of disparities will rely on a number of indicators that are attached in the appendix.

### 2.1 Income and wealth:

Several indicators are used to measure income and wealth disparities, the most popular of which is the Gini coefficient. The Gini coefficient indicates that there are some relatively moderate levels in the Arab region and it has changed very little for the past two decades. According to several estimates<sup>6</sup>, the Gini index reached around 34.3% in the Arab region, which places it in a reasonable position when compared to other regions such as Latin America (51.8%), Sub-Saharan Africa (44.7%), South Asia (32.4%), East Asia and the Pacific (34.2%). In Arab countries, income and wealth inequality reaches its peak in the Comoros Islands (64.3%), Morocco (40.88), and Mauritania (40.46%). However, this data does not reflect the flagrant disparities in both income and wealth that are felt by the average citizen in Arab countries. That is why these numbers do not reflect the reasons for which the uprisings calling for social justice erupted in the region. This lack of accuracy is mainly attributed to a defect in the Gini index itself, for it relies on income, spending, and

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<sup>5</sup> Ibid.

<sup>6</sup> "Arab Sustainable Development Report," UNESCWA, 2015.

consumption surveys that are known of their inability to cover the poorest and richest segments in Arab societies. Income and wealth disparities deduced from such surveys are, therefore, much less than they are in reality. Other estimates, however, managed to underline the extremely wide gap. The United Nations Economic and Social Commission for Western Asia (UNESCWA), for example, noted that the average spending of a rich individual in 2011 was 16 times that of a poor individual and 7 times that of a middle class member<sup>7</sup>. Economic growth plans until 2030 are expected increase the gap and to witness further dwindling of the middle class. This decline is confirmed upon comparing the growth of individual income with that of family consumption for the first recorded in the 1990s and the early 2000s an annual growth of 2% while the second did not exceed 1.3%, which means that economic growth was not positively reflected on the conditions of most families in the Arab region<sup>8</sup>.

Thomas Piketty and Facundo Alvaredo tried to overcome the defects of the Gini index through focusing on estimating the income share of the richest 10% across the Arab region and found out that it amounts to 55%, thus exceeding the US (48%), West Europe (36%), and South Africa (55%). This percentage stayed almost the same between 1990 and 2012.

## 2.2 Poverty and multidimensional poverty:

Based on the number in table (4), acute poverty as defined by the global Multidimensional Poverty Index (UD dollars 1.25), is not prevalent in the Arab region with the exception of less developed countries such as the Comoros (46.11), Mauritania (23.43%), Sudan (19.8%), Djibouti (18.83%), and Yemen (9.78%). However, the Arab Sustainable Development Report noted the rise of poverty rates in the past few years where acute

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<sup>7</sup> Ibid, p. 67.

<sup>8</sup> "Arab Millennium Goals Report," UNDP, 2013, p. 7

poverty remarkably increased by more than one third in the last two decades to reach 7.4% in 2012<sup>9</sup>. This increase was mainly in less developed countries, yet the Levant also witnessed a slight increase. On the other hand, acute poverty percentages increased when compared to locally acceptable living conditions for it shifted from 22.70% in 1990 to 23.40% in 2012 across the Arab region while the increase went from 40% to 42.60% in less developed countries and from 20.30% to 23.40% in the Levant. This percentage dropped in the Maghreb from 18.40% to 10.50%. It is worth noting that political instability and civil conflicts played a major role in increasing poverty rates in several Arab countries such as Syria, Yemen, and Egypt.

These numbers still do not unravel the remarkable disparities between urban and rural areas<sup>10</sup>. For example, poverty rates in rural areas in Mauritania reached 59.40% compared to 20.80% in urban areas, in Sudan 57.60% compared to 26.50%, and in Egypt 32.30% compared to 15.30%.

Poverty is not necessarily linked to income as the World Bank claims, but it is rather a multidimensional phenomenon. The World Bank index does not take into consideration the availability of commodities through which the income can be utilized. The availability of money does not necessarily mean that people can buy the public and personal commodities they need. An individual who lives above poverty might be living in a rural area or a slum area in the city, thus, finds it hard to send his children to school for example. In such cases, citizens suffer from different forms of deprivation related to children in particular<sup>11</sup>.

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<sup>9</sup> “Arab Sustainable Development Report,” p.65.

<sup>10</sup> Ibid, p.66.

<sup>11</sup> Abdel Hamid Nawar. “The Guide to Multidimensional Poverty and Policies.” UNDP, 2014, p.22.

The term “multidimensional poverty” denotes a new methodology in measuring poverty and has recently been used to compare levels of deprivation in different parts of the world. The level of deprivation is based in three main dimensions: education (the number of years spent in school, enrollment in schools), health (child mortality rates, nutrition), and living conditions (electricity, drinking water, sewage, housing, cooking fuel, assets). The number of people suffering from multidimensional poverty in the Arab world has reached 41.225 million<sup>12</sup>. As shown in figure (4), multidimensional poverty is rampant in Somalia, the Comoros, Mauritania, and Yemen and affects 13.9% of Morocco’s population, which is the same percentage in Djibouti even though its population is very small (0.8 million) when compared to Morocco. It is noteworthy that the Arab region is home to the highest rural poverty rates (3.5%) among other developing regions with the exception of Latin American and the Caribbean. Morocco has the highest rate of rural-urban disparities that amounts to 7.86% followed by Tunisia (4.17%), Egypt (3.5%), and Djibouti (3.46%)<sup>13</sup>.

### 2.3 Human development:

Table (1) on human development reveals wide gaps between Arab countries with Gulf countries ranking first and less developed countries (Djibouti, Sudan, Yemen, Comoros, and Mauritania) ranking last. Gulf countries rank first because of the huge gap between the per capita GDP and the population. What is worrying in this regard is the remarkable decline of the human development index in the Levant as a result of civil strife. For example, Syria lost 25.2% of its human development index between 2011 and 2014, which means that around 35 years of

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<sup>12</sup> Ibid.

<sup>13</sup> Abdel Hamid Nawar, p. 16.

human development have gone down the drain in two years of civil war<sup>14</sup>.

Regarding education, there are remarkable disparities in the number of years spent in education. This number is around 9.07 in Qatar while in Djibouti it is 3.84 and in Yemen 2.6. Morocco is quite behind with the average number of education years estimated at 4.36, which is less than the Comoros (4.60) despite the economic gap between the two countries. There is also a substantial gap among Arab countries in the expected number of education years which does not exceed 6.39 in Djibouti and 7 in Sudan compared to 16.27 in Saudi Arabia and 14.74 in Kuwait.

Similar disparities appear in healthcare. Average life expectancy does not exceed 62 years in Djibouti, 63.5 in Sudan, and 63.1 in Mauritania compared to 79.3 years in Lebanon, 78.2 in Qatar, and 77 in the United Arab Emirates. However, all those numbers rely on the average number in each aspect of the human development index, thus not taking into consideration the wide gaps that exist within each country. In order to deal with this problem, the Inequality-Adjusted Human Development Index is used to measure the three main dimensions of human development: education, health, and income. The difference between the original index and the adjusted one is an indication of the loss sustained by human development as a result of inequality. This loss extended to more than a quarter in the Arab region (11 countries), which is double the loss recorded in Europe and Central Asia, and is considered one of the highest in developing countries with the exception of South Asia and Sub-Saharan Africa. In the Arab region, the loss ranged from 46.68%, the highest, in the Comoros and 14.86%, the lowest, in Palestine.

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<sup>14</sup> “Socioeconomic Monitoring Report: The Syrian Crisis.” UNRWA, 2013

## 2.4 Gender inequality:

The Arab region is one of lowest in terms of gender equality and that is attributed to a number of cultural and social factors. As shown in table (2), the Gender Inequality Index records the highest number in the Arab region when compared to other developing countries with the exception of Sub-Saharan Africa. Gender inequality is manifested in different aspects of life as demonstrated in table (3), yet emphasis will be laid here on disparities in the social sphere, particularly health, education, and employment.

### a) Health:

There are wide gaps among Arab countries in maternal mortality rate, which is the number of female deaths per 100,000 live births. The highest numbers are in Djibouti (360), the Comoros (350), and Mauritania (320) and the lowest are in Qatar (6), the Emirates (8), Oman (11), and Kuwait (14). The same rates are reflected in mortality among female teenagers, that is the number of female deaths per 1,000 live births for girls aged 15-19, as it reaches 83.96 in Sudan, 73.30 in Mauritania, and 51.21 in the Comoros compared to 2.52 in Libya, 4.60 in Tunisia, and 9.52 in Qatar. It is noteworthy that the numbers are high in countries categorized under medium human development such as Iraq (68.66), Egypt (42.96), Syria (41.60), and Morocco (35.81).

### b) Education:

Gender inequality in education is measured by the number of years spent in education and there are wide gaps in this regard between different Arab countries. In many countries in the region, the number of women who do receive high school education is remarkably low when compared to that of men such Mauritania (8.27% for women and 20.88% for men), the Comoros (8.56% and 26.67%), and Sudan (12.1% and 18.24).

The gap is not that wide in other countries such as the Emirates (61.24% for women and 73.11% for men), Qatar (59.03% and 66.67%), and Bahrain (51.41% and 56.7%). There are also wide gaps in countries categorized as medium human development such as Iraq (22% for women and 27-50% for men), Egypt (43.86% and 60.61%), Tunisia (32.78% and 46.06%), Syria (29.48% and 40.46%), and Morocco (20.68% and 30.22%).

c) Employment:

Women's contribution to the job market is much lesser in the Arab region than the global average and other developing regions as demonstrated in table (3). The employment of women reached its lowest rates in Syria (13.5% compared to 72.69% for men), Iraq (14.89% compared to 69.80%), Algeria (15.19% compared to 72.19%), and Jordan (15.60% compared to 66.59%). The Arab Sustainable Development Report states that a large number of women work in unstable jobs and their numbers are constantly increasing that in 2010 they reached 177 women for every 100 men, thus the highest across all developing regions<sup>15</sup>.

**3- Reasons and impact of social disparities in the Arab region:**

There are undoubtedly several factors—cultural, social, ethnic, religious, or sectarian—, which explain the level of disparities in the Arab world. Natural resources, population, and civil strife also play a major role in accentuating those disparities. However, one important factor takes precedence not only in the Arab region, but also in the entire world: neoliberal policies. Added to this is the alliance between money and power and the prevalence of corruption and nepotism. The social and economic cost of such disparities is extremely high owing to the negative

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<sup>15</sup> "Arab Sustainable Development Report," p,69.

impact they have on development as well as on social and political stability.

### 3.1 The impact of neo-liberal policies on social disparities:

The adoption of neo-liberal policies in several Arab countries led to a series of economic and social measures that had grave consequences on the living conditions of most segments of Arab societies. These policies also contributed to concentrating wealth in the hands of the few, the dominance of capitalism, and the alliance of money and power.

#### Impact of neo-liberal policies on living conditions:

Arab countries that adopted neoliberal policies focused on three main aspects: the liberation of the economy, privatization, and austerity in public budget. These policies have been marketed in the region by international financial institutions since the 1980s and despite the eruption of revolutions in 2011, several Arab states still resort to the same measures implemented in the pre-revolutionary era<sup>16</sup>. The most common austerity measures in the Arab region are partial lifting of subsidies, already implemented in 9 out of 10 countries surveyed, decreasing or freezing public sector salaries (implemented in 7 out of 10), and modifying pension and social security programs (5 out of 10). Such austerity measures intensify social disparities both between Arab countries and within each country. They also have a negative impact on human development especially in countries that suffer from shortage in human resources such as teachers, doctors, nurses, and social workers. For example, Morocco needs to employ 7,000 doctors and 9,000 nurses to meet the needs of the healthcare sector. Social disparities are bound to increase following the Moroccan government's decision

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<sup>16</sup> Mohamed Said Saadi. "IMF Policies and their Impact on Social Security [Arabic]." Arab NGO Network for Development, Beirut, 2014.



to privatize health and education sectors. Freezing salaries so that they are not modified in accordance with inflation rates harm the purchase power of public sector employees, which affects the quality of offered services because employees' start absenting themselves from work and many of them look for additional private jobs. This deterioration of services is particularly visible in working class neighbourhoods in cities and in villages. The decline of employees' purchase power contributes to increasing inequality between classes. Other measures were taken in the work place that were allegedly meant to create a competitive edge such as frequent downsizing, decreasing end of service bonuses, and introducing temporary contracts. This was done without taking into consideration that a competitive edge relies on totally different factors such as the quality of production, creativity, and efficiency. In fact, such measures weaken the working class and lead to further wage cuts in an atmosphere already suffering from the contraction of the business cycle. Decreasing public expenditure under the pretext of dealing with budget deficit means freezing or cutting the money allocated to vital sectors such as education, healthcare, housing, and infrastructure. This is detrimental to human development and living conditions, especially in the countryside, and has a negative impact on the business cycle and the labor market.

The impact of neoliberal policies on intensifying multidimensional poverty is obvious in Syria where economic poverty increased between 2006 and 2010 and where disparities between different regions increased. This decline was the result of the gradual implementation of the cost recovery principle in health and education services, subsidy cuts on basic foodstuffs, and partial liberation of energy prices. This led to increasing the financial burden on families. Added to this are financial policies that did not take the poor into consideration through focusing on

indirect tax, cutting public investment, and postponing programs that focus on increasing the efficiency of public expenditure. Social goals such as reducing illiteracy and decreasing child mortality rates and malnutrition did not also materialize<sup>17</sup>.

The impact of austerity measures, currently applied by several Arab countries especially Egypt, Morocco, Tunisia, and Syria, is mainly the result of a short-sighted economic vision that prioritized overall economic balances over the economic and social rights of citizens. The principle of justice and solidarity are not part of such vision, which is the core of neoliberal policies promoted by international financial institutions. This kind of vision only believes in the role of the individual as an economic player who only looks for multiplying profit in a competitive market.

### 3.2 Crony capitalism and the concentration of wealth and power:

Neoliberal policies are based on serving the interests of capital at the expense of labor under the pretext of the necessity of boosting the private sector and encouraging free investment initiatives in order to make profit and presumably create more job opportunities. These policies facilitate the work of local and foreign capital through investment grants, tax cuts, preferential allotment, labor market flexibility, and free capital mobility. All these incentives, which are paralleled with a reduction in expenditure on social sectors, led to an increase in the share of capital in the value added at the expense of labor. While this took place in different regions across the world, such privileges were especially linked in Arab countries to connections with ruling classes and decision-making circles. This is the type of capitalism called “crony capitalism” and is prevalent in many capitalist

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<sup>17</sup> “Multidimensional Poverty in Syria.” UNICEF, June 2014.

countries especially in the South. In this type of capitalism, only a few, the ones with the right connections, monopolize the market and there is much dependence on borrowing from financial institutions and a tendency towards expansion across different economic activities whether horizontally or vertically. Crony capitalism is also characterized by the power of familial connection in its legal and organizational structures<sup>18</sup>. These characteristics help the local oligarchy in controlling an important segment of local economies and accumulating wealth, which explains why they have such a big share of the national revenue as was mentioned before.

Mechanisms that aid the monopoly of the few include the preferential treatment those few receive, which is demonstrated in the deals they strike, the loans they get from banks, and selling state land to them for cheap prices, all done in an atmosphere in which transparency and real competition are absent. Added to these are custom protections/concessions, administrative facilities, licenses and permits, and legislative support. It goes without saying that the state's flagrant bias towards the oligarchy deals a fatal blow to the principles of fair competition and the rule of law, leads to the marginalization of medium and small businesses, and is detrimental to economic dynamism.

### 3.3 Corruption and accumulation of wealth:

Corruption, which is closely linked to crony capitalism, takes different shapes, all of which contribute to deepening social disparities and class distinction. The ranking of Arab countries in the global Corruption Index demonstrated how rampant corruption is in the region. For example, some administrative officials use their influence inside state institutions to take bribes

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<sup>18</sup> Mahmoud Abdel Fadil. *Crony Capitalism* [Arabic]. Dar al-Ain for Publication, 2011.

and become, therefore, wealthy in no time. The “revenue of the position”<sup>19</sup> plays a major role in wealth accumulation and encourages others who also occupy potential positions they can benefit from to follow suit. This is much easier in a climate where accountability is absent and impunity is pandemic. Corruption within public institutions harms the poor and negatively impacts human development since it leads to a deterioration in the quality of services and decreases expenditure on social projects. For example, the report on Multidimensional Poverty in Syria points out that even though the state increased the number of schools and hospitals; many of them were privatized, which led to increasing multidimensional poverty, especially in education. Such transformation is closely linked to growing institutional weakness, which was demonstrated in low productivity, corruption rates, and absence of monitoring and evaluation techniques as well as the deterioration of public services<sup>20</sup>.

#### 3.4 Repercussions of social disparities:

The accumulation of wealth in the hands of the beneficiaries of crony capitalism undermined fair competition between different economic players, which led to the marginalization of medium and small businesses even though studies have proven that such businesses have a better ability of accelerating growth and creating job opportunities in the sectors in which they operate. The absence of fair competition and the monopolization of many markets and economic activities by crony capitalists do not give room for creativity and the adoption of innovative

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<sup>19</sup> Abdel Fadil, p.94.

<sup>20</sup> Multidimensional Poverty in Syria, p.16.

solutions that would increase productivity and encourage competitiveness<sup>21</sup>.

On the other hand, the lifestyle of the rich accentuates the poor's feelings of deprivation whether through luxurious investments (seaside resorts), the spread of the consumerist culture (shopping malls and entertainment complexes), and the gated compounds in which they live isolated from the rest of the society<sup>22</sup>. Social disparities threaten the stability of society which no longer becomes possible in a place that cannot provide all its citizens with a dignified life. The situation is aggravated by the absence of social security, which intensifies the feelings of exclusion among the poor and increases the possibility of delinquency and the rise of crime rates, which in turn further destabilize the society. For example, a statement by the Moroccan spokesman of the Prisons Department revealed that 80% of inmates have not gone beyond junior high education while 70% of them were either unemployed or worked in menial jobs that did not provide them with financial and social security<sup>23</sup>. On the other hand, studies about developed countries showed that societies characterized by a reasonable level of equality almost do not have social problems<sup>24</sup>. In addition, social disparities constitute a direct threat to economic growth because impoverished and marginalized classes as well as the lower-middle class are incapable of investing enough in upbringing and education, two important factors in the progress of the

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<sup>21</sup> Mohammed Said al-Saadi. "Innovation, Political Connectedness, and Competition." 2015. Background paper for the World Development Report 2016, World Bank, Washington, D.C.

<sup>22</sup> Abdel Fadil, p. 69. ,

<sup>23</sup> *Akhbar al-Youm Newspaper*. September 8, 2016.

<sup>24</sup> Wilkinson, R. Pickett, K. *The Spirit Level: Why More Equal Societies Almost Always Do Better*. Allen Lane, 2009.

developmental process<sup>25</sup>. Inequality in access to basic public services such as education and healthcare give rise to physical and psychological ailments that can last for a lifetime, especially ones that affect the mental growth of children and impedes the development of their skills<sup>26</sup>. Gender inequality does not only lead to obstructing human development and decreasing the opportunities available for the poor, but also negatively impacts the upbringing, education, and health of children<sup>27</sup>.

### **Conclusion:**

Social disparities mirror the differences in economic and social conditions among individuals and families in a given society. The Arab region suffers from alarming social disparities when compared to other regions and there are also disparities between one Arab country and another as well as within the same country. These disparities are manifested in the concentration of wealth, which surpasses that in rich capitalist countries, and the rise of acute poverty since 1990 especially in the less developed countries. Civil conflicts and political instability in several Arab countries contributed to increasing poverty rates. Several medium human development countries are also suffering from multidimensional poverty. In fact, the Arab world recorded the highest rates of multidimensional poverty resulting from the wide gap between the countryside and urban areas. As for human developments, there are remarkable discrepancies among Arab countries in the fields of education and healthcare. This is especially clear in the huge gap between low and medium human development countries on one hand and Gulf countries and Lebanon on the other hand. The Inequality-Adjusted Human Development index also showed

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<sup>25</sup> OECD. "Trends in Income Inequality and its Impact on Economic Growth." France, 2014.

<sup>26</sup> "The Human Development Report." UNDP, 2014.

<sup>27</sup> "Gender Equality as Smart Economics." The World Bank, 2006.

that the loss in human development in the Arab region is higher than other developing regions with the exception of South Asia and Sub-Saharan Africa. In addition, the Arab region has record rates in gender inequality compared to other developing regions with the exception of Sub-Saharan Africa.

Social disparities, which constituted one of the main reasons for the eruption of Arab revolutions, are linked to the neoliberal policies adopted by several Arab countries, especially reduction of public expenditure, subsidy cuts on basic commodities, and privatization of social sectors. Crony capitalism, which prevails in the Arab region, led to the concentration of wealth in the hands of the few and the accentuation of feelings of deprivation and social exclusion. Corruption and impunity also helped in widening the gap between segments of society in several Arab countries. All these factors constituted a direct threat to the stability of the societies in which disparities prevail and play a major role in impeding economic and social development.

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# **The impact of protests on social disparities in the Arab region**

**Khalid Ali**

## **Introduction:**

This paper examines the role of protests in impacting social disparities in the Arab region. Arab regimes might think they are not to be subjected once more to another series of protests that reject their policies and their social and economic choices, all of which undermine social justice demands. Many of those regimes struck a security-for-silence bargain with their people and assumed it is to last for good. Those regimes started by marketing the idea that the revolutions that erupted in the Arab region were the result of an external conspiracy then started reviving the same practices against which the revolutions were staged. In addition to political repression, the regimes resumed with even more ferocity the implementation of neoliberal policies that are at the core of undermining all forms of social justice. Some regimes might have thought that the revolutions were only a set of impulsive actions that took place at the spur of the moment, while overlooking the fact they were actually the result of years of social injustice in which gaps between classes became insurmountable and national resources were being drained. It is indeed quite shortsighted to judge the revolutions as a failure since this judgment implies lack of understanding of the way the revolutions constitute a substantial change in the visions and behavior of the people of the countries in which the revolutions took place. It is, in fact, too early to pass a judgment on Arab revolutions whether by success and failure.

## **Revolution and citizenship aspirations:**

Several ruling regimes and international institutions argue that social disparities are inevitable because they are a natural outcome of economic growth, and this is a misleading argument. Social disparities are not the fate of people, are not impossible to reverse, and are not an integral component of economic growth. Social disparities are rather a reality imposed by the political and economic choices made by regimes and their degree is impacted by popular will to resist these policies or attempt to change them. That is why the nature and intensity of disparities are determined by the nature and intensity of the factors that trigger them in the first place such as the distribution of wealth, political freedom, political and societal participation, the public sphere, accountability, response to corruption, and equal opportunities.

Arab revolutions were not only staged because of freedom and democracy, but also owing to the absence of social justice. This is particularly demonstrated in the fact that regimes in countries where revolutions were not staged worked on pacifying their people through the introduction of a number of economic and social privileges, as was the case in the Gulf region, Morocco, and Jordan. This showed the effect of those revolutions as far as social justice in concerned and the way they managed to make, social justice demands spread across the region. The revolutions gave rise to a large number of movements and initiatives that worked in securing demands that achieve social justice such as fair distribution of wealth, the retrieval of money looted by regimes, employment, wages, equal opportunity, and the elimination of social, gender, or sectarian discrimination. These demands and others introduced the principle of citizenship from the economic and social perspective as a means of reshaping the relationship between citizens and the state. It is noteworthy that economic indicators in both Egypt and Tunisia showed progress in economic growth rates, yet this was not

reflected on the majority of the population and only the privileged minority benefited from this growth. This is simply because there is no automatic link between economic growth and social justice and there are many countries with high economic growth rates that were not accompanied by steps towards the achievement of social justice.

### **Stepping back:**

Social justice demands constituted an obstacle for ruling regimes as well as a number of regional and international powers, all of whom decided to punish the people for the transgression they committed when they staged the revolutions. In fact, revolutions were seen as the reason for the disintegration of several Arab countries and the start of civil conflicts as was the case in Syria, Yemen, and Libya. In addition to those conflicts and the refugee crisis they gave rise to, terrorist attacks were carried out in Egypt and Tunisia and those too were blamed on the revolution. The people were therefore asked, usually explicitly, for trading security with silence and for stopping protests in return for protection. In fact, nothing changed after the revolutions. Wages decreased after the decline of the purchasing power of local currencies and only few sectors got salary raises such as the police, the army, and the judiciary. New regimes, which reproduced the policies of their predecessors, overlooked the fact that social disparities and poverty were among the major reasons for the eruption of the revolutions, so no serious steps were taken towards changing this and only empty slogans resonated without real action. In fact, the new guard worked on restoring the networks, influence, and gains of the old guard, which is demonstrated in lack of a serious effort to eliminate corruption and instead working towards establishing ties with the same corrupt cliques of pre-revolution times.

The new regimes prioritized the restoration of the security and military arsenal of the pre-revolution state at the expense of

introducing reforms in deteriorating sectors such as education, healthcare, housing, and services. They also provided representatives of this arsenal with an immunity that allowed them to get away with committing violations against the people. Such immunity can take the shape of counter-terrorism laws or be implemented under the pretext of protecting national security. This was also accompanied by a clampdown on social movements, political factions, opposition media outlets, and civil society.

### **The crisis of legitimacy and neoliberal policies:**

Economic policies are not just economic projects, but also political ones. Economic power turns into political power when its interests are at stake and this can happen directly or through mediators. Added to this is the role-played by the alliance of money and power. Since the eruption of Arab revolutions, members of the G8 and international financial institutions as well as Saudi Arabia, Qatar, UAE, and Kuwait have been working on containing the repercussions of the protests. This turned the revolutions from a historic opportunity for Arab people to change economic policies in the region and achieve social justice into an exceptional opportunity for international financial institutions to play a bigger role in the region through consolidating their economic policies under the pretext of helping Arab Spring countries to achieve economic development. This was first demonstrated in the Deauville Partnership with Arab Countries in Transition. Escalation in Syria, Libya, and Yemen, changes in Egypt and Tunisia in 2013 and subsequent terrorist attacks, and the general economic crisis in the region were all factors that paved the way for international institutions to impose all the conditions they desire. This was the case, for example, in Tunisia where the alliance between democratically elected Tunisian president Beji Caid Al-Sebsi and the Muslim Brotherhood came against the expectations of voters, which

made him keen on appeasing Tunisians through garnering the support of international institutions that can back him economically in case of any crisis. Egyptian president Abdel Fattah al-Sisi is, on the other hand, facing a problem of legitimacy and international recognition. He got the support of Saudi Arabia, UAE, and Israel, initiated a number of national projects, and struck several arms deals. However, in the latter billions went to the treasuries of France, Germany, and Russia as well as multinational corporations. This constituted an ideal opportunity for international financial institutions to step in and impose their conditions under the pretext of aiding Egypt's economic growth. This meant the return of the same economic policies adopted by pre-revolution regimes and the absence of any form of change related to the fair distribution of growth revenue or the elimination of social disparities. In fact, gaps between segments of society kept on widening and inequality intensified.

### **The present-absentee state:**

A recent report by the Egyptian Central Bank showed that local public debt has reached in late March 2016 around 2,500 billion Egyptian pounds, compared to 2 billion in March 2015, while external debt reached around USD 53.4 billion, compared to 40 billion in March 2016. The total constitutes, therefore, 92% of gross domestic product<sup>28</sup>.

The Egyptian regime is, however, working on getting involved in more debts, on top of which is the Russian USD 25 billion loan to fund the construction of the Dabaa nuclear facility. Added to this is the IMF loan, which requires the government to implement five major procedures within a maximum of three

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<sup>28</sup> Socialist Popular Alliance Party. Official Statement. "No to Loans that Threaten the Citizens' Lives and National Sovereignty [Arabic]." June 14, 2016:  
<http://goo.gl/WvXhtd>

months such as increasing the prices of fuel, electricity, drinking water, and public transportation (especially the subway)<sup>29</sup>. This loan increased all of a sudden from 4.7 billion in 2012 to 7.11 in mid-July 2016 then reached 12 USD billion by the end of July. The loan is part of a USD 21 billion bundle that aims at facing the dollar crisis from which the country has been suffering. The same loaning policies are followed in Jordan, Morocco, and Tunisia.

Bombarding the people with loans is a successful means of stripping them of their freedom and draining their resources as the state turns into a mediator for international loaners and complies with all their conditions in order to protect their power. This, in turn, leads to the elimination of the role of the state as it becomes present yet absent with its presence powerfully felt in the clampdown on opposition and its absence manifested in its withdrawal from the main duties it is supposed to perform such as social services. This absence sets the stage for tribal, religious, or ethnic affiliations to gain ground and replace state institutions. For example, the Shiite Popular Mobilization Forces were formed on sectarian basis to fight ISIS and the state in Algeria resorted to religious affiliations to resolve the crisis that took place in the city of Ghardaia between Maliki and Ibadi supporters in July 2015. In Egypt, the state follows the same approach as it always takes into consideration decades-long domestic balances of power and allows certain groups to take its role in resolving a number of crises as long as these groups would keep such crises away from the authorities and the ruling elites<sup>30</sup>. In addition to the withdrawal of the state, such

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<sup>29</sup> Dina Ezzat. "Sources to *al-Shorouk*: Egypt Working on Getting a USD 7.11 billion from the IMF [Arabic]." *Al-Shorouk*, July 15, 2016: <https://goo.gl/wh7dkZ>

<sup>30</sup> Mohamed al-Agati. "State Structure and Social Justice in the Arab Region: A Crises of Policies or a Crises of Structure? [Arabic]" *Social Justice between Street*

arrangement also gives power to some groups over others, thus intensifying inequality and undermining the principle of citizenship.

The state's abstention from performing its duties is also seen in the privatization of security in the Arab region through the spread of private security companies. In Egypt, for example, a company named Falcon, which secured Sisi's electoral campaign, is now replacing state security personnel in different contexts such as at universities, football games, and industrial facilities as well in the suppression of protests, which was the case with workers' protests in Mac and Oriental Weavers in the suburb of the 10<sup>th</sup> of Ramadan in Cairo.

The spread of slum areas, which are seen as a new anthropological phenomenon that changed the character and culture of Cairo, is also another indication of the state's absence. This phenomenon is accompanied by the construction of a large number of gated communities that are only accessible for their residents who belong to the rich minority. This new structure divides the city into what resembles tribal communities such as those prevalent in Yemen, Libya, South of Algeria, Upper Egypt, Morocco, and Mauritania where tribal, ethnic, sectarian affiliations overlap with city or provincial borders<sup>31</sup>.

The state is, therefore, only present to clampdown on opposition and repress freedoms while it is absent when it comes to playing its main role in providing social services for its citizens and guaranteeing equality and social justice.

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*Politics and Political Paths in Arab Countries*. Arab Forum for Alternatives and Rosa Luxemburg Stiftung (North Africa office), 2016.

<sup>31</sup> Ibid.

## **Ruling/ dominant classes: Alliances and conflicts**

The dominant class does not have to be the ruling class. In fact, the dominant class prefers to exercise power through several media and that is how two classes work towards the same agenda, one ruling and another dominant. This can either be done through an alliance between several groups that together form ruling power or the state can create its own class. The latter specifically took place in the aftermath of national independence movements when a new bourgeoisie came into being and acquired the maximum possible gains when the state was in control of production sectors and was working towards turning to market economy in order to make more gains through mediation in the selling and privatization of the public sector or through establishing partnerships with international companies through local franchises. Sectarian division of power in Lebanon and Iraq is also another form of such alliance with only minority groups within each sect getting the maximum benefits and distributing wealth amongst themselves<sup>32</sup>.

The formation of these classes started in Egypt, Jordan, Morocco, and Tunisia with the implementation of restructuring policies in the 1990s. In Egypt, the involvement of the military in a large number of commercial, industrial, and service sectors offers an example of how a new dominant class is formed, one that consolidates the concepts of the deep state and creates a state within a state as well as undermines the principle of accountability. The emergence of this class contradicts the core of social justice which should be founded upon a fair system that allows for monitoring all parties on equal basis. The emergence of these classes and the alliances forged between them are not coincidental in the Arab world. They can be represented by royal families, the families or children of presidents, and the families

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<sup>32</sup>Ibid.



of senior officials, especially ministers, in general. These classes are always surrounded by businessmen who constitute its economic façade and are awarded a number of privileges and facilities that make them an influential part of the economic equation. That is why it is normal that such classes would always resist any change that might threaten their interests and profits. Such alliances are also not forged within the borders of each country, but can also extend across the region. This is demonstrated in cross-border alliances through joint funds, offshore companies, and economic partnerships that can intervene in the domestic economies of individual countries in the region. Such alliances support class distinction and play a crucial role in obstructing any form of social or economic justice in Arab societies.

Despite such alliances, it is possible for ruling and dominant classes to engage in disputes whether during the division of spoils or owing to one class's decision to eliminate another to serve its interests. This might also happen as a result of restructures within the same class where certain members of the class become a burden to the rest or a threat to their interests and is, therefore, sidelined. Such disputes took place in Tunisia between Sibi and his businessmen on one hand and the Muslim Brotherhood and their local and regional networks in the other hand. The dismissal of the Tunisian minister of telecommunications, for example, was the result of his attempts to bring in a Cypriot telecommunications company and which would undermine an imminent deal with a Qatari company. The Nahda party insisted then on replacing him with a minister from its ranks to guarantee the competition of the deal with Qatar. In Egypt, the rising influence of the military and their businessmen triggers the indignation of Egyptian businessmen and their economic and social allies since it has a negative impact on their investment opportunities and drives them to consider

transferring their businesses outside the country. Even if some businessmen manage to retain their positions or their shares of the market, the conflict between the ruling and dominant class destabilizes the economic structure and the market that depends on it, which in turn impacts political stability.

### **The authorities, the opposition, and civil society:**

Some think that the situation in the Arab region is problematic because of ruling authorities only, but this is not the case for the crises is also attributed to opposition factions and civil society that are almost all the time absent from social protests that have been lately spreading across the region. Civil society is drained by its internal problems and its struggle with the ruling authorities that are working on eliminating it while most opposition factions are detaching themselves from social protests as they confined their struggle with the authorities after the revolutions to political issues only and overlooked the social and economic dimension of the problems that triggered these revolutions. Opposition parties did not work on garnering popular support to wage a social war against the inequalities sustained by the state and restricted their work to attempts at effecting a political change that for them only meant changing the name of the ruler and ignored the context that gave rise to previous corrupt and repressive regimes. They, therefore, focused on the shape of the regime rather than its core. Political parties were preoccupied with the transition of power, the constitution, and elections, none of which proved to have tackled the real problems of people's living conditions and the marginalization and poverty from which they suffer. In fact, political parties in many cases treated social justice demands with contempt and at times called them secondary demands that need to be postponed until political transition is completed. They accused all social and protest movements of obstructing the progression of production and compromising the integrity of the

state. After the revolution, most political parties fell into the trap of dealing with social movements as rivals rather than allies and, therefore, worked on excluding them from the political scene under the pretext that their demands came at the wrong time<sup>33</sup>. That is why social movements started viewing political parties as opportunistic and this has ever since been reflected on their relationship that is currently based on mutual distrust. This undermines any possibility of partnership, which will only be achieved through replacing rivalry with alliance.

### **New protest movements and the end of the bargain:**

The phenomenon of politically-based social and protest movements emerged in the late 1960s, particularly with students' protests in France in 1968 then extended to other European countries and the United States. These movements, which gained more ground in the 1970s, played a major role in the democratic transition in East Europe for almost 15 years. They also introduced in Latin America a new form of popular politics that supported social justice demands and democracy. It was through these movements that Lula da Silva, the president of the Workers Party, and Evo Morales, leader of the indigenous movement, became the presidents of Brazil and Bolivia, respectively. These movements also protected the security of regimes that resulted from their activism, which is demonstrated in their role in aborting the coup against late Venezuelan president Hugo Chavez in 2002<sup>34</sup>.

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<sup>33</sup> For more please refer to "Workers and the Egyptian Revolution: A Rights View [Arabic]." The Egyptian Center for Economic and Social Rights and Awlad al-Ard Association. *The Impact of the Revolution on Workers*, February 16, 2011: [www.ecesr.org](http://www.ecesr.org)

<sup>34</sup> Refer to Amr Saad al-Din's "Protest Movements and Arab Revolutions [Arabic]." *Palestinian Studies*, issue no 81 (Winter 2012).

The concept of social protest movements first appeared in 1850 when German sociologist Lorenz von Stein wrote in his book *History of the French Social Movements from 1789 to the Present* that those movements were represented by the efforts exerted in the French Revolution to impact a change and establish a new society.” In this book, von Stein links social protest movements to the proletariat, which makes him similar to Marx and different from Hegel. Herbert Blumer expanded the concept of social protest movements to mean entities that attempt to establish a new life system<sup>35</sup>. According to Blumer, social protest movements are social activities that start unorganized then gradually turn into a distinctive entity that represents new forms of collective behavior. Those movements do not benefit from voicing their demands through conventional channels and this is when they turn into organized forces that undermine dominant social patterns and replace them with ones that are in line with their ideologies<sup>36</sup>. On the other hand, Ralph Turner and Lewis Killian argue that protest movements are collective actions that distinguish themselves from organized and institutional activities. The phenomenon of street protests is defined in its broader form as the process in which masses of people use and occupy public space for the purpose of voicing a set of political demands that cannot be voiced through conventional institutions<sup>37</sup>. According to the above-mentioned definitions, a social and protest movement is the organized protest behavior that aims at capturing a certain international or

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<sup>35</sup> Refer to Tawfik Abdel Sadeq’s “The February 20 Movement in Morocco: Drawbacks and Potential [Arabic].”

<sup>36</sup> Iman Mohamed Hussein Abdullah. “Youths and Social and Political Movements [Arabic].” Cairo: The General Egyptian Book Association, 2002. From Tawfik Abdel Sadeq.

<sup>37</sup> Refer to Mohsen Bouazzizi. “Social Movements’ Space in Arab Societies: Tunisia as a Case in Point [Arabic].” *Edafat*, issue 1 (Winter 2008) from Tawfik Abdel Sadeq.

external political moment in order to effect a change and influence policies, procedures, and modes of political participation in a way that achieves its demands. These demands mainly revolve around initiating a substantial change in society and introducing a reality that is different from the current one<sup>38</sup>.

Social and protest movements are usually home to several factions that are excluded from the economic and political scenes. Members of these movements can be members of unions or parties but believe that they do not represent their demands or they can be independent. In the Arab world, these movements or their potential members are increasing as a result of the social and economic changes the region has witnessed and as a response to an economy that is more random than institutionalized as well as an exclusive political structure<sup>39</sup>. Since the beginning of 2015, new social and protest movements are taking shape as a result of their indignation at the economic situation in several Arab countries. This is, for example, demonstrated in youth protests in Iraq and which call for eliminating corruption and unemployment, the You Stink and We Need Accountability movements in Lebanon as a response to the garbage crisis, and the Where is the Oil Movement in Tunisia. Protests erupted in Egypt in response to several economic conditions such as the shortage of formula milk, the new Civil Service Law, the rise of unemployment rate among holders of Masters and Ph.D. degrees, the hike in electricity prices, and the expulsion of farmers from land they reclaimed in the desert while the state reconciled with businessmen who took hold of much larger swathes of desert land<sup>40</sup>.

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<sup>38</sup> Tawfik Abdel Saedq.

<sup>39</sup> Tawfik Abdel Saedq.

<sup>40</sup> "When the Citizens Reclaim and the State Dredges [Arabic]." The Egyptian Center for Economic and Social Rights: <https://goo.gl/RowjO3>

It is expected to detect a common response on the part of ruling authorities in countries that witness social protest movements and which are described in Iraq, Lebanon, Egypt, and Jordan as undermining national security and serving foreign agendas. Such perception of protest movements is meant to scare citizens away from them and to maintain that previous security-for-silence pact. However, this three-year bargain is on the verge of expiring as it is no longer as beneficial for the majority of the people as it had appeared to be, especially as the state complies with the neoliberal policies imposed by international financial institutions and implements a number of austerity measures that affect services, subsidies, the value of the local currency, price hikes, and the dismissal of civil servants in addition to the possible return of privatization plans. That is why social protest movements started resuming their activities. In 2007, the number of protests reached 614 in 2008, 700 in 2009 then dropped to 530 in 2010<sup>41</sup>. The numbers started increasing again to reach 1400 in 2011, 1,969 in 2012, and 2,239 in 2013, which was unprecedented in Egypt's history. Despite terrorist attacks and suppression of political activity, the number of protests reached 2,717 in 2014<sup>42</sup>. In 2015, military trials threatened protest movements especially among workers. For example, workers at the Alexandria Shipyard were tried before a military court for threatening to stage a strike even though they are all civilians. They were, however, accused of attempting to undermine a military facility through the strike<sup>43</sup>.

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<sup>41</sup> Joel Beinin. "Struggle for Workers' Rights in Egypt [Arabic]." The Solidarity Center, 2010, p. 17-18: <http://is.gd/onLcKS>

<sup>42</sup> The Egyptian Center for Economic and Social Rights, report on protests in 2012, 2013, and 2014: <http://ecesr.org/>

<sup>43</sup> The Egyptian Center for Economic and Social Rights, report on the trial of Alexandria Shipyard workers: <https://goo.gl/Aq8mhG>

This demonstrated that the security-for-silence bargain is hardly valid anymore and that the people are no longer accepting its terms. In a context where the state does not listen to the demands of its people, social and protest movements became the only channel through which a balance of power is created between the state and the people and through which a real change towards social justice is possible.





# **International financial institutions and post- Arab Spring social disparities**

**Fathi Chamkhi**

## **Introduction:**

Since the 1980s, several Arab countries have been subjected to the direct intervention of international financial institutions in their economic and social policies through a number of channels such as restructuring and loans. This neo-colonial approach led to aggravating the already existing crises in the Arab world as people's resentment at the regimes intensified and so did feelings of oppression and lack of social justice. This tension culminated in 2011 with the eruption of a series of revolutions in some countries and social protests in others.

Neither the movements that emerged throughout the past 30 years nor the 2011 revolutions have so far managed to put an end to the intervention of international financial institutions in the domestic affairs of countries in the region. As a result, Arab regimes appeared more incompetent and injustice kept prevailing.

This study attempts to highlight the role played by the programs and loans of international financial institutions in increasing social disparities in the Arab world.

## **I. From the welfare state to the capitalist dictatorship:**

The laws of the capitalist system aim, by definition, at extracting the maximum possible free labor from the working force. The capitalist accumulation law also leads to the concentration of wealth in the hands of a few capitalists. The development of the capitalist production system leads to the emergence of social powers that not only work on giving workers

a share of surplus value, but also demand that the production system is changed altogether so that it can serve everyone.

The largest part of capitalist history is distinguished by producing poverty and exclusion then reproducing them on a wider scale while wealth is hoarded by a minority of capitalist tycoons. A typical example is the United States in the late 19<sup>th</sup> century and early 20<sup>th</sup> century when 1% of the population possessed 99% of local wealth. Similar scenarios are repeated in different countries across the world yet this time with unprecedented speed, which explains the fast growth of social disparities. A situation similar to that which took place in the United States makes of society a time bomb, thus a threat to the stability of the mode of production established by the capitalist system. Imperialist wars, such as World War One, were not enough to assuage the social crisis. This is when the global bourgeoisie had to accept a number of concessions and introduce modifications to the conditions of dividing the total surplus value. They had, therefore, to introduce a few principles of social justice to prevent escalation on the part of indignant workers. Capitalists, who naturally think first and foremost of their interests, usually refuse to offer such concessions, but they were forced to protect their interests on the long run. In the case of the United States, these reforms started during the Roosevelt administration in the early 1930s. Called the New Deal, this policy introduced the concept of social security as part of the global capitalist system<sup>44</sup>.

Between the two world wars and after World War Two, those concessions offered by the bourgeoisie resulted in the flourishing of social justice throughout three decades that were labeled “glorious.” This led to improving the living conditions in the North as well as abating the intensity of social disparities in each

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<sup>44</sup> On “New Deal”: [https://fr.wikipedia.org/wiki/New\\_Deal](https://fr.wikipedia.org/wiki/New_Deal)

of the countries in addition to the improvement of the social situation in the colonies. However, the late 1970s and early 1980s witnessed drastic economic and geo-strategic changes that allowed global capitalism to usurp a large portion of the previously-gained social rights as part of the emerging globalization and neo-liberal capitalism. This system also started jeopardizing the ecosystem, thus threatening the very core of human existence.

#### 1- Social concessions and the emergence of the welfare state:

The capitalist class was forced to offer a number of social concessions that led to a remarkable improvement in living conditions among average people. This transformation was the result of a number of factors, particularly the economic crises that gave rise to several social movements in addition to the eruption of the Russian Revolution. These concessions were based on adopting the theory of bourgeoisie economist John Keynes, also known as Keynesian economics, which later became a general reference for the capitalist system. According to this theory, the state is to play a significant economic and social role whether directly through direct investment in economic megaprojects or indirectly through designing the economy and adopting the welfare state model in which a growing portion of surplus value was turned into services from which average citizens can benefit. The massive destruction caused by World War Two drove the ruling classes in affected countries to think of ways to deal with the trauma as well as fix the collapsed economy. This resulted in more intervention on the state's part in managing the economy through designing major reconstruction and restoration plans.

This social approach was strengthened by the growing influence of socialist regimes in parts of Europe and the success of the revolution in China as socialist ideologies started spreading and leftist trade unions started gaining more ground.

Independence movements in different parts of the world also played a major role in pushing this ideology forward as more attention was given to the struggle for freedom in the colonies and the people's role in rejecting the exploitation to which they are subjected at the hands of the colonizer that was seen as not very different from the capitalist.

By the early 1970s, the welfare system has expanded across the globe to include both the North and South. Arab countries also became part of this system as they managed to get rid of imperialist traces and reconstruct their countries and improve the living conditions of their people. However, the global capitalist system that was formed after World War Two had by then started crumbling as it used all its resources and entered into a phase of stagnation. It was then that the liberal capitalist trend that opposed any social or economic role of the state started gaining momentum until it won in the early 1980s. This culminated in the victory of capitalist neo-liberal globalization that started taking hold of the world in the early 1990s. Such transformation heralded the end of the welfare system in the entire Arab region as it got replaced by capitalist restructuring.

## 2- The dictatorship of capitalist restructuring:

The ideological approaches that pervaded the three sectors of the global system went through an acute crisis in the 1970s. The sectors are: the bureaucratically administered economy in the Soviet Union and the Eastern Bloc, Fordism and Keynesianism in major capitalist countries, and developmental economy in Third World countries. The crisis these ideologies faced paved the way for a conservative attack that was first embodied by the coming to power of Margaret Thatcher in the United Kingdom in 1979 and Ronald Reagan in the United States in 1980 as well as Deng Xiaoping who succeeded Mao Zedong in China in 1978 and promoted capitalist economic reform.

The extremist capitalist liberal ideology started invading the entire world in the early 1990s and imposing its laws through the tyrannical policy inscriptions known as the Washington Consensus. This was implemented on different levels:

- On the ideological level, neoliberalism was claimed to be the only future humanity can have or in other words “the end of history.” The collapse of the Soviet Union in 1991 was seen as the final victory of capitalism in general and American imperialism in particular.

- On the political level, there is allegedly no alternative to the hegemony of capitalist imperialist countries led by the United States.

- On the economic level, market economy, open competition, and profit law are promoted as the only mechanism that can organize societies.

The Arab region was not spared this ideological and economic crisis that affected the global capitalist system and development projects, led by the local bourgeoisie, soon came to an end. This collapse made room for global capitalist powers to take control of Arab countries and restructure their economies as a means of consolidating this neo-imperialist project. This was the start of the capitalist liberal dictatorship.

The main features of the capitalist dictatorship are the restructuring of the state, the economy, and the society in different countries in the South including the Arab region. This is mainly done through loans through which a set of economic, social, political, and environmental conditions can be imposed. The loan system was expanded following the 2008 financial crisis to include countries in the North such as Greece. Authoritarian regimes are among the most important tools used by this capitalist dictatorship.

This neo-colonial intervention in the Arab region has a number of detrimental effects such as a growing unemployment rate and the marginalization of the disenfranchised, which in turn leads to intensifying social disparities. This transformation was mainly aided by Arab regimes and was a major reason for the eruption of the 2011 revolutions.

## **II- International financial institutions and social policies in the Arab region:**

International financial institutions mainly refer to the World Bank and the International Monetary Fund (IMF), the two Breton Woods sister institutions affiliated to the United Nations and which aim at raising the living standards of their member countries. The two institutions adopt two integrated methodologies to achieve that aim, for the International Monetary Fund focuses on macroeconomics while the World Bank focuses on long-term economic development<sup>45</sup>. The experience of Arab countries that were subjected to their policies proved the two institutions' allegations about improving living conditions or achieving economic development wrong. The Tunisian and Egyptian revolutions and the February 22 Movement in Morocco constituted a reaction to social disparities created by the policies of the World Bank and the International Monetary Fund.

### 1- Neo-liberal restructuring policies:

According to Breton Woods experts, restructuring programs are a group of integrated procedures that mainly focus on economies and aim at reshaping the economic and social structure of developing countries. These restructuring policies, which also include the state and society, are in line with the demands of the global market. Those experts claim that the

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<sup>45</sup>International Monetary Fund and World Bank: <https://is.gd/wapwRy>

programs offered by the two institutions guarantee the best distribution of financial and human resources in a way that allows the creation of a suitable social and economic dynamism that would achieve fast development and help the target countries move forward. From this perspective, restructuring policies might seem like a comprehensive project that would reach the desired development other developmental policies failed to achieve.

The sweeping majority of Third World countries rushed into implementing these policies as of the 1980s, which means that the past 30 years have been dedicated to development as seen by the liberal capitalist ideologies adopted by the Breton Woods institutions. This type of development revolves around a considerable increase in export revenues as the indispensable condition for development under the current circumstances. That is why restructuring procedures always direct the local production system towards the global market.

Several studies were conducted about the procedures and aims of these neo-liberal policies to determine whether they really constitute a real opportunity for developing countries to boost their economy and improve their living conditions. Those studies uncovered several contradictions between the declared aims of financial institutions and suggested means of achieving them. Below is an analysis of the most significant drawbacks that characterize the main impetus behind the neo-liberal development model, which is export. It is important in this regard to examine the meaning of “the exports battle” and the possibility of victory in this battle.

- The exports battle concerns all nations of the South or at least those involved in restructuring policies. The destination of these exports is rich countries because otherwise restructuring programs would not make any sense. The whole point of such programs is channeling the labor power of developing countries

towards exporting to developed countries. This is done through decreasing the value of local currencies and restricting domestic consumption that keeps deteriorating as a result of the decline of the purchasing ability of average citizens. Added to this is the fact that the share of these developing countries in global trade is relatively limited since it does not exceed one fifth of the total trade transactions<sup>46</sup>. Increasing the exports of developing countries to developed countries requires that the latter remarkably increases its import rates. However, as a result of the global financial crisis in 2008 the economies of developed countries are generally slowing down with short intermittent booming phases after which stagnation prevails again. In addition, developed countries are also following similar policies where they attempt to channel their economies towards exporting. That is why the exports battle leads to a main issue related to the nature of competition in a unified global market in which many barriers that previously obstructed the movement of goods and capital are now removed. It is not logical for countries in the South to found their developmental strategies almost totally upon exporting to a global market that is distinguished now more than ever by unequal competition. Even if developing countries get a relatively fair share of the global market despite this unequal competition, the desired purpose will remain illusory because competition leads inevitably to decreased prices, which is bound to annul the impact of the increase in exports for which developing country pay a dear price.

- In an atmosphere of open competition, the exports battle requires an increase in the investment mode which particularly means increasing imports of raw materials. This is where another contradiction lies since the increase in imports will

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<sup>46</sup>World Trade Organization, <https://goo.gl/yli1Zf>



overshadow the increase in export rates, if they increase in the first place.

- The third contradiction is associated with the close link between the ability to meet basic human demands and the ability of increasing productivity as a major condition for winning the exports battle. It is not possible to improve productivity while restructuring programs encourage developing countries to cut on social expenses and adopt austerity measures because such steps would lead to a serious drop in important sectors such as education, healthcare, and nutrition. In Fact, several UN organizations and programs confirmed such regression including UNICEF, UNICEF, UNDP, WHO, and FAO. It is similarly not possible to improve productivity when malnutrition prevails and health conditions deteriorate while medical services decline and diseases spread.

How is it possible to eliminate these contradictions in order to achieve the desired development? This is a question that experts at the World Bank and the International Monetary Fund do not answer or do not care to answer. The main mission of these experts is restructuring the economies of developing countries in accordance with the conditions of the repayment of external debts. They have undoubtedly succeeded as far as this is concerned.

The situation of most developing countries, including the Arab region, is as far as can be from the rosy picture drawn by capitalist development ideologies in the middle of the 20<sup>th</sup> century. The industrial mode that worked towards substituting imports started collapsing and the economies of developing countries started going through successive crises. The countryside deteriorated as a result of the existence of an export-focused commercial sector on one hand and a livelihood-based commercial sector on the other hand. Urban areas also deteriorated as a result of the social repercussions of

restructuring policies and the gradual withdrawal of the state from public services. The value of raw material exports dropped at the expense of the developing world while developed countries witnessed significant technological transformation, which affected transaction conditions between the North and the South.

The deterioration of general conditions in developing countries is, furthermore, manifested in mass movements whether in the form of refugees, especially from Africa, or labor migration that was met in the North by procedures that are quite discriminatory such as law number 187 in California or the Schengen Agreement in Europe.

An unprecedented gap ensued between the incomes and living conditions of the rich and the poor. For example, the income of a middle class family in suburban Paris is 100 times that of a rural family in Southeast Asia. In addition, a Filipino farmer needs to work for two whole years to get wages equal to the fees a New York lawyer receives per working hour.

Statistics<sup>47</sup> reveal that 85% of the world's population lives in poor countries and the remaining 15% who live in rich countries are in control of 80% of global income. Countries categorized as low-income only get 5% of global income even those they are home to around 4 billion people, which is less than the raw material income of France alone. The income of all Sub-Saharan Africa, which is home to a billion people, is equal to that of the state of Texas in the United States.

This gap between the rich and poor worlds started widening in the early 1980s with the stagnation of the global economy and the subsequent decline in the value of raw materials followed by

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<sup>47</sup> Rapport sur le développement humain 2015, <https://is.gd/9FWgAg>  
Statistical Yearbook – 59th issue (2016 edition), <https://is.gd/L7oIoH>

the debt crisis that led in turn to the implementation of restructuring programs on a wide scale. This was the end of the development projects implemented in developing countries and which promised an actual development that would have enabled these countries to narrow the gap between them and the North.

## 2- The establishment of neo-liberal dictatorship in the Arab region:

Since the early 1980s, Arab countries have been subjected one after the other to the programs of international financial institutions. Morocco was the first in 1983 followed by Tunisia in 1986 then Egypt in 1991 and Algeria in 1994. Jordan, Lebanon, Syria, Mauritania, Yemen, and Sudan followed suit. Therefore, capitalist restructuring programs managed to dominate a large portion of the Arab region. Neoliberal policies only benefited a few capitalists in each country while the majority of the population suffered from remarkable deterioration in their living conditions and economic status whether in the countryside or urban areas. This remained the case until popular revolutions and social movements attempted to destabilize this system that did away with the welfare state and destroyed local economies. However, six years later the situation looks much worse as international financial institutions tightened their grip once more on Arab people and took advantage of the inability of new governments to translate popular aspirations into alternative social and economic policies. Policies that are dangerous and as oppressive as the ones that existed before the revolution made a powerful comeback, thus intensifying social disparities and widening the gaps between different segments of society.

Restructuring policies aim at subjecting the Arab region to the ideology of capitalist neo-colonial globalization. In order to reach this end, such policies work on weakening the local economies of target countries as well as subjugating these countries politically. This is mainly done through reducing the

role of the state in different social sectors as well as in the economic cycle and the development of productivity. Countries in which these policies are implemented are also forced to comply with the conditions that accompany the loans given to them by international financial institutions.

Restructuring programs mainly put pressure on state budgets whether through controlling its sources of funding or revising expenditure lines. This leads to a remarkable decline in the role the state plays as a provider of social services. Social and economic policies of a state are reflected in its budget and that is why the state budget is a political issue par excellence because it determines the path the state is planning to take with its citizens. So the budget is a powerful weapon that can either be utilized towards the achievement of economic prosperity and social justice or used against the majority in favor of a rich minority. Restructuring policies require the continuation of indebtedness since it is the system that maintains the control international financial institutions exercise over the countries in which the policies are applied. That is why debt repayment tops expenditure items in the state budgets of most Arab countries.

For example, successive Tunisian governments that followed the ouster of Bin Ali prepared their budgets in accordance with restructuring conditions and this was specifically demonstrated in prioritizing external public debt over the economic and social demands of the revolution. When debt repayment becomes a priority in the state budget, expenditures need to be decreased and this particularly affects social services such as education and healthcare as well as subsidies on basic commodities. To consolidate these policies the Nahda Islamist government signed in April 2013 an agreement with the International Monetary

Fund for a new bundle of restructuring procedures<sup>48</sup>. The ruling coalition, comprised of Islamists and the Nedaa Tunis liberal party, signed another agreement, also with the International Monetary Fund, for a package of additional four-year-long restructuring reforms and a 2.9 billion dollar loan, the highest in the country's history. In return, the government is required to increase austerity measures and decrease state contribution in public services. The conditions included the layoff of tens of thousands in the public sector, increasing retirement age from 60 to 65, decreasing pensions, freezing wages, and the privatization of more public institutions. The state budget in Tunisia is also burdened by additional conditions imposed by other international financial institutions such as the World Bank, the European Investment Bank, the African Development Bank, and the Arab Fund for Economic and Social Development. The conditions imposed by these institutions are usually designed within the framework of the Washington Consensus or to be more precise within the framework of the Deauville Partnership with Arab Countries in Transition signed in 2012 at the G-8 summit in France.

### **III- Social justice and international financial institutions:**

It is quite striking that international financial institutions managed to tighten their grip on countries in which revolutions calling for social justice erupted and was successful in controlling post-revolutionary governments in a way that guarantees the implementation of their restructuring policies. As a result, social justice kept declining and disparities kept intensifying.

#### **1- The impact of neoliberal policies on living conditions:**

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<sup>48</sup> This was the second agreement signed by a Tunisian government in 30 years. The first agreement was signed in 1986 less than a year before the coup that toppled Habib Bourguiba.

The past few years witnessed the signing of several restructuring agreements with international financial institutions on an unprecedented scale when compared to the pre-revolutionary era. It seemed as if these institutions were racing against time to make sure all the demands of Arab revolutions are aborted immediately so they would have no chance of revival. These agreements were characterized by a remarkable increase in the direct role of the International Monetary Fund in designing the economic and social policies of several Arab countries, a role that was previously assigned to the World Bank. This demonstrated the level of the financial, social, and humanitarian crises through which these countries are going.

Tunisia signed two agreements with the International Monetary Fund, totaling more than 5 billion dollars over 6 years, which is a very long time that reflects how the government lost control over determining its own policies and how, therefore, the people lost their right to self-determination. Jordan, Egypt, and Morocco signed similarly dangerous agreements. Jordan signed last summer a three-year 0.7 billion dollar agreement with the International Monetary Fund while Egypt is working on an agreement involving a bundle of conditions that include several production sectors, banking and financial activities, and social affairs. The Moroccan government also signed its third agreement with the International Monetary Fund since 2012 for 3.5 billion dollars in return for several structural reforms and austerity measures to be implemented over two years.

All those programs included more or less that same procedures and used the same tools towards the same ends for these are programs that always aim at serving the interests of global capitalism and its local loyalists in each of the countries at the expense of average citizens and with no consideration for the resulting social disparities. Restructuring programs claim they

aim at boosting investment, achieving economic growth, designing a social security program for low-income citizens, creating job opportunities, and directing public resources towards infrastructure, education, healthcare, and social security. The governments of Tunisia, Morocco, Egypt, and Jordan claim, on the other hand, that such programs are 100% locally designed.

## 2- Unprecedented social exclusion:

Restructuring policies generally work on dissociating economic growth from social justice that was relatively achieved in the welfare state system and actually managed to improve citizens' living conditions. This dissociation is achieved through austerity policies that reduce expenditure in social services and negatively impact the living standards of impoverished echelons of society. The disastrous effects of these policies are demonstrated in the remarkable rise in unemployment rates and the tendency towards social exclusion where average citizens are deprived of their basic rights.

Such effects are demonstrated in the Tunisian job market, especially the rise of unemployment among holders of university degrees, a new problem that only emerged in the past two decades. The number of unemployed university graduates did not exceed 6,000 then reached 140 thousand in 2010, which was one of the main reasons for the eruption of the revolution. However, the revolution did not eliminate this problem and the number increased to 240,000, 36,600 of whom have degrees in medicine, engineering, and pharmacy or Masters<sup>49</sup>. This continuous destruction of the skills available for the job market is among the most detrimental effects of restructuring policies.

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<sup>49</sup> Unemployment rate in Tunisia, <http://www.ins.tn/ar/themes/emploi>

Official statistics in Tunisia<sup>50</sup> reveal that the number of impoverished families, by which the Ministry of Social Affairs means families who live under poverty line, increased to 232,000 while the number of low-income families reached 306,000. This means that the total of the poor exceeds 4 million people or 38% of the population. In the meantime, post-revolution years witnessed a remarkable rise in the number of the rich. According to estimates, there are 6,500 millionaires (wealth between USD 1-8 million) and 70 billionaires (wealth over USD 9 million) in Tunisia. In the Human Development Index, Tunisia went from number 75 in 1995 to 81 in 2010 and 96 in 2015<sup>51</sup>. The situation is not any better in Morocco which went from number 117 in 1995 to 126 in 2015 or Egypt which went from 107 to 108 in the same years.

The International Monetary Fund informed the Tunisian government of its objection to salary increases for employees and threatened to stop transferring loan installments agreed upon in the restructuring deal for 2016-2020. Similarly, the World Bank and the African Development Bank declared that they will abstain from transferring their loans to Tunisia if the Tunisian government did not comply with the instructions of the International Monetary Fund.

On several occasions, the Tunisian government announced its intention to comply with the conditions of international financial institutions, which means reneging on its commitments to the Tunisian General Labor Union and to the Tunisian people in general as well as undermining social justice and national security in general. In response, the Labor Union issued a statement declaring that it will not accept any delay or cancellation in the raises agreed upon with the government and

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<sup>50</sup>Tunisian social portal, <http://www.social.tn/index.php?id=74>

<sup>51</sup>Rapport sur le développement humain 2015, <https://is.gd/9FWgAg>



accused the government of undermining the credibility of the negotiations that took place between them and violating the Carthage Agreement.

Neoliberal policies implemented in Tunisia for the past 30 years had an extremely negative impact on the tax system in the country through offering tax facilities to capitalists including foreign ones and the same applies to several types of rich professionals. In order to make up for the subsequent shortage, successive governments increased taxes on average citizens. In the meantime, the government continues to take one loan after the other. Unlike what was expected to happen after the revolution, social injustice increased as more restructuring policies were implemented.

It is obvious that international financial institutions insist on preserving their neo-colonial policies at any cost, thus turning Tunisia and several Arab countries into an economic paradise for global capitalism and, in the meantime, a social hell for average citizens and the working class. The revolution erupted in response to the destructive nature of this system, but unfortunately it did not change as global neo-colonial powers and their local capitalist allies insisted on making profit at the expense of the freedom of the people.



# Case Studies



# **Towards a methodology of studying social disparities in Egypt**

**Heba Khalil**

## **Introduction:**

Inequality and the widening gap between wages and consumption constitute the main challenges facing successive Egyptian governments since the eruption of the revolution in 2011. Demands for social justice were, in fact, only a reflection of the social and economic disparities from which Egyptians have been suffering in addition to the accompanying lack of equal opportunities in education, healthcare, and infrastructure. Another related challenge in Egypt and several Arab countries is determining the levels of social disparities and economic gaps in order to design policies that aim at eliminating them. This paper provides a background to the most pressing disparities from which the Egyptian society is suffering through looking at the different levels of disparities and the way they overlap at times in an attempt to understand the complicated situation of social and economic inequality in Egypt.

## **Methodology:**

First, it is important to deal with social disparities as a reflection of social policies and not just a matter of coincidence. There is a difference between poverty and impoverishment and between the division of a society into social classes and policies that caused insurmountable gaps between classes. Inequality and social disparities are a direct result of neoliberal policies. In the United States, considered the most prominent example of a state that applies neoliberal policies, there are unprecedented gaps in incomes and wealth as 1% of citizens possess 40% of the total

wealth while the poorest 80% possess only 7% of the wealth<sup>52</sup>. That is why inequality and social disparities should not be dealt with as a status quo, but rather as an ongoing process, the constant repercussions of a crime committed by the state against its people, for impoverishment is a crime and depriving the majority of resources and basic rights is also a crime.<sup>53</sup>

Second, social disparities have a number of levels and can overlap at times. Social disparities can be examined through the geographical location such as comparing Upper Egypt to Lower Egypt or through the economic structure of the countryside and urban areas where the former is poorer across the whole country. Gender is also relevant since usually women are poorer than men and do not enough social security and healthcare. The same applies to racial factors, which also play a role in accessing services and legal protection such as the case of Bedouins and Nubians who are more marginalized than the rest of Egyptians. Religion is also a factor since the Christian minority does not have the same rights as the Muslim majority especially in legal protection and access to official positions. The last two groups can be suffering from economic disparities that are not known owing to the lack of accurate official statistics. It is worth noting that those different levels overlap and that is why they cannot be dealt with as isolated factors. It is important in this regard to examine the overlap of geographical location with gender, with economic class, and with race and religion. For example, women from Upper Egypt suffer more in accessing healthcare.

Third, because social disparities are directly linked to policies as was mentioned in the first point, these disparities have to be examined within their legal, political, structural, and economic

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<sup>52</sup> Cole, N.L. 2015. "What is Social Stratification? And Why does it Matter?"  
<https://goo.gl/1QLIMC>

<sup>53</sup> Kerstenetzky, C. L. "The Violence of Inequality". <https://is.gd/WGJroC>

framework. It is through this kind of analysis that it is possible to attribute inequality to a centralized system that controls all resources across the country and corrupt local authorities that do not communicate with the people as well as laws that deprive large segments of society from practicing their rights as demonstrated by the criminalization of strikes and the restriction of unionized activities and that do not warrant women their rights including reproductive health and legal protection from domestic violence. Added to this are economic policies that opted for the privatization, thus commodification, of basic services such as healthcare, education, and housing, as well as imposing austerity measures and refraining from increasing taxes on high-income citizens.

Fourth, social disparities take different shapes and ways of measuring them are similarly different. Some disparities can be measured quantitatively through official statistics such as disparities in the incomes of individuals and families, in spending and consumption percentages, and in wealth and property. Statistics can also be used to measure access to different services such as healthcare, housing, social security, and infrastructure. However, the problem is that statistics are always available on disparities that can be measured and some disparities cannot be measured altogether. These include access to the city and to parks and beaches and access to courts and the judicial system. Disparities of that sort are usually the result of geographical location or economic conditions. Access to decision makers is also an important factor especially for residents of the countryside and Upper Egypt, many of whom have to come to the capital in order to file complaints and attempt to have their voice heard by officials.

## **Social disparities and public policies and laws in Egypt:**

Before examining disparities, it is important to look at policies and law in Egypt in order to understand that how closely linked the two are. The eruption of the revolution in January 2011 was mainly the result of the failed policies of Mubarak's regime and which led to high growth rates that were not accompanying by any improvement in the living conditions of average citizens. Post-revolution policies did not work on altering the old ones, but rather emphasized them, which naturally led to further disparities. The root causes of economic problems were given little attention by post-revolution governments that only continued the implementation of the same policies<sup>54</sup>. This was demonstrated in decreasing the amounts allotted in the budget to public services such as healthcare, education, housing, and infrastructure (especially water, roads, and sewage networks). The state has, therefore, opted for austerity in public services and prioritized reducing budget deficit and stabilizing the Egyptian pound through seeking aid from Gulf countries and borrowing from international financial institutions while accepting the conditions those entail. Several unpopular measures have been taken in the past few years such as cutting subsidies on fuel and foodstuffs, increasing regressive taxes especially on commodities and services through imposing, for example, the value added tax<sup>55</sup>. Successive transitional governments, including the Muslim Brotherhood, kept overlooking demands for social and economic reform and continued to design their policies and implement them without allowing any participatory role for the people. To make their job easier, those governments made sure they

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<sup>54</sup> For more information, refer to "Statistics of the Parallel Report to the UN Committee on Economic, Social, and Cultural Rights [Arabic]." Egyptian Center for Economic and Social Rights, 2013: <https://goo.gl/ukdu1j>

<sup>55</sup> "The Value Added Tax and Tax Justice in Egypt [Arabic]." The Egyptian Center for Economic and Social Rights, 2016: <https://goo.gl/IMhtKQ>



silenced criticism from NGOs, civil society, trade unions, and opposition parties through a number of oppressive practices that were legitimized by a number of legislations such as the protest law.

On November 24, 2013, interim president Adli Mansour issued the protest law through law number 107 for the year 2013 on regulating the right to public rallies, marches, and peaceful protests<sup>56</sup>. This law led to the imprisonment of a large number of citizens whose protests were seen to have disrupted the work cycle or constituted a threat to national security or public safety. The protest law made people unable to stage spontaneous protests to voice simple demands and draw the government's attention to the basic rights of which they are deprived. The government, on the other hand, claimed that the law aims at "regulating" and not "criminalizing" the right to protest. On August 16, 2015, president Abdel Fattah al-Sisi issued law number 94 for the year 2015 on countering terrorism. Egyptian rights organizations, political parties, and several analysts considered this law detrimental to constitutional rights and a pretext to clamp down on dissent outside the law. "Both interim president Adli Mansour and president Abdel Fattah al-Sisi took advantage of the legislative power they had in the absence of a parliament to issue a large number of laws that expanded criminalization and penalty in an unprecedented manner. Legislation, therefore, became based on exceptional laws. This was the case with the protest law, the law of terrorist entities (law number 8 for the year 2015), the law on the dismissal of directors of monitoring institutions (law number 89 for the year 2015), the modification of article 78 of the Penal Code, and the law on countering terrorism. None of these laws is congruent

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<sup>56</sup> The text of the law: <https://goo.gl/MPdZlF>

with the constitution as if there is a plan to sideline the document the people voted for”<sup>57</sup>.

The state’s attempts at aborting the demands of the revolution did not stop at the previously mentioned measures, but extended to the law regulating cooperative societies, which work on improving the living conditions of groups of residents, workers, and farmers through a participatory framework that proved a success all over the world. However, cooperative societies in Egypt are restricted. Although cooperative societies in Egypt exceed 18,000 with 18 million members, very few of them represent the needs of citizens. Cooperative societies became affiliated to the central authority through law number 28 for the year 1984, therefore losing their independence and their ability to represent the people as decentralized entities owned by the people and working for the people’s best interest<sup>58</sup>.

The distribution of services in the state’s public budget is not fair and is haphazard in many cases. For example, Greater Cairo always gets more resources and public services. Local authorities depend on the central government for 80% of their financial resources, but only receive 11% of the public budget<sup>59</sup>. Decisions on expenditure and actual expenditure come from central government in Cairo, which results in distribution gaps and in an obvious bias to the capital. For example, the biggest share of housing land plots (74%) goes to Cairo, which translates into 28m<sup>2</sup> per person compared to 2m<sup>2</sup> per person in rural

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<sup>57</sup> “The New Counter Terrorism Law: Another Violation of the Constitution and Permission for Murder outside the Law [Arabic].” The Egyptian Center for Economic and Social Rights and the Egyptian Initiative for Personal Rights , 2015, p 3: <https://goo.gl/ZHkC7L>

<sup>58</sup> “Investment Week Fact Papers: Paper no. 6 [Arabic].” The Egyptian Center for Economic and Social Rights, 2014: <https://goo.gl/joS5zp>

<sup>59</sup> Yehia Shawkat. “Social Justice and Urbanism [Arabic].” *Khairat Misr*, The Shadow Ministry of Housing Blog, 2013.

governorates in Upper Egypt<sup>60</sup>. The same applies to the distribution of energy. Although official statistics reveal that 99.5% of Egyptian families have access to electricity, the individual's share is not fair and there is obvious bias to the residents of Greater Cairo where each person gets 1,708 kilowatts per year, which is three times the average across the country<sup>61</sup>.

Bias is not, however, the basis of all sorts of disparities, for at times mismanagement and lack of planning can lead to haphazard decisions. For example, reports by the Egyptian Food Observatory revealed that 16.4% of the most deprived families did not get a ration card to be able to buy subsidized food in the last quarter of 2013. These percentages increase in other governorates as they reach 33.3% in Alexandria, 25% in Sohag, and 23.8% in Suez<sup>62</sup> even though Alexandria and Suez are urban governorates, thus the state is expected to be biased to them.

Official definitions have a substantial impact on policies and citizens who benefit from them. For example, low-income citizens do not benefit from the state's low-income housing projects because of the definition. According to article 1 of prime minister's decree number 1864 for the year 2008 on modifying article 38 of mortgage law number 148 for the year 2001, a low-income family is one whose annual income is 30,000 Egyptian pounds or less. Statistics by the Central Agency for Public Mobilization and Statistics for 2013 revealed that this definition applies to families that occupy the highest fifth of incomes. This

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<sup>60</sup> Ibid.

<sup>61</sup> "Description of Egypt through Facts: 2010 [Arabic]." Information and Decision Support Center. The consumption of electricity per person is calculated through dividing the total consumption of a given governorate on the population of this governorate.

<sup>62</sup> "The Quarterly Report [Arabic]." *The Egyptian Food Observatory*, December 31, 2013: <https://is.gd/G6XYrD>

allowed medium-income families to compete with low-income ones in housing projects, thus weakening the latter's opportunities. Income is not the only problem, though, for applicants are required to provide documentation that proves their income, which leads to the exclusion from these housing projects of two thirds of workers because they work in the informal sector<sup>63</sup>.

### **Types of social disparities in Egypt:**

#### Geographical location:

Social disparities in Egypt become obvious when comparing Upper Egypt to Lower Egypt or comparing individual governorates. Those disparities can be the result of actual bias towards urban governorates, especially Cairo, or can be the result of lack of planning. Disparities based on geographical locations are related to living conditions in a given region, which becomes particularly clear when comparing the countryside to urban areas. This is despite the fact that the concept and definition of the countryside have undergone a great deal of transformation as the number of village residents who do not work in agriculture keeps increasing and as migration to the city changed the lifestyle of many residents in the countryside, especially as far as the use of technology is concerned.

It is important to first understand Egypt's geographical structure. Egypt is divided into 27 governorates, only four of which are considered 100% urban: Cairo, Alexandria, Port Said, and Suez. The rest of the governorates are divided into urban and rural areas<sup>64</sup>. Egypt's governorates are divided into 9 in the Nile Delta, 9 in Upper Egypt, and 5 border governorates. Since the mid-1970s, the percentage of Egyptians living in the

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<sup>63</sup> "Investment Week Fact Papers: Paper no. 6 [Arabic]."

<sup>64</sup> "Demographic and Health Survey of 2014." Ministry of Health and Population, May 2015: <http://dhsprogram.com/pubs/pdf/fr302/fr302.pdf> p. 23

countryside has been 57%. This percentage increased in 2015, which reflects a decline in migration to the city possibly as a result of the rise of poverty rate in cities and the subsequent increase in the level of disparities. For example, 50% of Cairo's residents live in slum areas and the four urban governorates are the highest nationwide in unemployment rates<sup>65</sup>.

The countryside has less access to public services, especially sewage, clean water, healthcare, schools, and roads. Sewage had, in fact, been one of the most prominent aspects of state negligence of the countryside. In 2010/2011, only 24.7% of residents of rural areas were connected to the public sewage network, compared to 88% in urban areas<sup>66</sup>. It is noteworthy that official statistics state that most houses in the countryside have access to sewage, yet it turns out that most of them use sewage through personal efforts such as using reservoirs, draining sewage water in the land thus contaminating the soil and subterranean water, or dumping waste in the Nile whose water they use for drinking and irrigation. The government's failure to connect houses in rural areas to the sewage network leads, therefore, to several health and nutrition disasters. As for housing, around 30% of families in the Upper Egyptian countryside live in one-room apartments while 50% live in two-room apartments. It is noteworthy that families in Upper Egypt are generally larger than in other parts of Egypt<sup>67</sup>.

There are also disparities in access to technology. Despite forecasts that that the internet and communication technologies in general will bridge the gap between the countryside and urban

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<sup>65</sup> *Egypt in Numbers* [Arabic]. The Central Agency for Public Mobilization and Statistics, 2015.

<sup>66</sup> *Egypt in Numbers* [Arabic]. The Central Agency for Public Mobilization and Statistics, 2012.

<sup>67</sup> "Demographic and Health Survey of 2014." Ministry of Health and Population, May 2015: <http://dhsprogram.com/pubs/pdf/fr302/fr302.pdf>

areas, the countryside is still behind in internet access. Only 2% of families in the countryside are connected to the internet, compared to 15% in urban areas. The countryside and urban areas only get close in mobile phone usage as 81% of families in the countryside own mobile phones, compared to 91% in urban areas<sup>68</sup>. Disparities in access to banking services are also obvious mainly because bank branches are not equally distributed across the country. This is also because of the state's tendency in the past few decades to privatize the banking sector, which particularly affects the poor. Statistics in 2014 reveal that 3% of families in the countryside in Lower Egypt have one member who has a bank account, compared to 17% in border governorates and 14% in the four urban governorates<sup>69</sup>.

#### Economic disparities:

Economic inequality can be measured through gaps in wealth, consumption, spending, or income and is calculated through dividing families in five categories. For example, the first category includes the highest 20% while the last one includes the lowest 20%. Those categories are divided according to one of the four aspects mentioned-above depending on what needs to be measured.

There is a huge gap in wealth between urban areas and the countryside. For example, in the countryside the highest 20% is entirely absent while in urban areas the percentage of this category reaches 53%. On the other hand, 30% of the lowest 20% are in the countryside, compared to 3% in urban areas. Generally, it can be said that 30% of countryside residents belong to the lowest 40% while 90% of residents of urban areas

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<sup>68</sup> *Egypt in Numbers* [Arabic]. The Central Agency for Public Mobilization and Statistics, 2015.

<sup>69</sup> Demographic and Health Survey of 2014. Ministry of Health and Population. May 2015. <http://dhsprogram.com/pubs/pdf/fr302/fr302.pdf> p. 40

belong to the highest 40%. However, this poverty indicator is quite problematic since there are wide gaps between the families that belong to the highest 20%, yet it is still indicative of the remarkable disparities between the countryside and urban areas in terms of wealth.

According to reports issued by the Central Agency for Public Mobilization and Statistics in 2015, the lowest 20% in terms of spending in the countryside get 3.4% of consumption, compared to 4.5% in urban areas while the highest 20% in the countryside in terms of spending gets 21% of consumption, compared to 27% in urban areas.

Poverty rates across the country generally increased from 25.2% in 2010/2011 to 27.8% in 2015. The highest percentage is in the Upper Egyptian countryside where poverty rates during that interval increased from 51% to around 57%<sup>70</sup>. Poverty rates increase with the increase of illiteracy and decline with education. The percentage of poverty among illiterates is 40%, compared to 10% among holders of university degrees or higher. The size of families is also linked to poverty rates. For example, in the countryside families are larger and poverty rates are higher.

Economic disparities run parallel to social disparities, especially as far as access to basic services such as healthcare, housing, education, and water is concerned. In general, the state continued to implement austerity policies and to minimize its role in those services, especially education whose share in the public budget dropped from 17% of total expenditure in the early 2000s to 10-12% in the past five years according to the closing statement of those years. The free education policy was among

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<sup>70</sup> "Poverty Indicators [Arabic]." The Central Agency for Public Mobilization and Statistics, 2015.

the most significant channels through which wealth could be redistributed and opportunity to climb the social ladder could increase. However, with the introduction of austerity policies and the dwindling role of the state in developmental services, the poor remained poor and the rich received good education and led a luxurious life. Any deterioration is bound to affect the living conditions of poor families first and foremost. For example, the increasing prices of foodstuffs drive poor families to consume cheaper commodities, which are usually unhealthy and high in calories. The decline in the consumption of legumes, fruits, and dairy products lead to increasing percentages of malnutrition. According to estimates by the World Food Program, around 25% of Egyptians suffer from acute deficiency in iron, zinc, and vitamin A and the majority of those belong to the echelons with the lowest incomes<sup>71</sup>.

The health problems from which the poor suffer make them the most wanting of healthcare, yet they are the most deprived of it. This is especially the case in the countryside not only because medical services are not always available but also because the majority of residents are not covered by state insurance. Among residents of the countryside, women and independent workers are the most likely to be deprived of medical insurance which does not exceed 19.4% of the total number of countryside residents and 24.2% of the total population of Egypt. This applies to the countryside in both Upper Egypt and Lower Egypt.

Social disparities by geographical location are the most obvious in quantitative statistics which reveal the level of access to services, poverty rates, income, spending, and consumption. For example, 31% of Egyptian children suffered from dwarfism in 2014, which is usually the result of malnutrition. This

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<sup>71</sup> World Food Program report on Egypt, 2013: <https://goo.gl/R3FJmp>



percentage reached 39% among Upper Egyptian children<sup>72</sup>. Child mortality rates before the age of 5 reaches 23 per 1,000 children in urban areas and this number increases to 34 in the countryside and 44 in the Upper Egyptian countryside in particular. This reflects the poor quality of medical services and mothers' inability to reach medical units<sup>73</sup>.

### **Gender disparities:**

Gender disparities are always overlooked in the Arab region for many argue that poverty is equally experienced by men and women, thus there is no point in focusing on poverty among women in particular. However, disparities associated with gender are extremely significant. For example, women are more likely to work in the informal sector where they have no rights and no insurance and are more subjected to sexual harassment. Women are also more involved in financially supporting their families and are more prone to health problems especially related to pregnancy, birth, family planning, and reproductive health. Women's wages in the private sector are 30% less than men according to statistics issued in 2010. Men in the public sector receive more incentives and allowances. Added to this is the effort women exert in household chores.

While unemployment rates increased from 12% to 13% between 2011 and 2014, unemployment rates among women reached 24%, compared to 9.6% for men in 2014. Women constitute 24% of the working force in Egypt and the majority works in agriculture. In fact, 55% of women who work in agriculture do not get wages. This percentage is almost the same

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<sup>72</sup> Ibid.

<sup>73</sup> "Demographic and Health Survey of 2014." Ministry of Health and Population, May 2015: <http://dhsprogram.com/pubs/pdf/fr302/fr302.pdf> p. 126

as the 56% of women who work in agriculture for their families and not for other employers<sup>74</sup>.

Demographic and health surveys in 2014 revealed that only 8% of women between the ages of 15 and 49 who were married are covered by medical insurance whereas across Egypt, 50% of citizens have medical insurance<sup>75</sup>. The same report showed that 30% of women from the same age group are subjected to physical or sexual violence by their husbands, at times for reasons like going out without their permission, which in turn affects women's decision to go out to seek medical care. It is important to note that gap between women's education in the countryside and urban areas, for while 17% of women from urban areas have not received any form of education, this percentage reaches 30% in the countryside. The average number of education years for women in urban areas is estimated at 8, compared to only 4 in the countryside<sup>76</sup>. Gender plays a major role in this discrepancy because the gap is not that wide among men. For example, 10% of men in urban areas have not received any form of education, compared to 16% in the countryside. Education years are estimated at 9 in urban areas, compared to 6 in the countryside<sup>77</sup>. In general, illiteracy rate in the countryside reaches 32% of the total population, compared to 15% in urban areas<sup>78</sup>.

Having access to medical care is one of the most important challenges that face women across Egypt. A survey by the Ministry of Health revealed that 63% of women living in urban areas have difficulty accessing medical services and the

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<sup>74</sup> Demographic and Health Survey of 2014. Ministry of Health and Population, May 2015: <http://dhsprogram.com/pubs/pdf/fr302/fr302.pdf> p. 60

<sup>75</sup> Ibid.

<sup>76</sup> Ibid., p.46

<sup>77</sup> Ibid., p.47

<sup>78</sup> Ibid., p.53

percentage increases to 74% in the countryside. Medical services, in fact, constitute an excellent example of the overlap between different types of disparities. For example, 20% of female residents in the countryside do not have access to medical services because of how far clinics are from their houses and 24% cannot afford to pay for transportation, compared to 13% in urban areas, which reflects lack of services in the countryside. Also, around 9% of women in the countryside do not have access to medical services because their husbands do not allow them to leave the house. The percentage drops to 4% in urban areas. In addition, policies that opt for privatization of medical services and austerity in public services rendered 56% of women in the countryside and 50% of women in urban areas incapable of having access to medication. Also, 50% of women in the countryside complain of lack of medical service providers, compared to 42% in urban areas.

### **Incommensurable disparities:**

Some types of disparities are incommensurable because they cannot be measured through traditional quantitative methods or no indicators were designed to measure them, the most important of which is access to the city, access to the judiciary, participation in public policies and decision-making, and participation in labor through the official economy.

The right to access the city is a significant indicator of social disparities. It also demonstrates the dwindling of the middle class, which has no fixed definition except that it is located in the middle of the social hierarchy and in the middle between businessmen and workers. It is, therefore, mainly comprised of professionals, relatively well-to-do employees, and administrators. However, the city seems no longer able to be home to the middle class. In Cairo, the fast spread of gated communities to which only the rich have access and to which only residents of luxurious houses inside are allowed led to the

exclusion of a sizable portion of the population from public spaces, which started shrinking as well. The same applies to private beaches. Meanwhile, slum areas started encroaching on the city until they came to house 50% of its residents. The result was that Cairo became mainly divided into two sections: the rich that bought their right to the city with their money and the poor who are struggling for survival.

Access to the judicial system and participation in public policies and decision-making are types of incommensurable disparities. The geographical location of courts is biased towards Cairo, cities in general, and Lower Egypt. It is noteworthy that access to courts and the ability to file complaints and voice grievances are among the significant ways of evaluating the level of social disparities and the same applies to participation in the decision making process. Residents of Cairo have easier access to institutions of the central government such as courts, yet they do not really take part in the decision making process owing to the absence of a participatory culture and the principles of transparency. However, residents of Cairo have the power to assert their existence whether through obstructing traffic or talking to media outlets that do not pay attention to the countryside and does not send correspondents there.

The informal sector is both an opportunity and an obstacle. On one hand, a large number of citizens find jobs in this sector, which offers an alternative to unemployment and gives many a chance to increase their income. On the other hand, working conditions in informal economy does not guarantee the rights of workers including fixed wages, insurance, and a healthy working environment. Statistics issued in 2012 reveal that two thirds of Egyptian workers work in informal jobs and the numbers kept increasing after the eruption of the revolution in January 2011 according to Work Bank estimates. It is noteworthy that official statistics usually overlook the informal job market;

therefore they do not reflect reality especially as far as women are concerned since it is in this market where most female workers get jobs. That is why those statistics can only be used as indicators, but cannot be treated as facts.

### **Conclusion:**

Growing social and economic disparities are among the most important indications of the failure of social and economic policies in the distribution of wealth among different echelons of society regardless of geographical location, religion, ethnicity, gender, or age group. Economic policies, particularly tax policies, are the main force that determines which way a given society moves since it is through them that certain segments or classes are committed to paying certain amounts and it is also through them that decisions about who gets services and who gets better living conditions are taken. One of the most prominent challenges facing the Egyptian society is unequal opportunities and lack of opportunities as far as social mobility is concerned. This is exactly what makes the families of poor people stay poor and the families of the rich stay rich, which is also indicative of the gradual shrinking of the middle class that used to represent citizens' ability to move up the social and economic ladder. Employment policies in Egypt are among the main reasons behind the obstruction of social mobility for they turned from policies that guaranteed fresh graduates can find jobs in the public sector into a peculiar system where graduates are responsible for finding jobs for themselves, one in which they usually have to depend on connections. According to World Bank statistics, the chances that educated children of blue-collar citizens can work in different jobs dwindled to 11% as of 2006. This means that youths have almost no hope is getting different jobs that suit their education and aspirations, thus they will remain unable to move up the social ladder. The conclusion is

basically that youths in Egypt can choose their careers only when they are born to “the right people,” that is well-to-do parents<sup>79</sup>.

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<sup>79</sup> Ersado, Lire. “Social Mobility In Egypt: It helps to have the Right Parents”, January 2013, *The World Bank* <https://goo.gl/uJgHDZ>

# Social disparities in Tunisia

**Wassim Laabidi**

## **Introduction:**

The revolution that erupted on December 17, 2010 constituted a popular response to the economic and social policies that over a period of 25 years led to the deterioration of living conditions and a constantly widening gap between different segments of society. The revolution in Tunisia mainly focused on the two points. The first is justice, which necessitated that the state assumes once more its role in providing basic services such as education, healthcare, and housing and that the concept of citizenship be understood as a combination of rights and duties not just the latter as the state used to promote. The second is democracy, which no longer became confined to the political level, but also encompasses social and economic rights. Five years later, the question of whether the Tunisian revolution managed to achieve any of its goals that mainly revolve around social justice keeps posing itself.

There were several attempts to abort the revolution mainly by international financial institutions such as the World Bank and the International Monetary Fund through imposing a set of structural reforms that are bound to obstruct the achievement of social justice, austerity measures being the most detrimental. The result was that the chances of meeting the economic and social demands of the revolution started diminishing and so did the state's role in improving the living conditions of citizens, thus social disparities kept widening. This paper examines the problem of social disparities in Tunisia through analyzing the

mechanisms of their production and underlining their different qualitative and quantitative aspects.

**I- Social disparities and developmental patterns:**

An examination of social disparities in Tunisia is not possible without analyzing the impact of development policies that have for years played a major role in deepening those disparities. Since 1956, the Tunisian economy passed through different phases that varied from one era to another, yet they all share a capitalist tendency. This started with national capitalism in the 1960s through the structural reform program initiated in 1985 until the partnership treaty in 1995, the last being the culmination of a series of measures that eventually led to the subordination of the Tunisian economy to neoliberal ideologies. This pattern continued after the 2011 revolution with the International Monetary Fund (IMF) loan that constituted a different version of the reform programs that started earlier.

Cooperatives and constitutional socialism:

In the 1960s, there was a focus on eliminating the traces of colonialism and designing an economic system that becomes the main nucleus of development. This system supported cooperatives as a means of managing agricultural activities. The state then played a major role in development projects and social and economic investments, which was demonstrated in the construction of a number of industrial facilities such as the iron factory in Menzel Bourguiba and The National Company of Cellulose and Esparto Paper in



Kasserine, the Northwestern Mine Company in addition to investing in education and healthcare where a large number of schools and hospitals were established across the country.

Owing to the relatively elitist nature of cooperatives, the Tunisian people did not support them. This was partly due to lack of awareness of the importance of this system. Cooperatives were also not welcome by several members of the ruling elite and the same applied to landowners who saw the cooperative system as a direct threat to their economic interests. Several campaigns were, therefore, launched against cooperatives until they were abandoned altogether in favor of market economy which started to be seen as the channel through which development can be achieved.

#### Market economy:

Adopting market economy was a direct reaction to the cooperative system, which can be categorized under constitutional socialism and which lasted from the early 1970s to the mid-1980s. The new phase was characterized by the following:

Opening local markets to foreign investments especially in sectors with limited added values and which rely on the consumption of natural resources such as textiles, food industries, and chemical industries.

Issuing financial and tax laws, such as the 1972 law, to offer incentives for foreign investment

- Concentrating all investments and economic projects in eastern coastal areas, which led to the rise of migration rates from inland areas

- Marginalizing the agricultural sector in favor of other sectors such as industry and tourism as state-owned lands were not developed in a way that increases their productivity and as the state gradually withdrew support for farmers, especially small farmers, as far as seeds, fertilizers, and small funds are concerned

- Withdrawal of the state from investment in strategic sectors that play a major part in supporting the national economy such as energy, industrialization, and agriculture

- Gradual lifting of subsidies on basic commodities and freezing wages, which led to a decline in the purchasing power of middle and lower classes and increased social tension

1- Structural reform:

The structural reform program (1985-1995), designed by the IMF, aimed at taking the Tunisian economy towards full integration into the global capitalist economy. Structural reform revolves around a number of principles:

- Restructuring public sector institutions through reducing the number of workers and decreasing spending in social and medical services

- Drafting early retirement laws that lead to the dismissal of the maximum number of workers from the public sector, which was demonstrated in layoff off 5000 workers from the Gafsa Phosphate Company alone within 5 years<sup>80</sup>

- Cancelling the secondment of public sector employees

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<sup>80</sup> Hussein al-Rahili. *Alternative Developmental Pattern: A Must for Economic and Social Progress* [Arabic], p.4.

- The legalization of informal jobs (1993) and introducing the principle of “flexibility” through fixed-term contracts and the Initiation into the Professional World program (Stage d’initiation à la vie professionnelle- SIVP)

- Withdrawal of the state from investment in productive sectors and from spending in public services such as education, healthcare, and infrastructure Tunisia signed the Partnership Agreement with the European Union in 1996 after the state implemented the structural reform program, which rendered the Tunisian economy subordinated to international financial institutions and initiated the privatization project. The agreement included a number of main points:

- The privatization of institutions from productive and competitive sectors such as cement factories, mechanical, transformative, and food industries, and tourism

- Restructuring the Department of State-Owned Land and privatizing arable land at the expense of small and medium farmers

- Reduction of custom tariffs on imported goods and opening local markets to foreign goods at the expense of small and medium industries

- Reducing the competitive ability of local institutions compared to foreign ones, which led many of the former to close and/or declare bankruptcy

- Issuing the investment incentives law (1994) through which foreign investors were given several financial and tax privileges at the expense of public spending in healthcare, education, and infrastructure

- Increasing taxes on wageworkers and low-income families

The repercussions of the implementation of the structural reform program can be summarized as follows:

- The uneven distribution of development projects which came to be concentrated around the eastern coast, which is home to 70% of industries, 65% of the total population, 80% of infrastructure, and 70% of the annual state budget<sup>81</sup>

- A decline in public spending in the education and healthcare sectors, which led to the deterioration of public services and the expansion of private for-profit entities in the same sectors

- The impoverishment of the working class and the majority of the middle class

- The spread of informal labor, mass workers layoffs, and the closure of a number of local companies rendered incapable of competing with foreign companies

- A rise in unemployment rates to reach 16%<sup>82</sup> of the total population and 30% of university graduates<sup>83</sup>, the latter being among the highest worldwide, and the rise of unemployment rate among technicians and workers owing to the mass layoffs that took place after the implementation of the reform program

- A decline in public budget inputs and resorting to crippling loans in which repayment and interests exceed 4,000 million dinars and an increase in the percentage of external debt to reach 62% of domestic raw material<sup>84</sup>

- Deterioration of the financial status of social funds, especially the National Retirement Fund and the Social Security

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<sup>81</sup> Hussein al-Rahili, p.5.

<sup>82</sup> The National Institute for Statistics, 2015, <http://beta.ins.tn/ar/statistiques>

<sup>83</sup> Population and employment statistics for the first quarter of 2015, <https://goo.gl/dAcsxB>

<sup>84</sup> IMF estimates, 2016, <https://goo.gl/HaKSCQ>

Fund as a result of the increased burden on them following the dismissal and early retirement of a large number of workers as well as the freezing of secondment in the public and private sectors

Social disparities in Tunisia can be understood as the accumulation of neoliberal policies and the subsequent decline of the role of the state. These policies are closely linked to the revolution that erupted against the social and economic conditions that intensified disparities. That is why democracy for the Tunisian revolution was not confined to the political aspect, but also encompassed the social and economic aspects, without which it was impossible to achieve justice.

#### 2- The IMF loan agreement:

The developmental loan agreement was signed with the IMF<sup>85</sup> in 2012 as part of consolidating Tunisia's political and economic subordination to international financial institutions and the neoliberal ideology in general. The USD 1.7 billion loan was linked to a bundle of structural reforms in the Tunisian economy and that can be summarized as follows:

- Gradual lifting of state subsidies on basic consumer commodities through reducing the expenditure of the Subsidy Fund
- Capitalization of public banks as a step towards privatization
- Reducing public spending in education, healthcare, and infrastructure
- Freezing secondment in the public sector
- Restructuring social funds in favor of capitalization

Generally speaking, the IMF loan agreement did not only aim at guaranteeing more subordination on the part of Tunisia, but also aborting the demands of the revolution that focused on the

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<sup>85</sup> IMF Letter of Intention, 2012, <https://goo.gl/DkvIAH>

principles of social justice and national independence. This means that the same conditions against which the revolution was staged remained the same after the revolution and so did the social disparities they caused. It will be important in this regard to examine the different types of social disparities in Tunisia with special focus on three of them: unemployment, regional disparities, and the position of women.

## **II- Social disparities in Tunisia: Aspects and characteristics:**

Definitions of social disparities vary in accordance with different intellectual and ideological affiliations, yet what is common in most definitions is the fact that social disparities are basically the consequences of unfair social and economic choices that prioritize wealth accumulation and profit over human development. Examining social disparities in Tunisia necessitates looking at the main reasons that trigger them and which have been the cause of a number of social movements as well as the revolution. This paper will focus on three main reasons: unemployment, regional disparities, and the position of women.

### Unemployment:

Unemployment is one the most significant indications of the failure of the restructuring reform program and the capitalist system in general since it is mainly the result of prioritizing profit and capital over equality and the fair distribution of wealth. Social disparities in Tunisia were the logical result of more than 60 year of a capital-oriented development pattern that first and foremost pledges allegiance to imperial powers and multinational companies.

According to official statistics, the total number of the unemployed in Tunisia until September 2015 is 72,000<sup>86</sup> (17.6%) compared to 600,000 in 2010<sup>87</sup>, bearing in mind that these numbers stand for citizens who voluntarily choose to register in official records and are not automatically generated. This official number kept rising until it exceeded 120,000 amid reports that the actual number might reach one million if other types of unemployment are taken into consideration. Unemployment in Tunisia took several shapes:

- Regular unemployment: this type includes people who never had a job before and this is the majority of Tunisia's unemployed.
- Technical unemployment: this type includes workers who were laid off owing to their inability to cope with the technical and technological changes introduced to the production process and the workspace in general even though international laws and the World Labor Organization criminalize the dismissal of workers for technical reasons and oblige employers to provide them with the adequate training in technical upgrades. The percentage of this type among the Tunisian people is quite limited since the Tunisian economy does not progress substantially in terms of technology and technical upgrades. In fact, non-specialized labor force constitutes the majority of workers in Tunisian factories.
- Economic unemployment: this type includes workers who were laid off after their factories closed, went bankrupt, or were annexed to a foreign company.

The unemployed in Tunisia can also be categorized in accordance with the educational level as follows:

- University graduates: 31%

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<sup>86</sup> The National Institute for Statistics, September 2015, <https://goo.gl/nMKfjf>

<sup>87</sup> The National Institute for Statistics, September 2010. <https://goo.gl/nMKfjf>

- High school education: 20.6%
- Elementary education: 12.4%
- Uneducated: 8%<sup>88</sup>

Tunisia also has one of the highest worldwide rates of unemployment among youths between 15 and 29 years old, with a percentage of 35.2%<sup>89</sup>, which means that more than one third of youths' skills is frozen and excluded from the economic and social scene.

The distribution of unemployment percentages across different parts of Tunisia is linked to the 30-year-old developmental pattern that was biased to some regions at the expense of others. The coastline has always been the most privileged, which led to the marginalization of northwestern, southwestern, central, and southeastern inland regions where unemployment rates were much higher. For example, the unemployment rate in the Gafsa governorate in 2014 reached 26%<sup>90</sup>, which means one and half times the national unemployment rate. Even though the mining basin located in the Gafsa governorate pumps around 9 million dinars daily into the economy, the benefits go to residents of other more privileged regions. Unemployment rates in the northwest range between 24 and 26%. For example, unemployment rate in the Jendouba governorate reached 25.6% in 2014<sup>91</sup>. Unemployment rates in the southeast and the center are estimated at 25%. On the other hand, unemployment rates are at their lowest in the governorates of Sfax, Sousse, Monastir, and Zaghouan. For

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<sup>88</sup> Abdel Galil al-Badawi. *Employment Challenges and the Necessity of Revising of Development Patterns* [Arabic], March 2013, p.51.

<sup>89</sup> ONEQ: Les jeunes de 15 à 29 ans sont les plus touchés par le chômage en Tunisie, African manager, April 2014, <https://goo.gl/ta6o1S>

<sup>90</sup> The National Institute for Statistics, 2014 census, <https://goo.gl/nMKfjf>

<sup>91</sup> Ibid.



example, unemployment rate is estimated at 6% in Monastir and 15% in Sousse<sup>92</sup>.

Generally speaking, the unemployment rate in Tunisia is high enough to increase tension in the Tunisian society. Successive post-revolutionary governments did not take serious steps to eliminate unemployment, but only resorted to temporary measures such as the grants given to university graduates (200 dinars per month for a year), the employment encouragement program (Amal program), and organizational training.

The decline in the role played by the state as far as employment is concerned led to the emergence of several protest movements that called for job opportunities in inland regions and where clashes took place between protestors and security forces as was the case in the mining basin and Kasserine. Employment was one of the main demands of the revolution since it constitutes an integral part of social justice and an indispensable channel through which social disparities can be allayed.

#### 1- Regional disparities:

The northwestern region is one of the richest in Tunisia in terms of natural resources and that is why it constitutes a perfect medium for development. The area of the northwest is 16,565 square kilometers<sup>93</sup>. It constitutes 10% of the total area of Tunisia, 21% of which (1.570 million hectares)<sup>94</sup> is arable land that is 65% of the total area of the northeast and around 20% of the total arable land nationwide. Forest and grazing lands in

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<sup>92</sup> Abdel Galil al-Badawi, P. 54, March 2013.

<sup>93</sup> North West Tunisia, *Wikipedia*:

[https://en.wikipedia.org/wiki/North\\_West\\_Tunisia](https://en.wikipedia.org/wiki/North_West_Tunisia)

<sup>94</sup> Official website for Ministry of development, investment, and international cooperation <http://www.odno.nat.tn/>

North West Tunisia are estimated at 477,000 hectares<sup>95</sup>, that is 28% of the total area of the region and around 23% of forest land nationwide. The North West is Tunisia's strategic water reservoir as it contains 65% of surface water, that is around 1.273 billion cubic meters<sup>96</sup> per year and also contains 75% of national dams. The strategic importance of water resources in the North West made it the main water supplier for different regions across the country, especially the coastline. The North West is also crucial to the agriculture sector in Tunisia especially in grand cultivations and fodder, for it supplies 45% of the national seed production, 45% of fodder, and 80% of forest product<sup>97</sup>. The population of northwestern Tunisia is estimated at 1,172,500<sup>98</sup>, that is 12% of the total population and 45% of youths (18-45 years old)<sup>99</sup>, which means it is extremely rich in human resources.

The characteristics of North West Tunisia reveal how much of a potential it has for development projects and how it can constitute a major pillar of the national economy of Tunisia. However, reality is totally different since the northwest is among Tunisia's poorest regions. In order to know the reason for this condition, it is important in this regard to examine the development indicators in this region on the economic, social, and human levels.

The main economic potential of the North Worst, which is agriculture, was marginalized through privatization and the decline of the state's role in supporting this strategic sector which left it isolated from technological advances. The rising prices of seeds and fertilizers constituted a financial burden for small and

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<sup>95</sup> Ibid.

<sup>96</sup> Ibid.

<sup>97</sup> Ibid.

<sup>98</sup> The National Institute for Statistics, General Census 2014,  
<https://goo.gl/4S6MGz>

<sup>99</sup> Ibid.

medium farmers who, in the light of state withdrawal, became indebted to funding institutions and many of them had to give up their land for being unable to pay their loans and they either turned into waged farmers or migrated with their families to the cities where they took menial jobs. That is why agricultural production kept declining and only rich landowners managed to keep their lands. This deterioration in farmers' conditions led to a drop in their contribution to the labor force in the North West to reach only 17% compared to 37% in the 1960s<sup>100</sup>. As for the industrial sector, the North West has for decades suffered from official choices that preferred the coastline for industrial development, thus excluding the rest of the regions especially the North West. In fact, the number of northwestern industrial facilities in which workers are more than 10 is 200 at most<sup>101</sup>, which is the number of factories in one industrial region in Sfax, Sousse, or Ben Arous. Industrial facilities in the North West do not have a high operational capacity since they work in marginal and transformative sectors in addition to the fact they do not have access to the latest technologies.

The deterioration of economic activities in the North West had a negative effect on social and human development indicators, which is shown in the rise of poverty and unemployment rates as well as a general deterioration in living conditions. Unemployment rates reached 20%<sup>102</sup> of the labor force in the region, that is one and a half times the national rate. Poverty rate in the North West reach 33%, compared to 24% nationwide. The North West is also home to the largest number of families living under poverty line for the percentage of

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<sup>100</sup> Hussein al-Rahili. "Development in the North West: Potential, Obstacles, and Horizons [Arabic]," 2015, <https://goo.gl/w79rf9>

<sup>101</sup>Beja: economist: All development indicators in the Northwestern .. are deteriorating, Chourouk, April 2015, <http://www.alchourouk.com/101615/688/1/>

<sup>102</sup> Anbaa Tounes, <http://www.kapitalis.com/anbaa-tounes/2016/02/19/>

countryside residents reaches 62%, compared to 38% city residents<sup>103</sup>, which is the reverse of the general demographic distribution nationwide. The percentage of illiteracy in the North West reached 32%, that is one and a half times the national rate. This percentage increases among women to reach 41% on the governorate of Siliana and 38% in the governorate of Jendouba<sup>104</sup>.

The deterioration of living conditions in the North West led to a series of migrations to the cities, which affected the population density. The number of Tunisians that left the North West for the capital and coastal cities between 2011 and 2012 is estimated at 8,000.

The condition of the North West offers an example of the discrepancy between the natural resources of a given region and the developmental initiatives channeled towards it. The North West is also an example of the marginalization of certain areas in favor of another which is the case with the Tunisian coastline. This discrimination based on geographical local is bound to widen the gap between different segments of the population and deepen social disparities, thus obstructs the achievement of social justice.

#### 2- The position of women in the agricultural sector:

The problems related to women who work in the Tunisian countryside are indicative of invalidity of claims that gender-based discrimination has been eliminated and of the multiple challenges faced by the agricultural sector in general. A large number of women in the country side work in informal, unstable jobs owing to the deterioration of living conditions especially in the cases of women whose husbands migrate to the capital and coastal cities, thus they have to financially support their families.

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<sup>103</sup> Official website for Ministry of development, investment, and international cooperation <http://www.odno.nat.tn/>

<sup>104</sup> Hussein al-Rahili. "Development in the North West.", <https://goo.gl/w79rf9>

Women, on the other hand, constitute the main labor force in the agricultural sector. According to a statement by the Tunisian Union for Agriculture and Fishing, women constitute 61% of the total seasonal farming labor force<sup>105</sup>, 11% of whom are not paid for their work. According to the same source, 4,000 women work in informal jobs, so they are deprived of their basic working rights. Several official sources, such as the Ministry of Agriculture, confirm that the percentage of women working in the agricultural sector amounts to 80% in some regions in Tunisia<sup>106</sup>.

Three main indicators can shed light on the condition of women working in the agriculture sector: working hours, contracts, and wages. The main reference will be a study conducted by the Tunisian Association for Democratic Women in 2014 and which included 200 women working in agriculture in Tunis, Baja, Jendouba, Siliana, Bizerte, and Nabeul. The study revealed that 67% of surveyed women work 8 hours a day, 20% work 9 hours, and 5% work 10-12 hours<sup>107</sup> and that 22% of them do not get a day off. According to the study, 73.7% of surveyed women work without contract, 15.6% have fixed-term contracts, and 10.8% have indefinite contracts<sup>108</sup>. The study also revealed that 19% of surveyed women get their wages through mediators who are usually the same people who transfer them to and from the field. Regarding the payment of wages, 28% of interviewed complained of different obstacles, on top of which is delay in

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<sup>105</sup> National Report to assess the level of implementation of the Republic of Tunisia to the Programme of Action of the International Conference on Population and Development, June 2013 <https://goo.gl/v2FdW8>

<sup>106</sup> L'injustice a bon marche, <https://goo.gl/pse7Z7>

<sup>107</sup> A study on the conditions of women working in the Tunisian countryside [Arabic]. The Tunisian Association of Democratic Women, p.51.

<sup>108</sup> Ibid, p.52.

payment, and 10% were not given their wages at all<sup>109</sup>. The study stated that 90% of the women get a daily wage of 10-15 dinars, that is around 280 dinars per month and that is much less than the farmer's minimum wage which is 338 dinars. There is also a discrepancy between the wages of men and women for men usually get more than 15 dinars per day.

The conditions of women in the Tunisian countryside reveals another aspect of social disparities in Tunisia and underlines the necessity of a unified action on the part of female farmers and the importance of introducing an alternative economy that guarantees their rights. Several initiatives calling for the legalization of women's work in the countryside have already come to being.

### **Conclusion:**

The issue of social disparities in Tunisia is of extreme importance not only because it is one of the main reasons for the eruption of the revolution, but also because no substantial changes were done in this regard after the revolution. Examining the main reasons for social disparities reveals that it is not possible to achieve social justice within a neoliberal system that prioritizes profit over human development. It also proves that democracy is not only a political process, but rather one that encompasses social and economic conditions without which justice cannot be attained.

While the negative impact of neoliberal policies is obvious in the economic and social conditions of most Tunisians, it is worth noting that a number of protest movements have been emerging for the purpose of resisting those policies and raising awareness about the contradiction between social justice and human

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<sup>109</sup> Ibid, p.57.

development on one hand and the global capitalist system and market economy on the other hand.





# **Social and class disparities in Yemen**

**Maan Dammag**

## **Introduction:**

The validity of any analysis that tackles social and class disparities in Yemen is always questioned in a country where tribal and regional loyalties take precedence over national ones. This was especially demonstrated in the aftermath of the February 2011 revolution that later turned into a civil war in which regional powers intervened. The conflict also gave rise to an identity crisis that was a direct result of southern calls for secession as well as the formation of new loyalties with the emergence of the Houthi alliance.

It is impossible to overlook such factors in any analysis of the Yemeni condition especially that they are the main reasons for the eruption of the 2011 revolution. However, Yemen's problems date back to long before the revolution, but can be particularly linked to the fall of legitimacy of the Yemeni state in 2004, also known as the Saada War, and the emergence in 2007 of the Southern Movement. The Saada War, between then President Ali Abdullah Saleh and his Islamist and tribal allies on one hand and the Houthi militias then known as Young Believers on the other hand, was seen to mark the failure of the September 1962 revolution in building a national state. Similarly, the Southern Movement, which turned in 1994 into a war that ended with Saleh's victory over the South, can demonstrate the failure of the May 1990 unification.

It is noteworthy to mention that the civil conflict through which Yemen has been going for the past two years is almost totally destroying the Yemeni economy and triggering the emergence of a war economy in which the black market and parallel economies take control. This, in turn, leads to the

emergence of a new class made up of militia leaders and smuggling gangs. With the war, oil and gas exports ground to halt and in a rentier economy in which combustibles occupy the bigger part and where oil and gas exports constitute 70% of state budget, this is quite detrimental. In fact, a large number of citizens are on the verge of famine according to reports issued by international organizations. For example, the World Bank affiliated MENA Economic Monitor<sup>110</sup> the social and economic structure of the country got totally paralyzed one year after the conflict started. According to official reports, the gross domestic product shrunk in 2015 by 28% and the escalating conflict, which started in March 2015, stopped all economic activities and destroyed the infrastructure in addition to the fact that since the first quarter of 2015, oil and gas exports had already stopped. Imports, except foodstuffs and bioenergy, have remarkably declined and the annual inflation rate has reached around 30%. The situation is expected to get worse as the UN World Food Program (WFP) declared that almost half the Yemeni people are starved and that more than 10 million citizens out of a total of 25 million are suffering from acute malnutrition. That is why the WFP announced increasing its aid to Yemen.

When talking about the social structure of the country which reunited in 1990, there are two structures involved at least till the early 1990s. The unification took place between two parts of the country that were totally different in terms of social and economic policies even though both parts were poor and suffered from social and economic deterioration. The North adopted a market economy, was supported by Saudi Arabia and Gulf states, and also depended largely on remittances. The South, on the other hand, adopted a centralized system in which property was state-owned and the public sector was the main source of employment. The liquefaction of the public sector in 1994

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<sup>110</sup>Yemen on World Bank, <https://goo.gl/SnBqFo>

increased poverty rates in the South and led unemployment rates to reach 50% right before the eruption of the revolution.

Yemen adopted structural reform policies in the mid-1990s, floated the local currency, and increasingly depended on oil and gas revenues. It also witnessed the dominance of the bourgeoisie so that all enterprises were concentrated on the hands of a few families that are usually connected to the regime. The UN Sanctions Committee stated that Saleh's wealth is estimated at USD 60 billion administered by 5 Yemeni business families. In fact, the split that took place within the ruling elite can largely be attributed to an escalating struggle over public enterprises in a poor country that is incapable of meeting the needs of different parties within this elite.

Social and class disparities in Yemen can be measured on several levels that reflect the polarized character of the country:

- The Urban-rural divide
- The Southern issue
- The impact of structural and economic reform programs

### **Urban-rural divide:**

The majority of Yemeni citizens still live in the countryside. Despite the remarkable increase in the residents of urban areas and which rose from 23.5% in 1994 to 28.64% in 2004<sup>111</sup>, residents of urban areas still do not exceed one third of the population. It is noteworthy that when analyzing the population structure of Yemen, tribal affiliations have to be taken into consideration even though tribes make up only 20%, only 3% of which are nomadic Bedouins. The importance given to tribes is not, however, measured by the size of a given tribe or the

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<sup>111</sup> Central Statistical Organization, statistical yearbook 2004, Department of Population: <http://www.cso-yemen.org/content.php?lng=arabic&id=286>

distribution of its members across the country, but is rather more linked to the political regime established in Northern Yemen following the September 1962 revolution and Yemen in general following the unification in May 1990, particularly after the victory of Saleh and his allies in 1994.

Unlike the prevalent assumption, almost all tribal areas are rural and the majority of tribal residents work in farming. A small percentage of tribe members work in state jobs especially in the army and security forces, which partly explains why the Saleh-Houthi alliance managed to recruit large numbers of citizens from tribal areas in the North, many of whom took part in the February 2011 revolution, which made it even easier for them to join the alliance. In fact, the Saleh-Houthi alliance used tribal and regional affiliations to recruit many Yemeni revolutionaries. The political regime in Yemen was since the Yemeni revolution in the 1960s and particularly after November 1967 coup based in three pillars: the tribe, the army, and the presidency. Islamists, particularly the Muslim Brotherhood, were the ideological machine of the regime and the difference between them and Zaidi political Islam, now represented by the Houthis, did not emerge except after the Iranian revolution in 1979. This was particularly obvious in 1986 when the Houthis started establishing ties with the Iranian regime and made a point of distinguishing themselves from the rest of Islamists who saw the socialist regime in the South and all leftist factions in the North, especially the National Democratic Front, as their archenemies.

Investment and development in Yemen, weak as they are, are concentrated in five major cities, on top of which is the capital Sanaa where most services, including education and healthcare, are located and the same applies to most transformative and non-oil industries. This is despite the capital's distance from the sea, its elevation, and the shortage of water resources in it. In fact, several Arab and international experts wondered why

development projects have been overlooking the sea and focusing on the mountains. This tendency reflects the centralized nature of development and the influence of the bourgeoisie that is mainly made up of senior officials, army officers, and tribal chiefs who live in the city and worked in trade and investment since the 1980s. Added to this is the part of the bourgeoisie that gained more ground through its connection to then President Ali Abdullah Saleh and his family. The two main parties within the bourgeoisie established partnerships with each other and both established partnerships with Saleh's family including through marriage. This was particularly demonstrated in the relationship between Saleh's family and the family of Sheikh Abdullah ben Hussein al-Ahmar, parliament speaker and chairman of the Yemeni Congregation for Reform (Islah Party), an alliance of the Muslim Brotherhood, tribal chiefs, and tradesmen. This explains the unconditional support given to Saleh and his Houthi allies by the bourgeoisie in the current conflict. In addition, the bourgeoisie sees in the other faction, especially Vice President General Ali Mohsen al-Ahmar and Sheikh Abdullah al-Ahmar's children and their allies from the Islah party, a direct threat to their interests and views their victory as an elimination of their influence.

In addition to Sanaa, services and jobs are concentrated in Aden, Tuez, al-Hudayeda, and al-Mukalla. While infrastructure is weak in those cities, it cannot be compared to that of the countryside where medical services are almost nonexistent and where education suffers from remarkable deterioration. This is partly attributed to the distribution of the population across the country for Yemenis are scattered over 130 thousand residential complexes that make it much harder for services to reach them. Furthermore, the condition of electricity and water in the countryside is extremely poor and many rural areas live on local projects that replace public services, many of which were

destroyed by the current conflict, especially electricity. It is noteworthy that the decline in public services has started with the eruption of the revolution in 2011.

The political regime established in Yemen on February 5, 1967 constituted more or less a continuation of the imamate against which the September 1962 revolution was staged. The similarity between the two systems was obvious in the concentration of power in the same geographical location—the northern tribal area—and replacing the spiritual leadership that was confined to a number of Hashemite families with the new regime so that it would eventually become an imamate without an imam. Despite the fact that most army officers, senior officials, and tribal chiefs belonged to the northern tribal area, it remained the poorest across the country with high rates of poverty, unemployment, and marginalization. This even applied to those who worked for state and security institutions as well. Residents of this area, in addition to Tihama, are considered the most impoverished and most marginalized even compared to other rural areas in Yemen.

The discrepancy between different parts of the Yemeni countryside is partly attributed to climate and crops. For example, areas that grow khat are better off even though it is a crop that consumes a lot of water. In addition to being a valuable commodity, Khat is considered the main source of income for people living in areas that grow it and plays a major role in pumping money into the countryside. The position of women is another factor. In rural areas where men tend to migrate inside or outside Yemen, women and children constitute the majority of the population. In these areas, women are fully responsible for both household chores and farming duties as their husbands either work in the Gulf region like hundreds of thousands of Yemeni men or in one of the big cities.

## **The southern issue:**

While the 2011 revolution in Yemen shared a lot of demands with other Arab revolutions such as citizenship, social justice, and freedom, it also had to solve other issues pertaining to the specificity of the Yemeni context, on top of which was national identity. The Saada War in 2004 and the Southern Movement in 2007 offered proof of the failure of the state in establishing a national identity that can take precedence over other loyalties. The Southern issue has been the most pressing in this concern since the unification took place hastily and without proper planning and brought together two totally different systems. It was for this reason difficult to avoid the tension that eventually led to the eruption of a civil war only four years after the unification and which ended with the victory of the Northern Ali Abdullah Salah and his Islamist and tribal allies. In fact, Yemen is a country where unity is the exception and the nation demarcated by the 1990 borders has not actually materialized for the past 270 years.

Among the main factors that are always overlooked when attempting to examine the Southern issue are those pertaining to the economy and economic policies. Despite the fact that the economic conditions of the Yemen Arab Republic in the North and the People's Democratic Republic of Yemen in the South were quite similar, but the two economic systems were entirely different for while the North adopted the market economy the South was socialist. The North witnessed the emergence of a class of businessmen, many of whom fled from the South following the establishment of the socialist system and the nationalization wave that accompanied it, which explains the hostile sentiments of members of this class against the South. The economic system in the North maintained many of the characteristics of the imamate, which was especially demonstrated in the dominance of feudalism on the ownership

of arable land. The North did not introduce any type of agrarian reforms and expanded, on the other hand, in different commercial sectors and established close ties with monopolizing countries and with the Saudi economy in what Mohamed Abdel Salam labeled “double subordination”<sup>112</sup>. The initiation of North Yemen into the age of oil through discovery in 1984 and the start of exports in 1986 followed by South Yemen, even if on a smaller scale, made it easier for the unified state to establish a rentier economy already established in the North with Saudi support.

The economy in the South, on the other hand, adopted a socialist system and was dominated by the Yemeni Socialist Party, the successor of the National Liberation Front that led the independence movement against the British. South Yemen established close ties with the Eastern Bloc and socialist countries in general. The National Liberation Front inherited from the British an administrative system that was better than the one adopted in the North and Aden was a modern city when compared to other cities in the Arabian Peninsula at the time. In fact, Aden turned in the 1940s and 1950s into one of the busiest ports around the world. However, the situation outside Aden—namely the Eastern Reservations and Southern Reservations known at the time as Southern Arabia—was more or less the same as that in North Yemen. The regime of the National Liberation Front also came to power following the defeat of June 1967 in Egypt and which resulted in the closure of the Suez Canal. This shift dealt a strong blow to Aden since its port depended on the Suez Canal, which was the reason why ships between Europe and Asia passed through the Port of Aden.

The new regime in the South was, therefore, founded on the socialist slogans and programs of a party that succeeded a

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<sup>112</sup> “The Republic between the Sultanate and the Tribe in North Yemen [Arabic].” Cairo, p.149.



national independence movement in a poor country in which trade unions were nonexistent and where agriculture was the main economic activity and very few of the citizens were workers. South Yemen also suffered from high poverty rates and the absence of an infrastructure with the exception of Aden. This led the state to start a series of nationalizations that encompassed all sectors. Unlike the regime in the North, the state in the South worked on eliminating all form of tribal loyalties so it replaced that names of governorates with numbers, cancelled all honorary titles from identification documents, and excluded tribal chiefs from state affairs. A large number of tribal chiefs and heads of governorates left South Yemen for the North and from there many moved to Saudi Arabia and other Gulf countries.

The regime in the South established a centralized system in which all property was state-owned and where the state was the main provider of jobs. Nationalization included all industrial and service sectors. A strict agrarian reform program was initiated and most arable land became owned by the state and at times by farmers' cooperatives or state entities. Nationalization also included small shops and fishing boats and fishing associations and cooperatives were established. In fact, the fishing sector was one of the most successful in South Yemen and was one of the main sources of foreign currency and the biggest in exports before the discovery of oil. The state depended on aid from the Soviet Union and the Eastern Bloc, especially during the economic war waged by Saudi Arabia and Gulf states to besiege South Yemen and which also included luring university graduates into leaving through offering them jobs and residency and even citizenship. This campaign was not a surprise since the regime in South Yemen supported all independence and opposition movements that started at the time in the Arabian Gulf. Meanwhile, the state provided all basic public services free of charge, on top of which was healthcare and education and

offered job opportunities for all graduates. Yet, the regime in South Yemen imposed several restrictions on citizens, especially in terms of travel in order to fight temptations offered by Gulf states to drain the country of its already limited human resources.

The economy of South Yemen faced a lot of challenges, the bloody clashes of January 1986, though political in nature, revived tribal and regional loyalties, and support from the Soviet Union and the Eastern Bloc declined, yet the state remained committed to providing all public services and maintained the economic system it established. Even the comprehensive reform program ratified by the ruling party following the January 1986 violence did not change the nature of the social and economic choices made by the state. The 1986 events, however, did have a negative impact on the Socialist Party and its legitimacy in the South even though the regime was not faced with any substantial opposition and the limited opposition that existed at the time had no popular base. The only exception was defeated factions within the party and whose leaders fled with thousands of its members, the president, and the secretary general of the party Ali Nasser Mohamed to the North.

It was in this context that the North and the South united on May 22, 1990. The unification was not well planned at all and the transitional stage was remarkably shortened. Since the state was the main provider of jobs in the South, the number of civil servants there was double their counterparts in the North when the unification took place even though the population of the South constituted only 20% of the newly united country. The state in the South was also in charge of providing social services to the public, which was not the case in the North.

After a short honeymoon, tension started between the two parts of the unified state. A series of assassinations targeted Socialist Party leaders and managed to kill 156 of its senior

members in addition to a number of failed attempts against several senior officials in the party such as Parliament Speaker Yassin Saeid Noaman and Prime Minister Heidar al-Attas. The Socialist Party scored a sweeping victory in the South in the first elections held after the unification in 1993 and took 54 constituencies out of 56. However, the party ranked third on the national level because its candidates were scattered across a large number of constituencies. The second place was occupied by the Yemeni Congregation for Reform (Islah Party), which allied with President Ali Abdullah Saleh and his General People's Congress. The new three-party alliance rendered the Socialist Party a minority and assassinations against its leaders continued. One year later, the conflict erupted after a long political crisis that started with the resignation of Secretary General of the Yemeni Socialist Party and post-unification Vice President Ali Salem al-Beidh who accused President Ali Abdullah Saleh and the Islah Party of orchestrating the assassinations and demanded legal and constitutional guarantees for the South to become an equal partner in the new unified country. Negotiations started and a treaty was signed in the Jordanian capital Amman to establish a form of administrative and political federalism and give more powers to the vice president. However, a few days later the war erupted. Ali Abdullah Saleh seemed prepared for the war while this was not the case with the Socialist Party that was still dealing with the effects of the January 1986 incidents. In fact, Saleh used the defeated faction of the Socialist Party under the leadership of Ali Nasser Mohamed who facilitated the invasion of the South. Aden fell after two months and Ali Salem al-Beidh left for Oman.

When the Socialist Party lost the war, millions of Southern citizens who owned no private property and depended on the state for a living were faced with a new reality in which tens of thousands of army and police officers from the South were dismissed and tens of thousands of civil servants were forced into

early retirement. Privatization of the public sector started and this included state institutions, factories, companies, and farms. Several arable lands became owned by Ali Abdullah Saleh and his Islamist allies from the Islah Party for very cheap prices or for free. The new system benefited the commercial bourgeoisie, police and army officers who were mainly from the North and allied to Saleh while citizens of the South saw what their public assets converted into private property.

It was against this backdrop that the South Movement was formed starting with rights demands and eventually reaching the stage of calling for separation and the establishment of a state in the south once more under the name Southern Arabia or the People's Democratic Republic of Yemen. Several protests and sit-ins were staged in Aden and Dhale especially by forcefully retired army officers who were among the most affected by the procedures carried out by Saleh and his allies following his victory in the civil war.

### **The impact of structural and economic reform programs:**

The Yemeni economy was dealt the first blow in 1990 when the Second Gulf War erupted only three months after the unification. The regime in the Yemen Arab Republic largely depended on aid from Gulf states, especially Saudi Arabia which did not welcome the unification with its enemy in the South. Meanwhile, the Eastern Bloc was getting weaker and therefore aid from this side was declining and aid from the Gulf was expected to decline as well which led to expectations of a serious economic crisis. The discovery of oil was expected to help the new government of the unified government overcome its economic challenges, yet Yemen's decision to support Iraq in its invasion of Kuwait led Gulf states to almost sever relations with the nascent state and stop all aids and loans to it. Saudi Arabia also expelled hundreds of thousands of Yemeni workers whose

remittances constituted a major source of foreign currency in Yemen and who financially supported hundreds of thousands of families.

Following a long political crisis, the country witnessed in December 1992 the first wave of popular protests against corruption, price hikes, and deteriorating living conditions as well as in response to the government's decision to lift subsidy on oil extracts. In addition to the capital Sanaa, the most intense of these protests took place in Taez where scores were killed and injured. The authorities violently suppressed the protests and the army and riot police, the latter led by Saleh's brother Mohamed Abdullah Saied, were deployed. The state accused the Yemeni Socialist Party of orchestrating the protests and it is likely that some party members in Taez and al- Hudayeda were actually involved in organizing these protests.

The 1994 war cost the Yemeni economy financial losses that amounted to USD 11 billion and the budget deficit reached 16% of the gross domestic product and inflation rates reached 70%. In this context, the Yemeni government, comprised of the General People's Congress and the Islah Party after excluding the Socialist Party, embarked on implementing an economic, financial, and administrative reform program in cooperation with the World Bank and the International Monetary Fund. Within a short time, the government free floated the local currency so that it became subjected to market mechanisms and one US dollar equaled 100 Yemeni riyals compared to 50 riyals before the reform program. The state lifted subsidies on rice, milk, and sugar and the prices of fuel rose by 60-100% in 1994<sup>113</sup>. In 1998, fuel prices increased by 200% and massive

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<sup>113</sup> Mohamed Ali al-Moqbali. *Economic Reform Programs and their Impact on the Agriculture Sector in Developing Countries* [Arabic]. University of Algiers, 1<sup>st</sup> edition, 2012, p. 240 and after.

protests were staged, especially in Sanaa. Those protests were distinguished by the large-scale participation from rural tribal areas due to the increasing prices of kerosene, which was used by farmers in extracting water. After tribes blocked several main roads, the government reduced kerosene prices by 50%, yet used extreme violence in suppressing protests in the capital and major cities which resulted in scores of deaths and injuries. All the successive governments continued the implementation of the same policies in cooperation with international financial institutions and prices of fuel increased once more, this time by 120%, and Sanaa was swept by massive protests on July 20-21, 2005. The government deployed the army and tanks and helicopters were used to control the capital which was occupied by angry protestors.

Yemen witnessed a series of protests of different magnitudes, yet always as a result of price hikes as well as poverty, marginalization, and unemployment. It is interesting to note that the post-revolutionary insurgency staged by the Houthis and former president Saleh was allegedly the result of an increase in fuel prices that reached 80% on July 30, 2014 and was implemented by the government of then Prime Minister Mohammed Basindawa, formed as a result of Gulf initiative that split power between Saleh and the opposition following the 2011 revolution. It is under this pretext that the Houthi-Saleh militias besieged Sanaa in August until it fell in September 21, 2014 after little resistance mainly because the army sided with the militias.

As usual, the government justified these economic decisions by claiming they would help increase growth rates, decrease public debt, and reduce budget deficit. However, the results of these policies are indicative of their failure as the living conditions of citizens have remarkably deteriorated, growth rates did not increase, and neither public debt nor budget deficit decreased. The percentage of Yemeni citizens living under

poverty line reached 38% in 2012 according to the Arab Monetary Fund, compared to 34.8% in 2005/2006. It is noteworthy that this percentage was 19.1% in 1992, which is before the implementation of reform policies and reached 40.1% in 1998. Yemen has also witnessed a remarkable deterioration in terms of income distribution in the decade that preceded the revolution as the Gini index rose from 33.4% in 1998 to 37.7% in 2005/2006 according to the Arab Monetary Fund. In 2005, the richest 10% of Yemenis got 30% of the total national revenue while the poorest 10% got only 3.3% according to World Bank statistics. When the revolution erupted in February 2011, unemployment had reached 18% and illiteracy reached 34.7% according to the Arab Monetary Fund while its average percentage in the Middle East was 20% in 2010<sup>114</sup>.

There is no doubt that the war Yemen has been witnessing for the past two years played a major role in the deterioration of social and economic conditions. In addition to the tens of thousands of deaths and injuries, approximately 3 million people had to leave their homes in conflict zones, and the already ailing infrastructure was totally destroyed. The war context also gave power to black market mafias, war lords, and militia leaders and while those accumulate huge amounts of money from selling oil and basic products in the black market, the majority of the population is living under poverty line and is on the verge of famine.

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<sup>114</sup> Hassan Suleiman. "The Economy of Yemen: Tense Reality and Political Horison [Arabic]": <https://goo.gl/UPJom3>





# **Justice or compromise?**

## **Social disparities and challenges to social justice in Oman**

**Said Sultan al-Hashmi**

“We want justice and equality. Is that a lot to ask?” “Soaring prices are eating the poor up;” “Down with corruption!” “Put corrupt officials on trial;” “Arrest those who rob the people of their freedom.” Those are examples of slogans repeated in the protests staged by the Omani people in early 2011 and they are still valid till the present moment, for living conditions are still the same and the state is still focusing on protecting its interests’ network while social disparities that have existed since the emergence of the modern Omani nation five decades ago remain an obstacle to social justice. The growth Oman achieved on several levels now seems jeopardized by the repercussions of monopoly policies that have for a while been obstructing the establishment of a system based on social justice, citizenship, equality, fair distribution of wealth, and protection of rights and freedoms. Five years after the protests, many questions remain unanswered especially ones concerning where the problem lies and whether it is related to external factors or to the core of the regime.

Examining social disparities in the Arab region is a complicated process. This complication is not the intricate relationship between classes, ethnicities, cultures, and age groups or gender issues even if all those are indeed major components of social disparities. Discrimination, exclusion, and marginalization and their link to the establishment of the post-independence national state are at the core of social disparities, which already found a fertile soil in the pre-independence

tradition. However, those disparities were given the opportunity to thrive in the nascent state through which they were, in fact, institutionalized and modernized until they became an integral part of the structure of the state. It was the Arab Spring that sounded the alarm bell on the threat these disparities pose to social stability.

This paper will examine three main disparities that arguably play the biggest part in obstructing social justice in Oman because they are the most linked to the everyday life of Omanis and are also related to the reasons for which Arab Spring revolutions erupted. Those disparities are always linked in the minds of the people with promises made by the state, but not materialized and that is why they play a major role in determining the relationship between the state and society.

1- Living disparities: the paper will examine the way in which wage and income inequality reflect on living conditions and poverty rates and will look into the rising unemployment rates among local youths while foreign labor keeps increasing.

2- Cultural disparities: the paper will examine whether education with its different levels managed to bridge cultural gaps and raise awareness about cultural rights and how this differs from one region in the country to another or among different age groups.

3- Demographic disparities: the paper will examine the distribution of development projects across different regions in the country and how fair this distribution was and how it affected the overall development of the country.

### **On justice and disparities:**

Justice is one of the most vital human principles and it will never be achieved if the necessary steps towards that end are not taken. The achievement of justice is mainly based on a perception

of people as human beings regardless of their race, religion, color, or nationality. Social justice is the form of justice through which human beings can claim their rights within the social and political context in which they live and function and the definitions of social justice are as many as the experiences related to its application<sup>115</sup> whether these experiences are individual or communal, initiated by the people or the state. The concept of social justice will always remain in constant motion and will keep acquiring new definitions as it develops on the ground.

Social disparities are closely linked to the concept of justice since the first would never be overcome without the second, that is without the utilization of wealth for the purpose of sustainable human prosperity and the elimination of all forms of discrimination. Social disparities are not hard to counter as they might appear. On the contrary, the circumstances under which those disparities thrive, such as the unfair distribution of wealth and the monopoly of power, can be altered if there is a will to do so. However, it is important to first agree on a set of concepts that are indispensable for effecting such a transformation:

1- Consistency of freedoms and responsibilities: citizens are granted a set of freedoms that should be institutionally protected<sup>116</sup> and a fair society is one in which citizens are given equal freedoms. On the other hand, those same citizens have a responsibility towards their community to guarantee its prosperity and development.

2- Consistency of rights and duties: Rights are granted on equal basis and are not the subject of political bargains or social

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<sup>115</sup> For more on the concept of social justice see *Social Justice: Post-Revolutionary Concept and Policies* [Arabic]. The Arab Forum for Alternatives and Rosa Luxemburg Stiftung, 2012.

<sup>116</sup> See John Rawls' essay "Justice as Fairness: Political not Metaphysical."

interests<sup>117</sup>. On the other hand, wealth is distributed on the basis of need as well as citizens' role in developing their community and performing their duties towards its members<sup>118</sup>.

3- Consistency of merit and fairness: Opportunities should be provided to all citizens equally so that they can have access to all sorts of jobs and positions provided that they are qualified for them while making sure that marginalized segments of society are given a fair chance to take part in the development of their community and are fairly evaluated based on their skills and merits.

4- Consistency of equality and diversity: Equal opportunity is an important component of social justice, but is not enough to achieve it since it is always linked with constant efforts to bridge the gap in the distribution of income and wealth as well as in political power<sup>119</sup>. This can only be done through first ensuring the inclusion of different segments of society in basic services offered by the state such as education and healthcare then in job opportunities and ownership of means of production.

5- Consistency of sovereignty and independence: The state should not accept under any circumstances to be subjected to any form of economic exploitation or to be subordinate to any other state or regime since this is bound to have a negative impact on social justice and the fair distribution of wealth and resources. Rejection of subordination is closely linked to the establishment of powerful social, political, and economic institutions that

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<sup>117</sup> See John Rawls' book *Theory of Justice*.

<sup>118</sup> Azmy Beshara. "On Justice and the Contemporary Arab Context [Arabic]." *Tabayyun Magazine*, The Arab Center for Research and Policy Studies, Doha, issue no. 5 (Summer 2013), pp7-26: <https://goo.gl/mfUwzu>

<sup>119</sup> Ibrahim al-Eissawi. "Social Justice: From Vague Slogan to Accurate Concept [Arabic]." *Al-Shorouk*, October 1, 2012: <https://goo.gl/wLGJDM>

protect the rights and freedoms of citizens while allowing citizens to participate in the decision-making process.

6- Consistency of present and future: Current generations need to be aware of their responsibility towards future ones through making sure the wealth and resources of a given community are utilized in a way that serves the future of this community and also through investing in human resources and stirring away from long term burdens that are bound to weigh down on future generations such as loans and political alliances.

7- Consistency of solidarity and equality: This is done through providing equal opportunities for all citizens to enhance their skills and invest in the development of their community while endorsing the values that support creativity and innovation and protect intellectual property rights.

### **Social justice or social compromise?**

The Basic Statute of the State, the constitution of Oman issued in 1996, used the words “justice” and “equality” in different parts. For example, in Chapter 2 on the Principles Guiding the Policy of the State stipulates in the section on political principles “establishing a sound administrative system that guarantees justice, tranquility and equality for the Citizens and ensures respect for the public order and the preservation of the supreme interests of the State” (Article 10). In the same chapter in the section on economic principles, it is stated, “The national economy is based on justice and the principles of free economy. Its essence is the constructive and fruitful cooperation between public and private activity. Its objective is the achievement of economic and social development in order to increase production and raise the standard of living of the Citizens according to the general plan of the State and within the limits of the Law” (Article 11). Chapter 3 on the Public Rights and Duties states, “All Citizens are equal before the Law and share

the same public rights and duties. There shall be no discrimination amongst them on the ground of gender, origin, color, language, religion, sect, domicile, or social status” (Article 17).<sup>120</sup>

However, reality is not similar to the text. The remarkable progress that took place in Oman cannot be overlooked and was stated in the Human Development Report issued by the UN Development Program<sup>121</sup>. The economy also achieved real growth by 6.5% between 2006 and 2011, the second highest in GCC countries after Qatar according to International Monetary Fund estimates, which experts consider the most accurate since it measures economic growth in comparison of the gross domestic product. According to the report issued in 2008 by the Growth and Development Committee, which is affiliated to the World Bank and the International Monetary Fund, Oman is the only Arab country out of 12 countries across the world that achieved an economic growth rate of more than 7% for 25 years or more<sup>122</sup>. However, this did not stop the eruption of protests that jeopardized social stability and still do. These protests did not come as a surprise in a country that depends on rentier economy where oil is the sole source of revenue and in which both power and wealth are monopolized by the state which infiltrates the public space and controls different institutions for the benefit of its administrative and security apparatus. This pattern of governance allowed the state to control both the society and the economy and it was able to do so through its

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<sup>120</sup> The Basic Statute of the State, Ministry of Legal Affairs, Oman:  
<http://www.mola.gov.om/basicstatute.aspx>

<sup>121</sup> Human Development Report 2010, <https://is.gd/LuKlyG>

<sup>122</sup> Hatem al-Shanqari. “The Impact of Economic and Financial Conditions on Uprisings [Arabic].” In *Omani Spring: A Context and Significance*. Beirut: Dar al-Farabi, 2013, pp. 29-41.

possession of all the necessary data that makes this intervention possible<sup>123</sup>.

The emergence of neoliberal policies, which prevailed in the 1990s following the collapse of the bipolar world order, exposed the wide gaps that obstructed the achievement of social justice. Neoliberalism basically depends on competition and commodification. Competition, according to the neoliberal ideology, is the main characteristic of human relations and attempts at regulating competition are seen from the neoliberal point of view as a means of curbing freedoms. Neoliberalism also redefines citizens as consumers since they arguably practice their democratic rights through buying and selling and argues that the “market” offers solutions for different problems pertaining to living conditions. Neoliberalism supports privatization of public sector assets and the reduction of taxes and looks at workers and unions as obstructive to the market and to the formation of the “natural” hierarchy of winners and losers. Through its international institutions—The World Bank, the International Monetary Fund, and the World Trade Organization, neoliberal policies market inequality as the means of making money, resist efforts at establishing a society based on equality and social justice, and establish the free market as the source of money for anyone who subscribes to these ideologies. Such concepts prevailed throughout the years and were constantly reproduced by both the rich and the poor with the first arguing that they worked hard to earn the money they have and the second blaming themselves for their conditions while overlooking the way these conditions are the result of a lengthy heritage of class distinction and poor education<sup>124</sup>.

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<sup>123</sup> See Hannah Arendt’s *The Origins of Totalitarianism*.

<sup>124</sup> George Monbiot. “Neoliberalism- the ideology at the root of all our problems.” *The Guardian*, April 15, 2016: <https://is.gd/2M4jK1>

The conditions that pervaded the Arab region before the uprisings proved that there is no direct link between social justice and economic growth. True, social justice is not possible without economic growth, yet it is possible to achieve economic growth without social justice as was the case with Egypt and Tunisia before the revolutions. Economic growth is only a means of enabling citizens to live a healthy, stable life, but it needs a political regime that gives precedence to social justice through, for example, supporting cooperatives and independent institutions and adopting the principles of accountability and transparency. Only then can wealth and resources be of benefit to all segments of society especially the marginalized and the impoverished. In fact, there are cases when the state uses public funds in a way that negatively impacts society, thus hindering the achievement of social justice.

Even neoliberal theorists admitted to the drawbacks of the policies implemented in the Arab region throughout the past 25 years. They admitted that fast economic growth is not sustainable if it does not benefit everyone through creating job opportunities and being accompanied by social policies that support the impoverished and marginalized. In order for economic reforms to be sustainable, the outcome of economic growth has to be fairly distributed among everyone rather than monopolized by the privileged few and corruption needs to be eliminated<sup>125</sup>. Economic growth requires the presence of powerful institutions that can monitor the economic process and make sure it is managed in accordance with the principles of accountability and transparency and with special consideration to the more vulnerable segments of society.

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<sup>125</sup> Massoud Ahmed. "What we Learnt from the Arab Spring [Arabic]." *IMF Forum*, the Economic Section, October 19, 2011: <https://is.gd/w5werP>



### **Living disparities:**

The economy in Oman suffers from a serious structural problem since it almost solely depended on oil revenue, which constituted 86% of the total income. The public sector is also burdened with a large number of employees and production and resources are monopolized by a few families. Added to this is the increasing percentage of foreign labor, which in turns increases unemployment rates among the locals. The government in Oman is under constant pressure to reduce public spending, lift or reduce subsidies on education, healthcare, and fuel, and to privatize public sector assets including ones that yield substantial profit. The state is preoccupied with redistributing already-existing resources without working on increasing and diversifying production to increase national revenue and without investing in human resources as the basic source of development. The fluctuations witnessed by the energy market reduced the share of oil revenue in the state budget in September 2015 by 46%, that is half its share in 2014<sup>126</sup>, and throughout the past four decades, the government did not manage to diversify sources of incomes in a way that guarantees sustainability and stability.

Omani citizens are under increasing economic pressures since their income is not proportionate with rising inflation rates and income is not fairly distributed among citizens. There is a discrepancy between the share of each citizen in national revenue and the citizen's actual income for the first can at times be three times the second, which led to a rise in poverty rate<sup>127</sup>.

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<sup>126</sup> The Monthly Statistical Bulletin, The National Center for Statistics, September 2015: <https://goo.gl/s9LWMK>

<sup>127</sup> Several civil society organizations attempted to initiate a public dialogue to discuss the means of avoiding the mistakes of the past. These included the Omani Economic Association, which drafted a document entitled "The Oman that we

The 2011 protests, in which people voiced their indignation at years of marginalization, were just a prelude for more uprisings if no real transformation is achieved on the ground.

Official statistics revealed a decrease in general revenue by 6.8 billion Omani riyals, compared to 5.1 billion in late 2014 (the Omani riyal equals USD 6.2). Statistics also showed that budget deficit exceeded 9.2 riyals and custom tariffs decreased by 19%, corporate income tax by 6.2%, capital revenue by 8.8%, and interest on loans by 3.3%. The subsidies item on the budget witnessed a 9.35% decline and the total public expenditure decreased by 7.5% while investment expenditure witnessed a slight rise of 0.1%<sup>128</sup>.

The labor sector is also suffering from structural problems owing to the state's failure in making the best use of the country's human resources, especially that youths constitute half the population<sup>129</sup>. Unemployment reached 8% of the total population and 20% of youths<sup>130</sup>. The government did not succeed in its efforts to replace foreign with local labor in the private sector except by 13% since 95% of youths prefer working in the public sector despite believing that getting a job there is not possible without connections according to an official study conducted by the National Center for Statistics and Information<sup>131</sup>. It also takes youths 4-5 years to find a job. On the

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Want," which was not given enough attention by the authorities: <http://oea-oman.org/Booklet.pdf>

<sup>128</sup> "Features of Omani Economy [Arabic]." The National Center for Statistics, March 2016, Oman: <https://goo.gl/ysYvWQ>

<sup>129</sup> Statistical Yearbook, National Center for Statistics, October 2015: <https://is.gd/lPKxKm>

<sup>130</sup> World Economic Forum Report, October 2014: <https://www.weforum.org/reports/>

<sup>131</sup> See "Omani Youths' Work Tendencies [Arabic]." The National Center for Statistics and Information, January 2016: <https://is.gd/x51gfm>

other hand, the number of working foreigners reached 1,682,752, most of whom are either illiterate or only capable of reading and writing, which affects the quality of production.

In order to pacify protestors who took to the streets in 2011, the state made a number of instantaneous decisions in order to secure jobs for youths in the public sector. This led to the withdrawal of a large number of citizens from the private sector, especially those working in industrial facilities, in order to get a more stable job at the public sector and some even dropped out of school. However, most of the offered jobs were in the police or the military, which reveals that the government's decision was only a temporary political solution that would only add more burdens to the public budget rather than an economic solution that makes an actual contribution in production and the national economy. Added to this is the fact that such jobs militarize a large portion of the society through sending youths to barracks instead of training them in new skills, educating them, or encouraging them to take part in the public sphere.

Oman's ranking receded in the Global Competitiveness Report 2015/2016, which is issued by the World Economic Forum to measure the strength of an economy through its diversity, competitive edge, ability to attract investment, facilities offered for projects, production increase, and improving the living conditions of individuals. Oman ranked 62, which means going down 16 positions compared to 2014/2015 and 29 positions compared to 2013/2014<sup>132</sup>.

As for poverty and income per capita, it is helpful to examine the Survey on Family Spending and Income 1999/2000 issued by the Ministry of National Economy. The survey reveals that the average income of an Omani citizen is 900 riyals per year, compared to 2,979 riyals as per capita gross domestic product

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<sup>132</sup> Global competitiveness report 2014-2015 , <https://goo.gl/kfzFoS>

for the same year, which shows a large discrepancy between the two that amounts to the second being three times the first. The survey reveals that there is a gap between the income of residents of rural and urban areas as well as between different regions and among different levels of education. The Survey on the Family Spending and Income 2007/2008 issued by the Ministry of National Economy in April 2010, revealed that the average income of the Omani citizen reaches 1,327 riyals compared to 7,775 riyals per capita GDP, which shows that the second is five times the first. The discrepancy between both becomes clearer when comparing the annual growth rate of the actual per capita income (5%) from 2000 till 2008 to that of per capita GDP (18%) during the same time. During the same interval, inflation rates in prices of foodstuffs, which constitute 30% of the total spending of Omani families, reached 5.6% compared to an increase of only 5.3% in the per capita income, which demonstrates a decline in the purchasing power of each citizen and shows that the actual income of citizens has not really witnessed any increase. This means that economic growth was not accompanied by an improvement in the living conditions of citizens and that the distribution of income remained unfair.

The percentage of Omani citizens whose income exceeds 1,000 riyals per month does not exceed 2%, taking into consideration that this is considered a high income in Oman especially when compared to the majority with much lower incomes. This means that the economic growth that took place between 2000 and 2010 did not succeed in bridging the gap between incomes, but rather maintained the disparities. This situation is bound to destabilize citizens' economic security, defined by the Arab Human Development Report for 2009 as

based on the actual income of the citizen and its growth, employment options, poverty, and social protection<sup>133</sup>.

### **Cultural disparities:**

Public spending on education in Oman does not exceed 8.7% according to 2014 official statistics<sup>134</sup>, which affected social and economic conditions in the country. Oman's ranking in education is not only behind worldwide but also among GCC countries where it ranks last in providing education and research services and wage flexibility, fifth in the quality of mathematics and science courses, and fourth in employment and layoff procedures and promotion frequency among members of the GCC<sup>135</sup>. Despite progress achieved in the education sector throughout the past four decades, which is clear in the number of students, schools, and institutes as well as the distribution of different education entities, it is the quality and not the quantity that is the problem. Curricula are not updated enough to tackle modern issues and teachers do not get the adequate training. The state interferes in the educational process from its early stages so that politics, freedom, citizenship, human rights, and democracy do not feature in official curricula and philosophy, theatre, and liberal arts are not taught in official institutions. Added to this is the fact that neither teachers nor students are part of unions that can represent them and voice their demands<sup>136</sup>.

On the quantitative level, the education sector contains 61.8% of the Omani population between 5 and 24 years old. This

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<sup>133</sup> Hatem al-Shanqari.

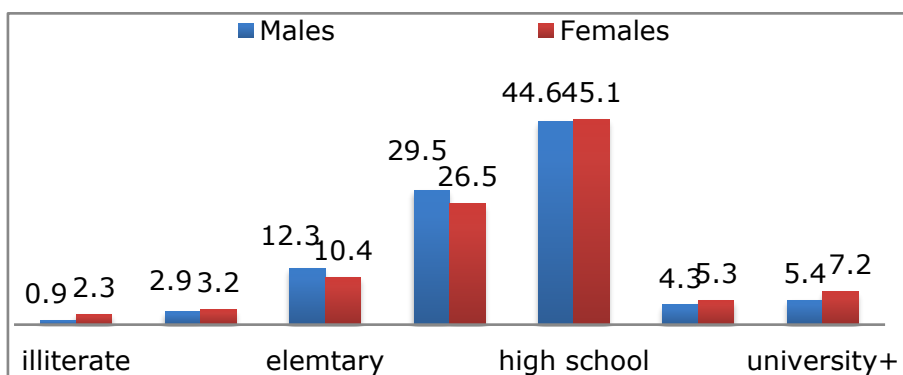
<sup>134</sup> Statistical Yearbook, October 2015, issue no. 43: <https://goo.gl/BQmCBW>

<sup>135</sup> Mohamed al-Harethi. "No Economic Basis for the Modification of Public Sector Positions [Arabic]." *Al-Khazinah*, July 8, 2014: <https://is.gd/kl27Gs>

<sup>136</sup> "Will Consultative Councils be the Voice of Higher Education Students?" *Al-Balad Newspaper*: [albaladoman.com/22641](http://albaladoman.com/22641)

percentage varies in accordance with the age group and the level of education. For example, in junior high schools the percentage is 89% which drops to 21.2% in university level<sup>137</sup>.

**Figure (1) Distribution of Omani youths by education level**

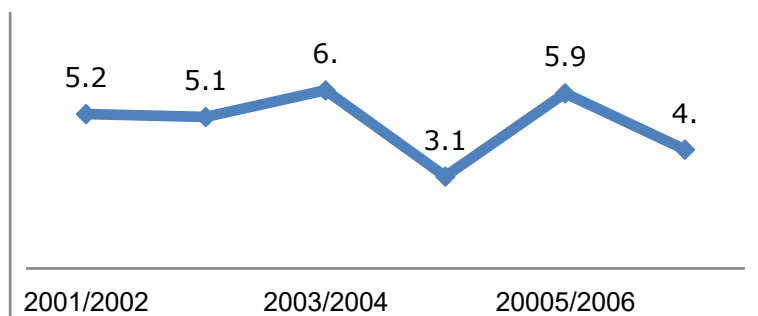


*Source: Labor force survey, Ministry of National Economy, 2008 (unpublished data)*

Statistics issued by the Ministry of Education show that the percentage of school enrolment for grades 10-12 (ages 15-17) reached 68.9% in 2007, which means that 32% did not go to school. As a whole, 78% of youths aged 15-17 enrolled in public and private schools in the academic year 2007/2008. Dropout rates fluctuated in grades 10-12 from 2000/2001 till 2006/2007, which resulted in a large number of unqualified youths looking for jobs and affected employee turnover rates which constitute an extremely important factor in the economic cycle.

<sup>137</sup> Statistical Yearbook, Ministry of Higher Education, March 2009.

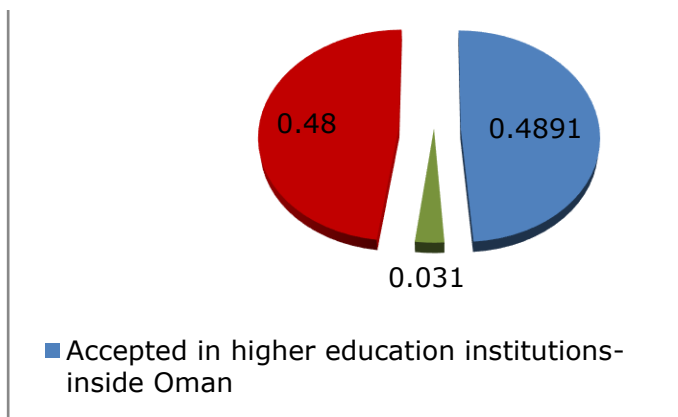
**Figure (2) Dropout rates in grades 10-12**



*Source: Education indicators for academic year 2007/2008, Ministry of Education, p.43*

According to official statistics, half high school graduates do not get the chance to join higher education. Out of a total of 44,075 high school students, only 21,555 (49%) enroll in higher education institutions inside Oman and these include Sultan Qaboos University, private universities and colleges, applied sciences faculties, technical faculties, Faculty of Banking and Financial Studies, medical faculties, and the Faculty of Islamic Sciences. A limited number of high school graduates study abroad as they do not exceed 1,366 (3%) while the future of the remaining 21,154 is quite uncertain. Some of them work in menial jobs and others work with the military. The majority, however, remains unemployed.

**Figure (3) Percentage of high school students enrolling in higher education institutions (2009/2010)**



*Source: Annual statistics book, Ministry of National Economy, October 2010.*

### **Demographic disparities:**

Like many Gulf countries, the phenomenon of state capitalism became prevalent, which means that a class that is close to the ruling elite controls most production resources that are usually centered in the capital Muscat. This class expands across the country in cities like Sohar, Salalah, Nizwa, and Sur according to its social and economic interests. This class controls the economy in a legal manner since they are part of the decision making circles and are influential in the drafting of most legislations pertaining to national economy. Members of this class also own the biggest franchises in several sectors, on top of which are oil and gas, services, imports and exports, and basic commodities. The private sector in Oman, therefore, became characterized by the monopoly of the minority. When the Sultan came to power in 1970, few families took control of natural resources under the protection of the state. All these families are of humble origins and had no previous connections to the ruling family before the Sultan's era, but their wealth is reportedly the



result of their relations with the Sultan and/or senior officials. As the Omani economy developed, those families expanded their commercial activities to cater to the growing needs of the state and consumers and that is how they came to control a large number of vital sectors<sup>138</sup>. This minority also takes part in most state bids and development projects, owns shares in state companies, and has a powerful bureaucratic lobby in different state executive institutions.

Demographic disparities become clear in the distribution of development outcome over different regions, which can also be related to the changing shape of the city in Oman. The city used to be the center of identity and the source of stability, yet it is now spread over scores of kilometers without character. This led to the transformation of society from harmony to lack of harmony. There is also a rising negligence in cultural features of the city, which is demonstrated in the absence of museums, libraries, and cultural centers and this is the case even in the capital Muscat. The new planning designs also do not allow for entertainment spaces, which drives a large number of citizens to seek such recreational activities outside the country and spend thousands of royals on trips abroad<sup>139</sup>.

Regarding the distribution of investment and development projects, the capital Muscat gets the biggest share in terms of public spending while the least share goes to border regions such as the governorates of Musandam and Buraimi on the border with the UAE. This discrepancy stirred the indignation of residents of these regions and led to a remarkable rise in

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<sup>138</sup> “Wiki-leaks: The Structure of Omani Economy between the Oligarchy and the Government [Arabic].” *Al-Falq electronic newspaper*, May 27, 2012: <http://www.alfalq.com/?p=3739>

<sup>139</sup> For more on urban planning problems see Khalifa Suleiman’s “The Demographic Leap and urban Growth in Oman [Arabic].” *Al-Falq Electronic Newspaper*, November 3, 2013: <http://www.alfalq.com/?p=5972>

migrations to the capital, hence putting more pressure on public services there and affecting their quality. Official studies also revealed that residents of rural areas have less access to public services compared to residents of cities and that the average consumption of an urban family is higher than that of a rural family<sup>140</sup>. The centralized system adopted by the government weakened the municipalities and rendered them incapable of taking part in serving their respective communities. The presence of decision-making circles in the center also led to a remarkable decline in many traditional crafts and activities—such as agriculture, fishing, textiles, pottery, handicrafts, and tanning—across the country. For example, the percentage of the growth rates of agriculture and fishing in the gross domestic product dropped to 9.7% in 2015 compared to 15.7% in 2013. The same applies to transformative industries that dropped to -13.4% compared to 4.3% in the same year<sup>141</sup>. This is mainly because a large number of residents left the villages, which were the centers of these traditional activities, for the cities where many of them work in the public sector, which results in the decline of production skills especially that working in the public sector is in several cases looked upon as disguised unemployment. People who work in traditional skills find themselves incapable of catching up with the new economic rhythm shaped by the emergence of new sectors such as oil and gas, construction, and stock exchange. They also realized that it is better for them to be closer to the center than to live in remote areas that are neglected by the state.

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<sup>140</sup> Human Development Report, 2003, pp. 75-79.

<sup>141</sup> Statistical Yearbook 2016, The National Center for Statistics and Information: [https://www.ncsi.gov.om/Elibrary/LibraryContentDoc/bar\\_Statistical\\_Year\\_Book%202016\\_2\\_b9502aad-db96-4e53-b2ec-fcea469626a5.pdf](https://www.ncsi.gov.om/Elibrary/LibraryContentDoc/bar_Statistical_Year_Book%202016_2_b9502aad-db96-4e53-b2ec-fcea469626a5.pdf)

## **On alternatives:**

The main problem of social justice in Oman lies in the accumulation of traditional policies whose priorities do not work towards that end and that is why it is important to start with admitting the failure of such policies then working on tackling the structural drawbacks that obstruct the achievement of real development. This requires the adoption of a broader concept of social justice so that it turns from a political tool used by the state for propaganda purposes to actual actions taken by state institutions and monitored by the people. Such actions have to be based on promoting the principles of equality and citizenship, eliminating corruption, nepotism, and discrimination, providing equal opportunities for all segments of society, and empowering the marginalized. It is also important to design a tax system that bridges wealth and income gaps and to work on improving basic public services such as education, healthcare, and social security.



# Categories and Issues



# **Environmental problematics and the role of alternative economy**

## **Small-scale production... Alternative model to overcome disparities in the environmental resources**

**Abdel Mawla Ismail**

### **Introduction:**

Several segments of society in countries of the South suffer from the deterioration of social and economic conditions and this particularly applies to people for whom environmental resources are the main source of income such as farmers and fisherman. Several factors contribute to this deterioration, on top of which is the monopoly of resources as well as access to resources. The latter constitutes a serious problem in the context of the neoliberal production mode, which makes it difficult for owners of small lands, for example, to make use of technology in order to increase the productivity of their land. More emphasis is now laid on bigger lands in which organic technology was introduced through genetically modified seeds and any increase in productivity became linked to this model that small farms cannot apply. Big farms are given priority because they are seen as the way out of the food problem.

However, such neoliberal model drives many owners of small farms to leave their land and work in big farms or in different industrial and service sectors. Lack of agricultural technology in developing countries in general leads people to migrate from the countryside to the peripheries of the city, thus

increasing the number of informal workers and affecting the labor market.

One of the proposed solutions to the problem of agriculture was the introduction of the small production model as a developmental pattern that offers an alternative to the neoliberal production mode. The small production model depends on increasing revenue from small property in the countryside whether landed or non-landed. This model is expected to be more sustainable since it not only solves the food problem, but also improves the living conditions of people working on it and breaks the cycle of the reproduction of poverty in rural areas.

Through examining the possibilities of solving the food production problem and the development of rural communities, the paper attempts to study the conditions of agriculture in Egypt, Tunisia, and Lebanon through looking into the patterns of land possession and their impact on food security levels. The paper will also tackle the gaps in land access and will, therefore, focus on landed and non-landed farmers.

**Purpose of the paper:**

The paper attempts to propose an alternative economic model that can contribute to the sustainability of environmental resources at hand and the economic empowerment of groups that depend on environmental resources such as land and water.

**Hypothesis of the paper:**

The paper takes the following hypotheses as its point of departure:

- That small production model is the channel through which the agriculture problem can be solved and that concentrating land possession in big farms is not a solution to food production problems in the countryside



- That the gap in access to land plays a major role in aggravating agricultural problems in the countryside
- That access to resources is an integral part of social justice and lack or discrepancy in access is bound to negatively impact the economic conditions of social groups that depend of such resources.

### **Methodology:**

The paper will look into landholding in Egypt, Lebanon, and Tunisia and examine the cases of both landed and non-landed farmers, male and female. Therefore, the paper does not tackle the reality of agricultural labor in any of the three countries. The paper will employ a qualitative reasoning methodology in addition to already available statistics and statistics that can be obtained through available statistics.

### **Spatial scope:**

The paper will cover Egypt, Lebanon, and Tunisia. The choice of the countryside was based on the role played by social justice in initiating social movements in the aftermath of the 2011 uprisings.

### **Temporal scope:**

The study was conducted in the second half of 2016 and covers an interval of 10 years from 2004 till 2014.

### **Challenges:**

Data and statistics are among the main challenges that faced this study. For example, obtaining statistical reports on agriculture in Tunisia and Lebanon is a complicated bureaucratic process and it is necessary to contact researchers from each country to help in obtaining these reports. The same applies to Egypt where complicated correspondence with official entities is required before obtaining these statistics that are not available for researchers. Obtaining updated statistics is another problem.

For example, the last agricultural statistics in Tunisia date back to 2005 while in Egypt and Lebanon they date back to 2010. Therefore, these were the years mainly used in the study.

### **Focal points:**

The paper will tackle a number of focal points: the reality of environmental resources in the three countries and the changes they went through, cases studies on access to resources and their link to social justice, alternative models, the challenges that face the establishment of alternative models especially in relation to access to resources, and the conclusion of the study.

### **Terminology used in the paper:**

#### Agricultural possession:

The possession of agricultural assets whether landed (the possession of land) or non-landed (the possession of cattle, poultry, beehives... etc.)

#### Landholder:

The person who holds the land whether owned or rented and whether in the latter the rent is paid for in cash or in kind

#### Non-landed holder:

Any person who own cattle, poultry, beehives or other agriculture-related assets

#### Agricultural state-owned land:

This land in Tunisia covers 500 thousand hectares across the country and is managed by a number of entities, institutions, and individuals

### **Measurement units for agricultural land:**

Hectare: equals 10,500 meters

Acre: equals 4,200 m<sup>2</sup>

Dunam: equals 1,000 m<sup>2</sup>/ 0.1 hectare/ 0.247 acre

## **1- Land possession in countries subject of the study:**

### **1.1 Land possession in Tunisia**

Land possession in Tunisia is the biggest among the three countries in terms of the size of land in relation to population (10 million). Total land possession in Tunisia amounts to 10.5 million hectares (25 million acres) despite the fact that more than half the agricultural land is made up of forests or grazing meadows (table no. 1). This means that the share of one person of agricultural land in Tunisia is around one hectare. Agricultural land in Tunisia is divided across 516,000 plots, with a 9.5% increase compared to 1995 when the total number of agricultural plots was 471,000<sup>142</sup>.

When comparing agricultural space in Tunisia to the levels of food security, it will become obvious that there is a wide nutritional gap especially in a number of strategic crops such as wheat where the gap reaches 60% and vegetable oils 70%. The deficit in the trade balance of agricultural and food products reached 11.8 billion Tunisian dinars in 2013<sup>143</sup>.

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<sup>1</sup> Follow up on the agricultural season, Tunisia, 2011-2012

<sup>2</sup> The yearbook of agricultural statistics, Tunisia, 2013

**Table (1) Arable land in Tunisia**

<b>Total agricultural land</b>	<b>10.458.400</b>
Ploughed land	<b>4.991.470</b>
Forest and grazing land	<b>4.144.160</b>
Cultivated land	<b>847.31</b>
Barren land	<b>5.466.930</b>
Forest land	<b>668.39</b>
Meadows	<b>4.283.960</b>
Hamada and halfa grassland	<b>514.580</b>
<i>Source: Follow up on the agricultural season, Tunisia, 2011-2012</i>	

### **1.2 Land possession in Lebanon**

According to the 1998 agricultural statistics, the size of land used for cultivation is estimated at 248,000 hectares and the size of agricultural irrigated land is 104,000 hectares, which constitutes 42% of the total agricultural land. These lands are divided in accordance with water sources as follows:

- 52% irrigated by subterranean water
- 64% irrigated by self-propelled system<sup>144</sup>

Despite the limited size of agricultural land in Lebanon, 100,000 hectares have been left without cultivation for the past 25 years for many reasons such as high production cost compared to the size of the product in addition to the scarcity of water, difficulty of accessing land plots, and a drop in familial labor force<sup>145</sup>. According to 2015 statistics, the number of landholders is estimated at 169,512, which means a 2% drop

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<sup>144</sup> Agricultural statistics, Lebanese Ministry of Agriculture, 1998.

<sup>145</sup> Ibid.

from 1998. Of this number, 165,370 are landed landholders and possess 230,9943 while 4,142 are non-landed and mainly own cattle<sup>146</sup>. When comparing land possession in Lebanon with levels of food security, it becomes obvious that nutritional gaps are linked with most crops, especially strategic crops such as wheat (20%) and vegetable oils (52%)<sup>147</sup>.

### **1.3 Land possession in Egypt:**

Agricultural land in Egypt witnessed a number of substantial changes. In 1950, agricultural land was estimated at 829,018 acres while in 1990 this number dropped to 784,917,3<sup>148</sup> (table no. 2). Then the number increased in 2000 to reach 892,853,5, which is mainly attributed to adding cultivated lands in Delta and the New Valley. However, if these lands are excluded from the land possession map, the size of agricultural land will be only 577,093,5 acres in 2000. In 2010, old agricultural lands increased to 609,788,8, which is neither justified nor understandable especially in the light of the erosion of arable land in which around 251,920,3 acres of the best land were lost within 50 years between 1950 and 2000<sup>149</sup>.

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<sup>146</sup> General results of the total agricultural statistics, 2010, Lebanese Ministry of Agriculture and FAO.

<sup>147</sup> Studies Center at the Beirut Chamber of Commerce, Industry, and Agriculture.

<sup>148</sup> Second and sixth agricultural statistics, Egyptian Ministry of Agriculture, Cairo, 1950 and 2000

<sup>149</sup> The number of lost acres was deduced by the author based on agricultural statistics from the Ministry of Agriculture for the years 1950 and 2000.

**Table (2) Development in agricultural land 1950-2000**

Year	Old agricultural land in acres	Reclaimed land in 1000 acres
1950	8.290.128	-
1990	7.849.173	2281
2000	8.928.535	3157.6
2010	9733145	

*Source: Compiled and calculated by the author based on agricultural statistics in the years 1950, 1990, 2000, 2010 and the Land Reclamation Bulletin issued by the Central Agency for General Mobilization and Statistics in 2004.*

When looking at a citizen's share of arable land compared to the total population of Egypt (91 million), it will become obvious that it does not exceed 0.1 acres. In the same context, is land possession in Egypt is compared to food security, Egypt will be quite similar to the other two countries subject of the study as the nutritional gap in strategic crops reached 55% in wheat and 60% in corn<sup>150</sup>.

## **2- Access to land:**

### **2.1 Access to land in Tunisia**

Access to agrarian land differs from one country to another. In Tunisia, the percentage of farmers who possess less than 5 hectares reaches 53% while they possess only 9% of total agrarian land across the country. On the other hand, holders of more than 100 hectares reach 1% and they hold 25% of the total land according to the 1994/1995 statistics. The 2004/2005

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<sup>150</sup> Agricultural statistics yearbook, the Central Agency for General Mobilization and Statistics, Cairo, 2004.

statistics follow more or less the same pattern with holders of less than 5 hectares reaching 54%, with only 1% increase, and they hold 11% of total land, with 2% increase. The percentage of holders of more than 100 hectares remained the same, but they became holders of 22% of total land.

#### State-owned land in Tunisia:

State-owned land in Tunisia is basically lands confiscated from colonial authorities following independence in 1956. Those lands are estimated at 825,000 hectares across the country, 40% of which were sold or donated, which means that 500,000 hectares remained. The remaining lands are managed by a number of entities, institutions and individuals in the following manner:

- Ministry of Agriculture, Water Resources, and Fishing (157,000 hectares):
  - Cooperative agrarian units (18,000 hectares)
  - Reclamation and agrarian development companies (128,000 hectares)
  - Agricultural education institutions and farmers' schools (14,500 hectares)
    - Farming technicians (52,000 hectares)
    - Young farmers (32,000 hectares)
    - Private land (30,300 hectares)<sup>151</sup>.

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<sup>151</sup> Office of State-Owned Land, Ministry of Agriculture, Water Resources, and Fishing, Tunisia, 2013.

**Table (3) Developments of the numbers and size of arable land holdings**

Types of arable land holdings	1994/1995				2004/2005			
	Number of holdings	%	Size	%	Number of holdings	%	Size	%
Less than 5 hectares	251.000	53	471.000	9	281.000	54	586.400	11
5-10 hectares	92.000	20	643.000	12	109.000	21	776.000	14
10-50 hectares	114.000	24	2.235.000	42	112.000	22	2.209.900	41
50-100 hectares	10.000	2	645.000	12	10.000	2	656.200	12
More than 100 hectares	4.000	1	1.301.000	25	4.000	1	1.163.300	22
<b>Total</b>	471.000	100	5.295.000	100	516.000	100	5.391.800	100
<i>Source: The General Administration of Agrarian Studies and Development (Statistics of the structure of agrarian land for the years 1995 and 2005)</i>								



## **2.2 Access to land in Lebanon**

The total number of arable land holdings in 1998 in Lebanon reached 195,000<sup>152</sup>, 53% of which use less than 5 dunams, that is 9% of arable land while 20% use land that ranges from 5 to 10 dunams, that is 11% of total agrarian land. On the other hand, 14% use 10-20 dunams, that is 15% of the total land in addition to 13% using more than 20 dunams, which is 65% of total land. According to the 2010 statistics<sup>153</sup>, 68% of landholders with less than 10 dunams use 18% of total arable land. On the other hand, 26% of land holders have less than 40 dunams, which translates into 41% of total agrarian land while 4% hold 40-100 dunams, which constitute 18% of total arable land and only 2% hold more than 100 dunams, that is 33% of total arable land.

## **2.3 Access to land in Egypt:**

The distribution of resources in Egypt is characterized by a high degree of discrepancy, especially as far as social justice is concerned. For example, farmers who hold less than 5 acres constitute the majority in the Egyptian countryside. The number of those farmers reached 2.75 million (95% of total land holders) in 1990<sup>154</sup> while this number exceeded 3.5 million (also 95% of land holders) in 2000.

While small and impoverished farmers held around 57% of total arable land in 2000, rich farmers, who constituted only 3% of to landholders in the same year, held 37% of total arable land

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<sup>152</sup> Overall Agrarian Statistics, Ministry of Agriculture, Lebanon, 1998.

<sup>153</sup> Overall Agrarian Statistics, Lebanese Ministry of Agriculture and FAO, 2010

<sup>154</sup> Agricultural statistics 1989/1990, Ministry of Agriculture and Land Reclamation, Egypt, 1990.

in Egypt<sup>155</sup>. This indicates the widening gap in access to land in Egypt. The same discrepancy is seen in 2010<sup>156</sup>.

#### **2.4 Access to land and women:**

The number of female landholders is much less than their male counterparts. In Lebanon, this number does not exceed 14,556, which translates into only 9% of landholders, and they hold approximately 207,895 dunams and their average age is 55 years old compared to 52 years for both male and female landholders<sup>157</sup>. The number of female landholders in Tunisia reached 229,80, which constitute 9.2% of total landholders, and they hold only 4% of total agrarian land<sup>158</sup>. In Egypt, the number of female landholders does not exceed 7% of total landholders according to 2010 statistics, which indicates a 1% drop from the 1999/2000 statistics<sup>159</sup>. This indicates the exclusion of female farmers as far as access to land is concerned since in Tunisia and Lebanon 90% of landholders are male while this percentage increases to 93% in Egypt.

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<sup>155</sup> These numbers were deduced by the author based on agricultural statistics for 1999/2000.

<sup>156</sup> Agricultural statistics 1999/2000, Ministry of Agriculture and Land Reclamation, Egypt, 2010.

<sup>157</sup> Overall agricultural statistics, Ministry of Agriculture, Lebanon, 2010.

<sup>158</sup> Abdullah Ben Said. "Development of the Economic Process in the Agriculture Sector: From the Structural Reform Program till the Present [Arabic]." Seminar at the Tunisian General Labor Union.

<sup>159</sup> The numbers were deduced by the author based on agricultural statistics in 2000 and 2010.

### **3- Small-scale production as alternative agrarian development:**

#### **3.1 Basics of small-scale production:**

Small-scale production is an alternative developmental model that is designed to replace neo-liberal production and is founded on a number of principles.

##### **3.1.1 Technology in small-scale production:**

There is a prevalent belief that it is not possible to use agricultural technology in small land. True, the small size of land holdings constitutes a problem in developing countries, but this can be overcome through an agricultural cycle in which different crops are cultivated alternately on the same plot of land. This technique was used in the 1960s where the same crop was cultivated in different plots across the country. This was specifically applied to cotton which was cultivated in farmers' small lands on a large scale in different governorates in the Nile Delta. Cooperatives play a major role in the harvesting process.

##### **3.1.2 Organic capacity and growth limits:**

Another prevalent belief is that organic technology can increase the harvest for different crops in the same plot of land. This belief contradicts an important principle linked to the nature of the arable land, which is the organic capacity principle. This means that each land has a specific capacity for cultivation that if exceeded would lead to reducing the fertility of the land. That is why the agricultural cycle plays an important role in maintaining the fertility of the land while diversifying the types of crops. In fact, cultivation of the same crop negatively affects soil fertility while the opposite is true with the alternating cultivation of different crops.

### **3.1.3 Bypassing the law of economic value:**

The effectiveness of small-scale production is based on bypassing or minimizing the impact of the law of economic polarization, which is reproduced through the law of economic value. This can be done through replacing private ownership of arable land with the right to usufruct, which can be inherited within the same family to those whose main profession is farming. This can also be done through cooperation among farmers whether in the use of agricultural equipment or the exchange of seeds. Such processes are carried out through cooperatives that work on maximizing the benefit of the value of use as opposed to the value of exchange.

### **3.1.4 Private ownership and technological advancement:**

There is a mistaken belief that technological advancement in agriculture, especially organic technology, is linked to private ownership of arable land. However, this proved untrue since all agricultural progress throughout history has been achieved within the framework of open resources and public ownership. In fact, private ownership obstructs technological advancement if it does not yield the desired profits.

## **3.2 Establishment of the small-scale production model:**

### **3.2.1 Democratic, participatory cooperatives:**

Cooperatives founded on free will and democratic participation constitute the main pillar of establishing the small-scale production model. Cooperatives are the main channel through which participatory markets can be enhanced, hence maximizing the benefits of commodity exchanges especially as far as agricultural inputs markets and cooperative markets are concerned. This leads to the integration of production cycles with consumption in cooperative markets that offer an alternative to

exchange markets which increase poverty rates among owners of small lands or non-landed farmers.

Members of cooperatives gain substantial agricultural experience that in turn would contribute to the progress of agriculture especially as members of different cooperatives exchange such experience and make it available for all farmers so that information pertaining to agriculture is not monopolized by specific individuals or groups. This open cooperative structure not only empowers members of cooperatives and producers of crops, but also consumers as all those parties become part of a larger cooperative community that bypasses exchange markets and overcomes the widening gaps they have been creating in terms of access to resources, economic polarization, and opportunities.

Cooperatives are quite fragile in the countries subject of this study. In Egypt, membership in cooperatives is mandatory and it is almost impossible to establish independent cooperatives even after constitutional modifications that are supposed to change this. According to article 37 of the 2014 constitution, “cooperative property is protected. The state cares for cooperatives, and the law guarantees its protection and support, and ensures its independence. It cannot be dissolved, nor its boards, except by court order.” However, cooperatives are still under the mercy of the bureaucratic hierarchy. Added to this are new modifications that undermine the purpose of cooperatives such as article 8 of law number 204 for the year 2014 and which allows for the first time the introduction of private capital into cooperatives, which marks the first step towards the privatization of social capital<sup>160</sup>.

In Lebanon, the situation is not that different since the number of landholders that do not belong to agricultural

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<sup>160</sup> The Official Gazette, Cairo, 2014.

cooperatives reach 162,731, that is 96% of landholders using 91% of total arable land in the country. This means that the agricultural cooperative movement is almost non-existent in Lebanon<sup>161</sup>. The same applies to Tunisia where bureaucracy dominates the cooperative movement.

The condition of cooperatives in the countries subject of this study is not a matter of coincidence, but is actually done on purpose in order to undermine any alternative model that can counter the already-existing bureaucratic and neoliberal ones.

### **3.2.2 Right to usufruct in landholding and environmental resources:**

The right to usufruct is one of the basic requirements for establishing an alternative to the neoliberal economy that focuses on private ownership. The right to usufruct can be bequeathed to a family member whose main profession is farming. Part of revenue of the land in this system goes to cooperatives developed by beneficiary farmers and also to re-fertilization of the soil in addition to any other matters that cooperative members see as necessary. The right to usufruct would manage to bypass markets that depend on the exchange value of land in favor of the use value of this land. This also means bypassing all sorts of bidding that treat land as a commodity in the exchange market, thus contributing to the reduction of inflation rates. Focusing on the use rather than exchange value of the land will also be positively reflected on the agricultural products markets.

### **3.2.3 The agricultural cycle:**

Agricultural cycles are among the most important guarantees of the sustainability of resources pertaining to the fertility of arable land. Agricultural cycles are based on crop rotation which means the alternation of several crops on the same plot of land.

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<sup>161</sup> General results of overall agricultural statistics, 2010.

The duration of each cycle is measured through the main crop that is being cultivated. For example, if the main crop is cotton, it is cultivated in the first year then cultivated again on the same land plot in the third year. In this case, it is a three-year cycle. Crop rotation preserves the fertility of the land and bestows an ecological character on the agricultural cycle since it guarantees the sustainability of land resources.

Adopting this technique also protects the land from disintegration since the agricultural cycle is used in the harvesting of crops, which means that large-scale production technology can be employed. Egypt used the agricultural cycle in harvest, yet the experience was not as successful as it was expected to be owing to the dominance of bureaucracy on cooperatives from the 1950s till the 1980s.

#### **3.2.4 Open-source seeds:**

Seeds are indispensable for the reproduction of life. Agriculture and food production have developed throughout the centuries because of the public availability of seeds as part of open resources and public property. However, with the emergence of the World Trade Organization in 1994, a number of agreements were signed to regulate the ownership of animal and plant assets. This, in turn, increased the monopolization of food production by a number of multinational companies such as Monsanto and Syngenta.

Seeds were an open resource in the countries subject of this study until the 1990s, yet with the beginning of 2000, a number of laws and decrees were issued in favor of multinational companies and which led to imposing patent and property rights on crop seeds. The 2014 constitution stated for the first time in the history of Egypt in article 69 that intellectual property can be applied to all fields. This obstructs the free exchange of seeds among farmers, thus reducing their ability to produce food.

#### **4- Results of the study:**

Several results can be deduced from the study:

- Discrepancy in access to land in the countries subject of the study widened the nutritional gap for several crops, particularly strategic ones.

- The emergence of large-scale landholdings did not offer more opportunities for farmers, but rather increased the number of farmers who resorted to working in the informal sector. This was encouraged by lack of healthcare and social security for workers in the agriculture sector. In Egypt, small farmers and women are totally deprived of social insurance, while in Lebanon, 75% of landholders do not have social insurance and 66% of landholders who do not have insurance hold less than 10 dunams. The situation is not very different in Tunisia where 95% of farmers do not have insurance at all.

- Discrepancy in accessing resources is one of the main reasons for marginalizing women as far as landholding is concerned.

- The dominance of large-scale landholding for the past 25 years led to widening the nutrition gap for at least 75% of strategic crops.

- Monopoly of organic technology, especially crop seeds, by large-scale landholders led to widening the nutrition gap in the countries subject of the study.

- Discrepancy in access to land led to the deterioration of living conditions in the countryside of the countries subject of this study.

- The rise of arable land monopolies is directly linked to the increasing the marginalization of larger segments of the agricultural communities.



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# Economic empowerment of women: Policies and alternatives

**Mongia Hedfi**

## **Introduction:**

Global economy has since the 1980s been suffering from a state of stagnation that developed into a financial crisis which, in turn, led to a decline of growth rates, the deterioration of the balance of trade and payments, and a rise in external debts. Many countries went through budget deficits that drove them to start borrowing. Such conditions had a remarkable impact on the Arab region, where a number of countries started suffering from crippling social and economic crises. Several of those countries, such as Egypt, Morocco, and Jordan to cite a few examples, opted in the mid-1980s for long-term loans from international financial institutions such as the World Bank and the International Monetary Fund, which in return imposed a number of conditions on the borrowing countries including the implementation of economic reforms in the form of a restructuring program. International financial institutions started controlling global capital as well as the social and economic conditions of developing countries. Capitalist globalization became, therefore, an actual threat to basic rights and freedoms. The 2008 financial crisis had detrimental repercussions on the labor market with the number of the unemployed rising to 210 million, the highest ever<sup>162</sup>.

The globalization of capital led to the emergence of fragile economies that are incapable of creating stable labor markets

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<sup>162</sup> "Global Wage Report 2010/2011." *International Labor Organization*:  
[www.ilo.org/](http://www.ilo.org/)

that can counter unemployment especially among women since they suffer the most owing to the gender-based division of the labor market in a male-oriented culture. In addition to not being given enough opportunities in the labor market and to wage inequality, women suffered even more in 2008 and 2009 as a result of the financial crisis. This was especially the case for the industry sector<sup>163</sup>.

This study is divided into two parts. The first part examines the impact of market economy policies on the social and economic conditions of women. This will be accompanied by a general background on the context in which these policies emerged and their development in the Arab region starting the 1970s and 1980s as well as an analysis of the new characteristics of the economies of Arab countries and the main entities that came to control the economic scene. This part will tackle the labor conditions of women in Tunisia and Morocco. The second part examines the theoretical framework of alternative economies and their role in curbing the rising influence of monopoly capital and looks at several successful experiences in the Arab region and how these experiences were both supported by and beneficial for women. The concluding part tackles the role of the state in supporting social economies in the Arab region.

### **I- Women's social and economic conditions under capitalist globalization:**

In its constant quest for profit, global capital has been exploiting developing countries in a way that led to a remarkable rise in poverty and illiteracy as well as the spread of epidemics. Ethnic, tribal, and sectarian conflicts, constantly fueled by global imperialism, played a major role in facilitating the exploitation of the country in which those conflicts take place. Capitalism has been closely linked to the patriarchal system since each of them

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<sup>163</sup> "Sustainable Development Goals Report." 2011: <https://is.gd/KaHqqG>

supports the other in terms of the gender-based division of labor. Women have throughout history been doubly persecuted by the class system and the patriarchal system. The degree and intensity of this double persecution differs from one culture to the other. The emergence of the International Labor Organization in 1919 shed light on violations against workers with special focus on the specificity of women's conditions. On March 8, 1975, the International Women's Day came into being to celebrate the struggle of women against exploitation since the late 19<sup>th</sup> century where emerging labor movements exposed the deterioration of workers' conditions as a result of industrialization in the United States and Europe. Women's labor movements struggled in 1857 for the reduction of working hours from 16 to 10 hours, wage equality, and improving the working environment. This struggle was violently suppressed with scores of women killed and arrested. Women's conditions improved later with the issuing of a number of international treaties and protocols on social, political, and economic rights.

1- Women's rights: violations and modern enslavement:

According to Samir Amin, capitalism witnessed a remarkable expansion with the rise of the nation state through the merging of three markets:

- The goods market
- The money and technology market
- The labor market

Global capital develops through putting pressure on the labor market to impose "flexibility" in terms of wages and working conditions in a way that serves the interests of the minority in whose hands wealth is concentrated. The conflict between capital and labor was intensified because the global market is only made up of two dimensions—trade exchange and money movement—

which means it is incomplete compared to three-dimensional national markets in which the labor market is added to the previous two<sup>164</sup>.

Official global statistics in 2015 reveal that the number of the unemployed reached 204 million, 74 million of whom are youths, while 830 million people across the world live with less than two dollars per day and more than 1.5 billion work in unstable jobs where basic working rights such as insurance and a healthy working space are lacking. In fact, rising poverty rates and the absence of social justice drove millions to settle for all sorts of jobs, including thousands of women and children who work in hazardous conditions and are at times exploited by human traffickers. Global statistics also reveal that in 2012, 14 million people were exploited at work and 4.5 million, mostly women, were exploited sexually. Human trafficking became another lucrative business that can be compared to drugs and arms dealing. Between 2007 and 2010, people from 136 nationalities were victims of human trafficking in 118 countries, 55-60% of whom were women<sup>165</sup>.

The same statistics reveal a remarkable rise in wage inequality despite the fact that national laws in a number of developing countries stipulate that men and women have the right to equal pay. The reality is that women get 24% less wages than men, occupy only 25% of administrative and leading positions, are not part of the upper administration of 32% of companies, and their share of parliamentary seats in their respective countries does not exceed 22%<sup>166</sup>. Discrimination in the distribution of wealth jeopardizes the security of women and

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<sup>164</sup> Samir Amin. *State, Economy, and Politics in the Arab World: Arab Economies and the Market-Development Conflict* [Arabic]. Center for Arab Unity Studies, p.80.

<sup>165</sup> "Human Development Report 2015." UN Development Program, p.6.

<sup>166</sup> *Ibid*, p.4.

contributes to the deterioration of their living conditions as they are being excluded from the social, political, and economic scene, especially as far as decision-making is concerned<sup>167</sup>. Such lack of equality is bound to aggravate social disparities.

## 2- Women's economic and social rights in the Arab region:

The conditions imposed by international financial institutions in developing countries included the implementation of restructuring programs that aimed at the privatization of the public sector, the liberation of national economies, and introducing modifications to tax systems and stock markets. This led to a remarkable deterioration in public services provided by the state such as education and healthcare. In addition to rising poverty rates, women's education was greatly affected as girls started dropping out of schools. Laws in several Arab countries do not also protect women from the different forms of discrimination they face especially dismissal from work.

## Violence against women and economic empowerment:

Several women's movements worked on exposing the role of the capitalist system in increasing poverty rates and endorsing violence against women. This was emphasized in the Declaration of the World March of Women at its 10th International Meeting in Maputo, Mozambique: "Financial capital, austerity measures and privatization cause poverty and violence against women. At the WMW, we work to empower women and increase their economic autonomy. We believe in the redistribution of wealth and the solidarity economy. We denounce the risk in religious fundamentalism and imperialist policies. We want a fair world, free from oppression, with no military forces, where women and

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<sup>167</sup> Munjia Hadfi. "Women's Economic and Social Rights in Tunisia [Arabic]." *Ideas from Popular Revolutions*. The Arab Network for Development Organizations, Beirut, Lebanon, 2012.

peoples have the right to self-determination and where human rights are respected.”<sup>168</sup>

Violence against women constitutes a major challenge to their empowerment and their ability to become full-fledged citizens. Gender-based violence is on the rise in the Arab world, especially in countries that go through conflicts and uprisings. Women’s bodies are still used as a means of humiliating them in the Arab region, which is demonstrated through a number of practices such as rape, human trafficking, under-age marriages, and female genital mutilation. Working women are constantly subjected to sexual harassment, which is also the case in public space in general. In the near absence of laws that protect women from different forms of violence, women’s conditions change slowly and their empowerment opportunities are still very limited. Despite the fact that most Arab countries ratified The Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW), they still voice their reservations on several articles. These reservations are linked to crucial issues pertaining to personal status laws, inheritance, polygamy, under-age marriage, divorce, and marriage between Muslim women and non-Muslim men.

Laws concerning women in the Arab region have a negative impact on their contribution in the political scene. Women are also not benefiting properly from development projects, which are generally deteriorating as a result of the economic conditions in several countries in the region as a result of conflicts and political instability. The economic problem is aggravated by demographic challenges since the population of the Arab region increased from 221 million in 1990 to 377 million in 2014<sup>169</sup>. As a

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<sup>168</sup> Women in resistance, building alternatives for a better world. Declaration of the 10th International Meeting in Maputo, Mozambique, [http://www.marchemondiale.org/index\\_html/en](http://www.marchemondiale.org/index_html/en)

<sup>169</sup> World Bank Development Indicators 2015, p.49.



result, any increase in the gross domestic product is not reflected on the per capita income which is estimated at an average of USD 4,795, compared to the global average estimated at USD 8,055. Per capita income, however, still differs from one Arab country to another, for in oil-exporting countries it is three times the global average while in poorer countries in the region it does not exceed 11% of the global average<sup>170</sup>.

### 3- Employment and labor market:

The public sector is the main source of employment in the Arab region<sup>171</sup> for it employs 14-40% of the labor force<sup>172</sup>. For the past two decades, state institutions have become incapable of meeting employment demands. Despite the privatization of many public sector entities and the privileges and facilities given to the private companies, the private sector did not witness an actual development. This led to a rise in unemployment rates, especially among university graduates, which constituted one of the main reasons for the eruption of popular uprisings. Employment rates among youths dropped from 26.7% in 1991 to 23.7% in 2013<sup>173</sup>. In the same year, unemployment rate in the region reached 11.41% and was estimated at 30% among youths<sup>174</sup>.

The Arab labor market is characterized by the absence of stability whether in terms of wages or social security. Because of the low wages they get in official jobs and lack of proper job opportunities, women workers constitute a substantial percentage of the informal, hence unstable, sector. The unemployment rate among young women also reached 48% in

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<sup>170</sup> "Arab Sustainable Development Report 2015." Issue no. 1, p.49.

<sup>171</sup> Ibid. p.55

<sup>172</sup> Ibid. p.55.

<sup>173</sup> Ibid. p.59.

<sup>174</sup> Ibid. p.59.

2013<sup>175</sup>, which is mainly attributed to discriminatory practices against women as well as the absence of laws that protect the rights of women in the workspace. In fact, several Arab countries did not ratify Convention 183 concerning the Revision of the Maternity Protection Convention. The deterioration of education services led to a remarkable increase in illiteracy rates among women. This encouraged women even more to work in undocumented jobs that do not require any education. It is noteworthy that the budget allocated to education differs from one Arab country to the other. The global crisis the textile sector faced led to the closure of several factories in the Arab world and the dismissal of thousands of women workers, a large number of whom financially support their families. According to the Arab Labor Organization, the percentage of women working in the informal sector reached 1.3% in Tunisia, 56% in Morocco, 25% in Algeria, and 43% in Egypt<sup>176</sup>. The impact of poverty on women and the subsequent increase in the number of women working in the informal sector led to the emergence of production modes that are not included in official statistics, especially in the manufacture of foodstuffs. Unpaid labor is also another problem for women working in small farms usually owned by a family member and the percentage of women doing this kind of work constituted 60% of the total female labor force in the Arab countryside<sup>177</sup>.

Democracy is linked to development and equality and that is why the economic empowerment of women will never materialize except within a democratic framework in which the principles of citizenship take precedence and where laws guarantee the participation of women in different spheres.

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<sup>175</sup> “Unemployment Tendencies in the World 2014,” p.71.

<sup>176</sup> Nemat Kuku. “Women’s Economic Participation under Neoliberal Policies [Arabic].” *Tiba Magazine*, 2016.

<sup>177</sup> Arab Labor Organization, p. 33.0

Women's rights have to be granted in the constitutions of their respective countries so that they can be protected from poverty, marginalization, and discrimination, which is the case with the Tunisian constitution<sup>178</sup>.

a) Women and the right to work in Tunisia:

From 1987 till 1994, the Tunisian state adopted the structural reform program as a way out of the crippling financial crisis that hit the country in 1986 when the growth rate reached -2.6% and the balance of international payments hit an unprecedented low. It was then that the economy in Tunisia was prepared for market economy and for becoming part to the General Agreement on Tariffs and Trade (GATT). In 1995, Tunisia signed a multi-lateral agreement with the World Trade Organization and the European Union-Mediterranean Free Trade Area was established.

This shift destabilized the Tunisian economy and labor market and led to the emergence of new labor modes such as part time labor, temporary labor, and remote labor, all given legalized status in the form of fixed-term contracts. Flexibility was imposed both in terms of wages and working conditions, which was manifested in the increasing the number of workers without contracts. Women constitute a large percentage of workers without contracts and that is why they are deprived of their basic rights such as social security, the right to membership in unions, and protection from abuse.

The number of working women increased from 6.1% in 1966 to 25.3% in 2002. Around 55.3% of working women work as

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<sup>178</sup> The Tunisian constitution states in article 46 that "The state commits to protect women's accrued rights and work to strengthen and develop those rights. The state guarantees the equality of opportunities between women and men to have access to all levels of responsibility in all domains. The state works to attain parity between women and men in elected Assemblies. The state shall take all necessary measures in order to eradicate violence against women.

domestic help, 23.9% as employees, 17.3% independent, and 8.4% run companies<sup>179</sup>.

**Gender-based analysis of working percentage development  
2006-2011:**

<b>Year</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
<b>Males</b>	70.1	69.5	68.7	68.0	67.7	67.3
<b>Females</b>	24.9	24.8	24.8	24.7	24.5	24.4
<b>Total</b>	47.2	46.9	46.5	46.2	45.8	45.6

*Source: The National Institute of Statistics, employment survey 2011.*

The numbers of the unemployed increased after the revolutions due to layoffs in several organizations as well as vandalism of many others. The number of women who lost their jobs at that time was more than that of men for the first was estimated at 73,900 and the second 63,700<sup>180</sup>. The number of working citizens, both male and female, started then rising in varying degree.

**Gender-based distribution of working citizens:**

	<b>Quarter 1 2016</b>	<b>Quarter 4 2015</b>	<b>Quarter 3 2015</b>	<b>Quarter 4 2015</b>
<b>Males</b>	2885400	2883000	2873500	2869700
<b>Females</b>	1152000	1137800	1130700	1121700

*Source: National Institute of Statistics, general census 2014.*

<sup>179</sup> The National Institute of Statistics 1999, Tunisia: <http://www.ins.nat.tn/>

<sup>180</sup> The National Institute of Statistics 2011 : <http://www.ins.nat.tn/>

**Gender-based development in numbers of working citizens:**

	Quarter 1 2016	Quarter 4 2015	Quarter 3 2015	Quarter 4 2015
Males	2525300	2521300	2515800	2513800
Females	889400	880700	876300	872500

*Source: National Institute of Statistics.*

However, unemployment rates did not decline compared to before the revolution (15.6% in 2015), which raises questions about the extent to which the goals of the revolution, which called for employment, freedom, and dignity, were actually achieved.

**Gender-based unemployment percentage among university graduates:**

	Quarter 1 2016	Quarter 4 2015	Quarter 3 2015	Quarter 4 2015
Males	%20.3	%20.7	%21.4	%19.9
Females	%39.8	%41.1	%41.1	%38.4

*Source: National Institute of Statistics.*

These percentages vary from one region to another and depend to a great extent on how developed each of region is and how much investment is channeled towards it.

The textile industry is one of the most important pillars of the Tunisian economy and the percentage of women working in

it is quite high especially those who lack any education or technical skills. Developments in the textile industry across the world led to the closure of a considerable number of factories especially ones run by foreign capital. This gave rise to a number of protests and strikes in which women played a major role. Almost 50% of industrial workers and 10% of working citizens are in the textile sector. Women constitute three quarters of textile workers and women working in the textile industry constitute one quarter of the female work force<sup>181</sup>.

### **Women workers in the agricultural sector:**

Women constitute a major portion of the labor force in the countryside as many women started working in the farms to support their families, especially in families where men migrate to the city. The percentage of women working in agriculture is estimated at 60%. A study conducted by the Tunisian Association of Democratic women in 2014 based on a sample of 200 women in four states revealed that 67% of surveyed women work 8-12 hours per day and that 73.7% work without pay while 15.6% work under fixed-term contracts and 10.8% under open contracts. The same study revealed that 90% of the surveyed women get a daily wage of 10-15 dinars, that is 280 dinars per month which is less than the minimum official wage for farmers (338 dinars per month)<sup>182</sup>. The study also revealed a remarkable lack of basic labor rights for female farmers and the absence of unionized organization in addition to women being subjected to verbal and sexual harassment in the workspace. These conditions are mainly the result of the failure of development projects that instead of achieving social justice created a deeper

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<sup>181</sup> Tunisian General Labor Union. "The Textile Sector in Tunisia and the Challenge of Workers' Reintegration [Arabic]." Tunis, 2005, p. 7.

<sup>182</sup> "The Conditions of Farming Labor for Women in the Countryside [Arabic]." The Tunisian Association for Democratic Women, 2014, p.57.

rift between different segments of the society and increased social and economic disparities.

However, Work Bank reports still stated in 2010 that Tunisia occupies the 55<sup>th</sup> place among investment-welcoming countries and that it went a long way in its structural reform program<sup>183</sup>.

b) Women and the right to work in Morocco:

Morocco is not very different from the rest of Arab countries that adopted structural reform programs in the mid-1980s in return for long-term loans from international financial institutions. The Moroccan government implemented a number of radical reforms in several economic sectors, signed partnership agreements with the European Union, and established a free trade zone under which tariff barriers on industrial material from the European Union were lifted by 2010. These procedures had a noticeable impact on the economic structure of Morocco as subsidies on Moroccan countries were lifted in return for aides from the European Union. This affected important economic sectors such as the textile industry on which a large number of women workers depend for a living. In 1998, the percentage of workers in the textile industry was estimated at 43%, that is 210,700 workers out of a total of 490,000 workers in transformative industries<sup>184</sup>. The percentage of women working in the textile industry is estimated at 68%, approximately 142,120. As part of the structural reform program, many public sector institutions were privatized and labor laws were revised in a way that gives precedence to flexibility in employment terms, wages, working conditions, and basic rights.

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<sup>183</sup>Ludovic lamant. « La Tunisie rêvée de la banque mondiale et de la FMI. » 18 janv. 2011. <https://goo.gl/2CCp4A>

<sup>184</sup>Fouad al-Hilali. "Capitalist Globalization and its Economic and Social Impact on Moroccan Working Women [Arabic]": <http://www.ahewar.org/>

This resulted in the dismissal of a large number of workers and in making wages contingent upon supply and demand.

When European markets were flooded with Asian goods, especially clothes, the Moroccan market was greatly affected since it almost lost one of its most strategic partners, the European Union, and many local factories closed. World Bank reports state that the construction, textile, and clothing industries lost 80,000 workers, both male and female, in 1998 and this affected women in particular since they constitute a substantial portion of the textile sector. The labor market was destabilized and mass layoffs were carried out. The law previously stated that employers who dismiss workers unjustifiably face imprisonment, but this was replaced in the labor law with fines. The phenomenon of labor brokering also indicates the instability of the labor market, which increased with the spread of brokering companies and the legalization of these companies<sup>185</sup>.

The 2009 financial crisis affected Morocco especially in terms of the unemployment rates that rose to around 9.10% between 2009 and 2010. The percentage of working youths did not exceed 48% for youths between 15 and 34 years old and the percentage of unemployment within this age group reached 17.8% in 2010<sup>186</sup>.

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<sup>185</sup> "Public Space and the Right to Work in Morocco [Arabic]." The Arab Network for Development Organizations, Beirut, 2012.

<sup>186</sup> Ibid.



**Gender-based percentage of working citizens (urban and rural) in 2014:**

<b>Age group</b>	<b>Males</b>	<b>Females</b>	<b>Total</b>
<b>19-15</b>	30.4	11.7	21.5
<b>24-20</b>	67.4	24.9	45.7
<b>29-25</b>	92.3	31.3	60.9
<b>34-30</b>	95.5	30.6	61.7
<b>39-35</b>	95.4	30.3	59.9
<b>44-40</b>	95.0	30.5	60.9
<b>49-45</b>	94.6	32.8	60.0

*Source: The High Commission of Planning- Statistics Department (National Research on Employment) 2014.*

**Gender-based unemployment rate:**

<b>Age group</b>	<b>Males</b>	<b>Females</b>	<b>Total</b>
<b>24-15</b>	20.3	19.1	20.0
<b>25-34</b>	12.7	17.0	13.9
<b>29-25</b>	5.8	7.0	6.1
<b>34-30</b>	3.4	2.1	3.0
<b>35-44</b>	9.7	10.4	9.9
<b>45 plus</b>	20.3	19.1	20.0
<b>15 plus</b>	12.7	17.0	13.9

*Source: The High Commission of Planning- Statistics Department (National Research on Employment) 2014.*

Women are still concentrated in sectors that do not require education or technical skills and are still confined to a limited number of fields. In addition, women suffer more than men from unemployment and this also applies to university graduates. The

percentage of unemployment among urban women is, in fact, double that of their male counterparts.

## **I- Economic alternatives versus market economy:**

### 1- The alternative economy framework:

Arab governments do not pay attention to the link between inequality and the division of labor, the discriminatory practices in the latter being the result of social production relations and their relation with the state and the dominant class that adopts the neoliberal ideology<sup>187</sup>. Among the most striking results of economic choices linked to free economy and the global market is the remarkable decline in the role of the state in providing social and economic security for its citizens. This is when establishing an alternative economy that attempts to overcome the repercussions of such economic procedures became necessary in order to create a new system based on equality, citizenship, and social justice in accordance with international treaties.

### 2- Economic alternatives or an alternative economy?

#### Definition:

Alternative economy is known for the way it is distinguished from classical economy since it adopts a different point of view that does not place itself against capitalist economy, but rather as parallel to it. This means that an alternative economy is basically about the creative space in which new patterns can be experimented with in parallel to the classical economy. In the early 1990s, alternative economy was defined “a cooperative comprised of citizens’ initiatives”<sup>188</sup>. This means that alternative economy is independent of the state in the way it is supported by

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<sup>187</sup> Nemat Kuku.

<sup>27</sup>Jacqueline Lorthios. *Economie alternative* extrait du *Dictionnaire de l'autre économie*, 2005 [http://j-lorthiois.fr/?page\\_id=420](http://j-lorthiois.fr/?page_id=420)

the public. It is not an economic theory, but rather a set of experiences and practices that proved successful and can, therefore, be utilized<sup>189</sup>.

### 3- Social and solidarity economy :

#### a) **Definitions:**

The concept of social economy emerged in 1977 in France through French researchers who formulated this type of economic alternative. Social and solidarity economy denotes a set of economic and social activities organized in the form of structural entities or a group of individuals and which aim at serving social and communal interests. Those activities are independent and managed in a democratic manner where participation becomes voluntary. Institutions that mainly work on social issues are categorized under social and solidarity economy since they offer sustainable and economically integrated alternatives that focus on the human factor, development, and equality<sup>190</sup>. Social economy became the channel through which economic crises can be tackled and that is why it is now the focus of large numbers of organizations, civil society, and trade union as well as the state.

#### b) **Developmental alternatives: Cooperatives and women empowerment:**

The International Labor Organization defines cooperatives as independent organizations comprised of individuals who got together voluntarily to work on serving their common economic, social, and cultural interests within a democratic framework<sup>191</sup>. Cooperatives are managed by their members that cooperate with

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<sup>189</sup> Ibid.

<sup>190</sup> "Report on Social and Solidarity Economy in Morocco [Arabic]." The Moroccan Economic, Social, and Environmental Council, 2013.

<sup>191</sup> International Labor Organization, recommendation no. 193, 2002 : <http://hrlibrary.umn.edu/arabic/ilo.htm>

one another as well as with members of other cooperatives for serving the interests of the local community. The International Labor Organization stressed the importance of the role played by women in cooperatives, especially as far as leadership and management are concerned.

In 2012, the percentage of female business managers in Morocco did not exceed 0.8% of working women across the country while the percentage of women working independently is only 16.1%. These numbers reflect the challenges women face to become professionally independent. This is also reflected on the difference between male and female cooperatives, the latter being smaller and less influential whether in terms of economic interests or marketing networks<sup>192</sup>.

In Egypt, cooperatives are not independent and their establishment is always faced with a number of obstacles and the same applies to their ability to market their products in the absence of cooperative markets that can replace exchange markets. Cooperatives also have funding problems owing to the high interests on loans and most female cooperative projects depend on self-funding and very little comes from external sources.

Arab women, such as in Tunisia, Egypt, and Morocco, face a number of challenges in the countryside as far as property rights are concerned. Women in rural areas are still discriminated against in inheritance and that is one of the main reasons why they are incapable of using their property as collateral for loans.

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<sup>192</sup> Maghress, 2010 : <http://www.maghress.com/>

## **Women's experiences in Arab Spring countries:**

### Mamotex in Tunisia:

Mamotex is a textile factory established under law number 72 on foreign investment in Tunisia. Mamotex, like other textile factories, faced a serious crisis and was about to close. However, women workers at the factory managed to establish a union affiliated to the Tunisian General Labor Union and to run the factory and supervise production in order to pay the salaries and insurance withheld for more than five months. This took place following lengthy negotiations between the factory owner, the union, a representative of the National Fund for Social Security, and the governor. An agreement was signed in March 2016 allowing women workers to run the factory until all salaries and other costs are paid<sup>193</sup>. However, the experience failed owing to lack of raw material, yet it remained an example of women's ability to practice their right to organize when they formed a union and to fight unemployment through insisting on running the factory. This experience, therefore, made of those women active citizens playing a major role in the social and economic sphere.

Mamotex is the first self-management experience based on the concept of social and solidarity economy and that is why it attracted the attention of several unions, rights and developmental organizations, and state institutions.

### Al-Owanah in Egypt:

Al-Owanah is a cooperative established in 2015 by female residents of a village with the same name in the governorate of Assuit in Upper Egypt. The Upper Egyptian Development Initiative in al-Owanah trained women from the village in different skills such as sewing, pastry making, and project

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<sup>193</sup> "Resister et produire: La lute ouvrieres de Mamotex": <https://goo.gl/iYsOxm>

management. The cooperative, the first created by women in Upper Egypt, started with a number of female volunteers establishing a pomegranate press facility. The cooperative attracted 20 women, each of whom paid 1,000 Egyptian pounds. Five of them became members of the seven-member cooperative board<sup>194</sup>.

Women in the cooperative supervise the production, packaging, and distribution of pomegranate juice among hotels and restaurants and the machines are owned by the cooperative. Other activities were added to the cooperative after it started expanding and making profit so that, for example, cosmetics are made from pomegranate peel. The cooperative created job opportunities for female villagers who became economically empowered and were given the chance to practice their citizenship rights.

### **The role of the state in social and solidarity economy:**

The state needs to adopt economic choices that cater to domestic needs and endorse a developmental approach for the sake of establishing a fair system that serves the interests of different segments of the population, especially the impoverished and the marginalized. Developmental patterns also need to follow communal initiatives that depend on social and solidarity economy and self-management.

### **Legislative reforms towards supporting social and solidarity economy:**

The state needs to take the following steps in order to support alternative economies:

- Setting a legislative foundation to supporting social and solidarity economy in the Arab world through the constitution

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<sup>194</sup> Mona Ezzat. "The First Women Cooperative in Upper Egypt [Arabic]." *Aswat Masriya*, August 2016: <http://www.aswatmasriya.com/news/details/67030>

and legislations that protect this type of economy and the people working in it so that it can gradually become part of the national economy

- Authorizing reforms in financial markets so that social and solidarity economy can fit into it through creating alternative funding mechanisms such as the establishment of cooperative banks

- Improving the conditions of impoverished women in the countryside so that they can have access to arable land where they can grow food and gain independence

- Endorsing self-management initiatives and supporting marginalized youths and women through providing them with state-owned land plots on which they can establish cooperative projects that serve the social and solidarity economy

- Liberating cooperatives so that they can be established freely and run independently

- Supporting decentralization and providing a healthy political climate based on participatory and democratic principles

- Establishing a legal framework that supports equality and women empowerment, especially in the countryside

Trade unions and civil society organizations paid special attention to social and solidarity economy as a means of dealing with the economic crises through which Arab Spring countries went. In August 2016, the Tunisian General Labor Union presented a legislative initiative on social and solidarity economy. The initiative, which is comprised of 53 chapters, proposes a set of legislations that regulate this type of economy. The initiative was drafted by 18 experts and was submitted to the parliament for discussion<sup>195</sup>. Even though the revolutions that erupted in several Arab countries called for decentralization, local

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<sup>195</sup> Essam al-Ragehy. "Social Solidarity Economy: A Legitimate Tunisian Dream [Arabic]": <http://www.huffpostarabi.com/rajhi-issam-eddine>

development, and social and participatory democracy, several initiatives are still awaiting a legislative reform that would endow them with the required legitimacy. Unfortunately, most governments in the Arab region still adopt a centralized approach that pays little attention to independent developmental initiatives. Arab countries need to learn from international experiences in which democratic and independent consultative entities can be established to serve alternative economies. This is what happened in Brazil in 2009 when a national association was created to market the products and services of social solidarity economy in accordance with the principles of social justice<sup>196</sup>.

In this regard, it is important to note that in the case of social solidarity economy, the intervention of the state should be confined to supporting initiatives and providing the proper legislative climate. Social and economic justice requires the modification of laws in a way that supports social solidarity initiatives instead of aborting them or dooming them to failure<sup>197</sup>.

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<sup>196</sup> Ibid.

<sup>197</sup> See the Djemna experience in southern Tunisia:  
<http://www.sasapost.com/opinion/social-economy>



# Concluding chapter



# Structural determinants of social disparities in the Arab region

## Introduction:

The social and economic transformations that accompanied globalization underlined the significance of the issue of social disparities on the international level. This significance is mainly derived from the effect of these transformations on social justice, which in turn impacts development, stability, and economic growth, all part of the Millennium Development Goals (MDGs).

The gap between the rich and the poor started widening with the 1980s recession and the subsequent debt crisis that led to the adoption of neoliberal policies, thus marking the end of an era, which started from the 1950s, where developing countries were taking serious steps towards actual development. The new millennium witnessed the signing of a number of agreements with international financial institutions, yet another transformation took place following the Arab uprisings when such agreements took a different turn to see the direct intervention of the International Monetary Fund (IMF) in determining the social and economic policies of several Arab countries, a role traditionally played by the World Bank. The series of agreements signed after the revolution led to a further deepening of social disparities in the Arab region through the consolidation of the same neoliberal policies against which the revolutions erupted. The alliance between power and money, corruption, and nepotism reasons for the eruption of the revolutions, were far from being eliminated, thus contributing to widen the gaps between different segments of society. Those

disparities, especially as they keep deepening, are detrimental to social and political stability as well as to development<sup>198</sup>.

Social disparities constitute a direct threat to economic growth since impoverished and marginalized classes and the lower-middle class all become incapable of investing in education, which is an indispensable component of the development process. Poverty and inequality in accessing basic services such as education and healthcare give rise to chronic physical and psychological ailments and negatively impacts the mental growth of children hence impeding the development of their skills on the long term<sup>199</sup>. Gender disparities also have a negative impact on the development of children especially in terms of their access to education and healthcare<sup>200</sup>.

In the light of the papers of which this book is comprised, this chapter analyzes social disparities within a theoretical and ideological framework, traces the transformation of the economic structure of the Arab region to market economy and its impact on social disparities, and examines the determinants of social disparities in Arab countries.

### **First: Interest networks:**

The dominant class is not necessarily the same as the ruling class. It is possible to distinguish two classes, one dominant and another ruling, or the ruling authority can be comprised of an alliance of different classes. The state can also create a special class through which it can rule, which was the case in the post-independence era in countries like Egypt and Algeria with the new bourgeoisie that benefited the most from state control of all

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<sup>198</sup> Mohamed Said al-Saadi. "Social disparities in the Arab region: Concepts and problems," included in this book.

<sup>199</sup> Human Development Report 2014, UN Development Program.

<sup>200</sup> World Bank report on gender equality: "Gender Equality as Part of a Smart Economy," September 2006.

production sectors. This same class later supported the shift to market economy to acquire more gains through selling or privatizing public sector institutions or through partnering with international companies through establishing local franchises. This was especially the case with Iraq and Lebanon where the sharing of power among the sects turned into the division of wealth among politicians within each sect so that sectarian leaders acquire their legitimacy from their affiliation to this rich elite rather than belonging to their respective sects. In cases like Egypt, Jordan, Tunisia, and Morocco, a new class was formed with the implementation of structural reform policies. This class became like a state within a state and that is why its monopolizing and discriminating practices are not monitored and its influence is never rivaled. This is demonstrated in monarchies in several Arab countries and families of presidents and senior officials in others and both are usually surrounded by a group of businessmen who become the façade for their economic activities and who are granted all the facilities required for their enterprises. It is in the best interest of those classes to maintain the status quo and that is why they always resist any change to the rules of the political and economic game that serves their interests and protects the sources of their wealth. The Arab region is comprised of a set of intricate political and economic networks that not only control their respective countries, but at times expand to others through regional alliance and offshore partnerships. Meanwhile, inequality is consolidated and social justice remains lacking in all Arab societies<sup>201</sup>.

This arrangement gave rise to different forms of monopoly. For example, in Oman, members of the dominant class, who is close to the ruling class, controlled the economy in a legalized

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<sup>201</sup> Khaled Ali. "The impact of protests on social disparities in the Arab region." included in this book.

manner through controlling decision-making circles and taking part in drafting legislations that regulate the national economy. This was the class that monopolized the biggest franchises on oil and gas, services, import and export, and basic goods, which in turn led to the marginalization of the majority in favor of the minority<sup>202</sup>. In Yemen, a commercial bourgeoisie, with close links to the ruling class, controlled the economy especially after the implementation of structural reform programs which allowed a few families to monopolize all projects. The wealth of then president Ali Abdullah Saleh was estimated at USD 60 billion administered by five Yemeni business families<sup>203</sup>. In Jordan, the comprador and bureaucratic bourgeoisie control the resources of the country and monopolize the market through consumer and services projects in a way that marginalized the original middle class until it got isolated and impoverished. This led to the emergence of crony capitalism in which wealth is concentrated in the hands of the few and which is detrimental to fair competition between different economic players and to small and medium projects and obstructs the initiation of innovative strategies that increase productivity and encourages competition<sup>204</sup>.

The alliance between the dominant and ruling classes does not totally overrule the possibility of disputes between the two whether during the division of profits or during the process of getting rid of a specific class or a group within a class for becoming a liability at a certain time. Such disputes have an impact on the social and economic conditions of the citizens, which is demonstrated in the cases of Tunisia and Egypt. In

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<sup>202</sup> Said Sultan al-Hashmi. "Justice or compromise? Social disparities and challenges to social justice in Oman," included in this book.

<sup>203</sup> Maan Dammag. "Social and class disparities in Yemen," included in this book.

<sup>204</sup> Mahmoud Abel Fadil. *Crony Capitalism* [Arabic]. Al-Ain Publishing House, 2011, p.69.

Tunisia, a conflict erupted between President Beji Caid Essebsi and his allies on one hand and the Muslim Brotherhood and their local and regional interest networks on the other hand. The dispute ended with the dismissal of the Tunisian minister of telecommunications, who wanted to strike a deal with a Cypriot service provider, thus undermining negotiations with a Qatari company on the same deal. The Islamist al-Nahda party insisted on a minister from its members to make sure the deal with Qatar will be secured. In Egypt, the rising influence of the military and their businessmen triggers the indignation of Egyptian businessmen and their economic and social allies since it has a negative impact on their investment opportunities and drives them to consider transferring their businesses outside the country. Even if some businessmen manage to retain their positions or their shares of the market, the conflict between the ruling and dominant class destabilizes the economic structure and the market that depends on it, which in turn impacts political stability<sup>205</sup>.

Social disparities are also manifested in inequality in access to and management of natural resources. For example, in Tunisia, the percentage of farmers who possess less than 5 hectares reaches 53% while they possess only 9% of total arable land across the country. On the other hand, holders of more than 100 hectares reach 1% and they hold 25% of the total land according to the 1994/1995 statistics. The 2004/2005 statistics follow more or less the same pattern with holders of less than 5 hectares reaching 54%, with only 1% increase, and they hold 11% of total land, with 2% increase. The percentage of holders of more than 100 hectares remained the same, but they became holders of 22% of total land<sup>206</sup>. In Lebanon, The total number of

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<sup>205</sup> Khaled Ali.

<sup>206</sup> Abdel Mawla Ismail. "Environmental problematics and the role of alternative economy," included in this book.

arable land holdings in 1998 in Lebanon reached 195 thousand, 53% of which use less than 5 dunams, that is 9% of arable land while 20% use land that ranges from 5 to 10 dunams, that is 11% of total arable land. On the other hand, 14% use 10-20 dunams, that is 15% of the total land in addition to 13% using more than 20 dunams, which is 65% of total land. According to the 2010 statistics, 68% of land holders with less than 10 dunams use 18% of total arable land. On the other hand, 26% of land holders have less than 40 dunams, which translates into 41% of total arable land while 4% hold 40-100 dunams, which constitute 18% of total arable land and only 2% hold more than 100 dunams, that is 33% of total arable land<sup>207</sup>. The distribution of resources in Egypt is characterized by a high degree of discrepancy, especially as far as social justice is concerned. For example, farmers who hold less than 5 acres constitute the majority in the Egyptian countryside. The number of those farmers reached 2.75 million (95% of total land holders) in 1990 while this number exceeded 3.5 million (also 95% of land holders) in 2000. While small and impoverished farmers held around 57% of total arable land in 2000, rich farmers, who constituted only 3% of total land holders in the same year, held 37% of total arable land in Egypt<sup>208</sup>.

### **Second, economic policies and public spending priorities:**

International financial institutions, such as the World Bank and the International Monetary Fund (IMF), have since the 1980s been directly involved in the economic and social policies of the Arab region through a number of channels such as loans and structural reform programs. These institutions played a major role in deepening social disparities and obstructing the achievement of social justice. Restructuring or structural reform

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<sup>207</sup> Ibid.

<sup>208</sup> Ibid.



programs aim at reshaping the economy of Arab countries to suit the global capitalist systems. According to World Bank and IMF experts, those programs aim at achieving the ideal distribution of human and material resources for creating the suitable economic and social dynamics that would eventually lead to the kind of economic growth that would help the countries subject of the programs progress. On the surface, these programs seem to offer a comprehensive project that is bound to achieve real development, yet only from the capitalist point of view in which development is centered around opening local markets to the global economy and increasing export revenue as a crucial component of development.

These policies had a negative impact on the economic and social conditions of Arab citizens as wealth became concentrated in the hands of the few and crony capitalism gained more ground. Neoliberal policies implemented in the Arab region focused on the liberation of the economy- privatization-austerity trio marketed by international financial institutions as a way out of economic crises. The eruption of the 2011 revolutions, in which the people called for better economic and social conditions, did not stop these policies, but actually became more powerful. This is demonstrated in austerity measures, lifting subsidies, freezing salaries, and increasing consumer taxes, all of which play a major role in deepening social disparities. Freezing salaries had a negative impact on the level of human development in several Arab countries that suffer from shortage in several jobs such as teachers, doctors, and workers. For example, Morocco needs to employ 7,000 doctors and 9,000 nurses to meet the needs of the healthcare sector. Social disparities are bound to increase following the Moroccan government's decision to privatize the health and education sectors. Freezing salaries so that they are not modified in accordance with inflation rates harm the purchase power of public sector employees, which

affects the quality of offered services because employees' start absenting themselves from work and many of them look for additional private jobs. This deterioration of services is particularly visible in working class neighborhoods in cities and in villages. The decline of employees' purchase power contributes to increasing inequality between classes. Other measures were taken in the work place that were allegedly meant to create a competitive edge such as frequent downsizing, decreasing end of service bonuses, and introducing temporary contracts. This was done without taking into consideration that a competitive edge relies on totally different factors such as the quality of production, creativity, and efficiency. In fact, such measures weaken the working class and lead to further wage cuts in an atmosphere already suffering from the contraction of the business cycle<sup>209</sup>. Neoliberal policies also led to the deterioration of services provided by the state such as education and healthcare and had a particular effect on women as school dropout rates increased<sup>210</sup>. In Egypt, subsidies on fuel and foodstuffs were decreased and regressive taxes were increased especially on goods and services through the value added tax. There is also a tendency towards reducing public spending on basic services such as education and healthcare and privatizing public sector institutions.

The impact of austerity measures, currently applied by several Arab countries especially Egypt, Morocco, Tunisia, and Syria, is mainly the result of a short-sighted economic vision that prioritized overall economic balances over the economic and social rights of citizens. The principle of justice and solidarity are not part of such vision which is the core of neoliberal policies promoted by international financial institutions. This kind of vision only believes in the role of the individual as an economic

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<sup>209</sup> Mohamed Said al-Saadi.

<sup>210</sup> Mongia Hedfi.

player who only looks for multiplying profit in a competitive market<sup>211</sup>.

Access to services becomes harder in the case of women. Demographic and health surveys in 2014 revealed that only 8% of women between the ages of 15 and 49 who were married are covered by medical insurance whereas across Egypt, 50% of citizens have medical insurance<sup>212</sup>. The same report showed that 30% of women from the same age group are subjected to physical or sexual violence by their husbands, at times for reasons like going out without their permission, which in turn affects women's decision to go out to seek medical care. It is important to note that gap between women's education in the countryside and urban areas, for while 17% of women from urban areas have not received any form of education, this percentage reaches 30% in the countryside. The average number of education years for women in urban areas is estimated at 8, compared to only 4 in the countryside<sup>213</sup>. Gender plays a major role in this discrepancy because the gap is not that wide among men. For example, 10% of men in urban areas have not received any form of education, compared to 16% in the countryside. Education years are estimated at 9 in urban areas, compared to 6 in the countryside<sup>214</sup>. In general, illiteracy rate in the countryside reaches 32% of the total population, compared to 15% in urban areas<sup>215</sup>.

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<sup>211</sup> Mohamed Said al-Saadi.

<sup>212</sup> Ibid.

<sup>213</sup> *ibid.*, p.46

<sup>214</sup> *Ibid.*, p.47

<sup>215</sup> Heba Khalil. "Towards a methodology of studying social disparities in Egypt," included in this book

### **Third: Laws and legislations:**

Arab countries adopt similar economic and financial legislations and they all play a major role in deepening social disparities. Following independence from colonization, several Arab countries adopted social policies that aimed at bridging the gaps between classes through relying on revenues as the main pillar of the economy. The state provided free education and healthcare, issued a labor law that provides all works in all sectors with social security, set an equal-pay system, and unified the social insurance system in different sectors created during the colonial period. However, most these policies were not properly implemented on the ground whether in terms of distribution or quality due to lack of adequate human or financial resources. The result was that those policies became more of a formality rather than a reality.

For example, many services were indeed offered for free, yet they kept deteriorating over time. The state started withdrawing from several sectors it previously supported and started looking for new sources of funding. This transformation saw a shift in the state's approach to issues like labor relations and wages which became more subject to negotiations rather determined by the central government. Investment was also encouraged through offering a number of incentives and lifting previous restrictions. This gave rise to the informal sector where work was no longer stable and mass layoffs became frequent, which in turn resulted to increasing poverty rates and creating social disparities<sup>216</sup>.

Economic and financial legislations play a major role in deepening social disparities. In Egypt, low income citizens do not have access to housing projects because of the definition of low-

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<sup>216</sup> Fadila Akkache. "Social disparities and social justice in Algeria," included in this book.

income in article According to article 1 of prime minister's decree number 1864 for the year 2008 on modifying article 38 of mortgage law number 148 for the year 2001, a low-income family is one whose annual income is 30,000 Egyptian pounds or less. Statistics by the Central Agency for Public Mobilization and Statistics for 2013 revealed this definition applies to families that occupy the highest fifth of incomes. This allowed medium-income families to compete with low-income ones in housing projects, thus weakening the latter's opportunities.

After the Arab Spring, governments did not change their approach as they continued to design their policies in a nondemocratic manner and to clamp down on civil society, non-governmental organizations, trade unions, and opposition parties through legislations that legalize repression. In Egypt, the counter-terrorism law, issued to allow the state to clamp down on opposition, violates citizens' constitutional rights. In the same year, protest movements were threatened by military trials. For example, workers at the Alexandria Shipyard were tried before a military court for threatening to stage a strike even though they are all civilians. They were, however, accused of attempting to undermine a military facility<sup>217</sup>. Egypt also witnessed a flagrant violation of articles 170 and 190 of the constitution through signing the IMF loan agreement without going back to the parliament or taking into consideration objections to the negative repercussions of the loan on the social and economic levels<sup>218</sup>.

Laws governing the right to protest are another example of curbing freedoms and violating constitutional rights. In Egypt during the rule of Supreme Council of the Armed Forces, a law

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<sup>217</sup> Khaled Ali.

<sup>218</sup> "Egyptian Parliament Criticizes Government over IMF Loan [Arabic]." Al-Quda al-Arabi, November 16, 2016: <https://is.gd/C79ADs>

was issued by the cabinet to criminalize rallies and strikes that obstruct work progress and negatively affects public and private interests<sup>219</sup>. This law led to arresting a number of workers and referring them to military trials<sup>220</sup>. Laws that regulate the establishment and activities of cooperatives are similarly obstructive for Egypt is home to more than 18,000 cooperatives that include 18 million members, but their presence is more of a formality and most of them are not really active on the ground and not representative of people's needs<sup>221</sup>. Several legislations such as law no. 28 for the year 1984 made cooperatives affiliated to the authority, thus robbing them of all forms of independence and of their ability to voice the demands of the people<sup>222</sup>.

It is noteworthy that capitalism is closely linked to the patriarchal system, which led women to be doubly marginalized in different degrees depending on the country and the culture. Women get 24% less wages than men, occupy only 25% of administrative and leading positions, are not part of the upper administration of 32% of companies, and their share of parliamentary seats in their respective countries does not exceed 22%. This discrimination jeopardizes the security of women and contributes to the deterioration of their living conditions as they are being excluded from the social, political, and economic scene, especially as far as decision-making concerned. Such lack of

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<sup>219</sup> "A New Decree Criminalizes Strikes and Rallies [Arabic]." *Al-Ahram*, March 4, 2011: <https://is.gd/NWdxU6>

<sup>220</sup> "Petro Jet Workers Receive One Year in Jail in Military Court under New Law [Arabic]." The Egyptian Center for Economic and Social Rights, November 30, 2011: <https://is.gd/UuutvF>

<sup>221</sup> Magdi Said. "Towards Reforming Cooperatives [Arabic]." *Moheet*, 2012: <https://goo.gl/KlMe8g>

<sup>222</sup> Investment Week Facts papers, paper no. 6, The Egyptian Center for Economic and Social Rights, 2014: <https://goo.gl/N2lvkx>

equality is bound to aggravate social disparities<sup>223</sup>. Discrimination against women is also demonstrated in ownership of land and property. In Tunisia, for example, the number of female landholders is estimated at 22, 980, which constitutes only 9.2% of total landholders and 4% of total arable land<sup>224</sup>. In Egypt, percentage of female landholders does not exceed 7% of the total number of landholders, 1% less than the 1999-2000 statistics<sup>225</sup>. Despite the fact that most Arab countries ratified The Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW), they still voice their reservations about several articles.

#### **Fourth: Regional disparities:**

The industrial mode started collapsing and the economies of developing countries started going through successive crises. The countryside deteriorated as a result of the existence of an export-focused commercial sector on one hand and a livelihood-based commercial sector on the other hand. Urban areas also deteriorated as a result of the social repercussions of restructuring policies and the gradual withdrawal of the state from public services. The deterioration of general conditions in developing countries is, furthermore, manifested in mass movements whether in the form of refugees, especially from Africa, or labor migration that was met in the North by procedures that are quite discriminatory such as law number 187 in California or the Schengen Agreement in Europe. As a result, social disparities reached an unprecedented level.

The centralized nature of Arab governments leads to favoring the capital and major cities at the expense of the countryside

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<sup>223</sup> Mongia Hedfi. "Economic empowerment of women: Policies and alternatives," included in this book.

<sup>224</sup> Adel Mawla Ismail.

<sup>225</sup> Ibid.

even though the latter in many cases is more populated. In Yemen, the majority of citizens still live in the countryside despite the major transformations in the demographic distribution between 1994 and 2004 where city residents increased from 23.5% to 28.64%<sup>226</sup>. Still, residents of urban areas do not exceed one third of the population in Yemen. In Egypt, 57% live in the countryside, a percentage that almost did not change since the 1990s. In fact, the number of countryside residents increased at the expense of city residents in 2015 in Egypt. In Jordan, internal migrations played a major role in creating a wide gap between the center and the periphery and changed the characteristics of the city as the center of the moderation of the middle class and a representative of the ideologies and lifestyle of its members. The city lost its identity as it became endowed with Bedouin and rural characteristics that altered its features and divided society into two parts: one that is moderate and exposed to the outside world and another that is conservative and traditional<sup>227</sup>.

There is also a discrepancy in access to public service between the city and the countryside. In Egypt, the countryside has less access to sewage, clean water, healthcare, schools, and roads. Sewage had, in fact, been one of the most prominent aspects of state negligence of the countryside. In 2010/2011, only 24.7% of residents of rural area were connected to the public sewage network, compared to 88% in urban areas<sup>228</sup>. As for housing, around 30% of families in the Upper Egyptian countryside live in one-room apartments while 50% live in two-

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<sup>226</sup> Central Statistical Organization, the 2004 Year Book, Department of Population: <https://goo.gl/YFPyMv>

<sup>227</sup> Zuhair Tawfiq, "The impact of social disparities on the middle class in Jordan," included in this book.

<sup>228</sup> *Egypt in Numbers* [Arabic]. The Central Agency for Public Mobilization and Statistics, 2012.



room apartments. It is noteworthy that families in Upper Egypt are generally larger than in other parts of Egypt<sup>229</sup>.

This discrepancy between the center and the periphery is also applied to technology and telecommunications. In Egypt, only 2% of families in the countryside are connected to the internet, compared to 15% in urban areas. The countryside and urban areas only get close in the use of mobile phone as 81% of families in the countryside own mobile phones, compared to 91% in urban areas<sup>230</sup>. Disparities in access to banking services are also obvious mainly because bank branches are not equally distributed across the country. This is also because of the state's tendency in the past few decades to privatize the banking sector, which particularly affects the poor. Statistics in 2014 reveal that 3% of families in the countryside in Lower Egypt have one member who has a bank account, compared to 17% in border governorates and 14% in the four urban governorates: Cairo, Alexandria, Suez, and Port Said<sup>231</sup>.

Development projects are not equally distributed across different parts of Arab countries. In Yemen, services and jobs are concentrated in Aden, Taez, al-Hudayeda, and al-Mukalla. While infrastructure is weak in those cities, it cannot be compared to that of the countryside where medical services are almost nonexistent and where education suffers from remarkable deterioration. Even in places where schools were constructed, the quality of education is poor and there is a remarkable shortage of staff. In Egypt, there is a noticeable discrepancy between Upper Egypt and Lower Egypt, or between one

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<sup>229</sup> Demographic and Health Survey of 2014. Ministry of Health and Population. May 2015. <https://goo.gl/UWNsVa>

<sup>230</sup> *Egypt in Numbers* [Arabic]. The Central Agency for Public Mobilization and Statistics, 2015.

<sup>231</sup> Demographic and Health Survey of 2014. Ministry of Health and Population. May 2015: <https://goo.gl/IKHZ9K>. p. 40

governorate and the other. This discrepancy is at time random and at others obviously biased to urban cities, especially Cairo. In Tunisia, despite the richness of the North West in terms of natural resources, it suffers the most from marginalization and impoverishment in favor of major cities that get the biggest share of development projects and public spending<sup>232</sup>. In Syria, predominantly-Kurdish regions in the north east of Syria, in the region known as Upper Mesopotamia, were the most subjected to impoverishment and had the highest rates of illiteracy and poverty. This region is home to 58% of impoverished citizens in Syria even before the 2006 drought that had a detrimental impact on farmers and shepherds. In 2010, the poverty rate in the North West reached 80%<sup>233</sup>. The Omani case is quite similar the capital Muscat gets the biggest share in terms of public spending while the least share goes to border regions such as the governorates of Musandam and Buraimi on the border with the UAE. This discrepancy stirred the indignation of residents of these regions and led to a remarkable rise in migrations to the capital, hence putting more pressure on public services there and affecting their quality<sup>234</sup>.

One the problems tackled in the papers included in this book is the deterioration of traditional crafts that were mainly based in the countryside. In Oman, The presence of decision-making circles in the center also led to a remarkable decline in many traditional crafts and activities—such as agriculture, fishing, textiles, pottery, handcrafts, and tanning—across the country. For example, the percentage of the growth rates of agriculture and fishing in the gross domestic product dropped to 9.7% in 2015 compared to 15.7% in 2013. The same applies to

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<sup>232</sup> Wassim Laabidi. “Social disparities in Tunisia,” included in this book.

<sup>233</sup> Joseph Daher, “Social and economic transformations in Syria,” included in this book.

<sup>234</sup> Said Sultan al-Hashmi.

transformative industries that dropped to -13.4% compared to 4.3% in the same year<sup>235</sup>. There are also cases when the distribution of income depends on the climate of a given region. The discrepancy between different parts of the Yemeni countryside is partly attributed to climate and crops. For example, areas that grow khat are better off even though it is a crop that consumes a lot of water. In addition to being a valuable commodity, Khat is considered the main source of income for people living in areas that grow it and plays a major role in pumping money to the countryside<sup>236</sup>.

#### **Fifth: Armed conflicts:**

The Arab region is witnessing a wave of unprecedented violence and that added to the reasons that led to the deepening of social disparities and was particularly detrimental to the impoverished and marginalized classes. For example, the social and economic structure of Yemen got totally paralyzed one year after the conflict started. According to official reports, the gross domestic product shrunk in 2015 by 28% and the escalating conflict, which started in March 2015, stopped all economic activities and destroyed the infrastructure in addition to the fact that since the first quarter of 2015, oil and gas exports had already stopped. Imports, except foodstuffs and bioenergy, have remarkably declined and the annual inflation has reached around 30%. The situation is expected to get worse as the UN World Food Program (WFP) declared that almost half the Yemeni people are starved and that more than 10 million citizens out of a total of 25 million are suffering from acute malnutrition. That is why the WFP announced increasing its aid to Yemen<sup>237</sup>. In addition to the tens of thousands of deaths and injuries,

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<sup>235</sup> Ibid.

<sup>236</sup> Maan Dammag,

<sup>237</sup> Ibid.

approximately 3 million people had to leave their homes in conflict zones, and the already ailing infrastructure was totally destroyed. The war context also gave power to black market mafias, war lords, and militia leaders and while those accumulate huge amounts of money from selling oil and basic products in the black market, the majority of the population is living under poverty line and is on the verge of famine<sup>238</sup>.

In Syria, the human development index reached 0.472 in late 2013, compared to 0.646 in 2010 and poverty rate reached 82.5% in late 2014. In addition, more than 85,000 workers were laid off in the first year of the revolution alone<sup>239</sup>. Work in a large number of institutions ground to a halt and infrastructure was destroyed in the cities that were bombed in addition to millions of people who became homeless. Industrial and crafts facilities and agricultural projects, which were mainly located in Rif Dimashq and Aleppo, were totally destroyed while financial resources and oil products were channeled towards military operations. A large number of state institutions closed because of fuel shortage and transportation stoppage. Prices soared by almost 100%, especially, fertilizers, chemicals, telecommunications, and fuel, and many commodities became of below-average quality in the absence of state supervision. In addition, unemployment and inflations reached unprecedented rates<sup>240</sup>.

The Libyan case is not different as the production of oil, the main source of revenue, dropped from 800,000 to 250,000 barrels per day at most, which is not even enough for local consumption. A large portion of spending is also directed to

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<sup>238</sup> Ibid.

<sup>239</sup> "Social and Economic Reality after the Syrian Revolution [Arabic]." Syrian Center of Research and Studies: <https://is.gd/Yotzjh>

<sup>240</sup> Hammoud al-Mahmoud. "War Economy in the Syrian Conflict [Arabic]." Carnegie Center, Beirut: <https://is.gd/SEEzOI>

warring militias while the prices of basic goods are skyrocketing if they are available in the first place. Basic healthcare services are almost absent and so are medications in drug stores and medical equipment in hospitals. There is also a shortage in cooking gas and kerosene used for heating<sup>241</sup>.

### **Conclusion:**

Social disparities are not only multi-layered, but they also overlap. Social disparities can be the result of geographical location which is obvious in the comparison between the city and the countryside. This level intersects with that of poverty and deprivation of resources since the social and economic conditions of the city are better than those in the countryside. Gender-based disparities also play a role in both the previous levels since women are generally more prone to discrimination and this suffers from multiple levels of disparities. Race, sect, and religion add to the layers upon which disparities are founded. That is why the issue of social disparities is too complex to be analyzed in separate categories and this overlap has to be taken into consideration in order to understand the nature of such disparities.

The continuation of neoliberal policies after the 2011 revolutions played a major role in widening the gap between social classes. Tunisia signed two agreements with the IMF, totaling more than 5 billion dollars over 6 years. Jordan, Egypt, and Morocco signed similarly dangerous agreements. Jordan signed last summer a three-year 0.7 billion dollar agreement with the IMF while Egypt is working on an agreement involving a bundle of conditions that include several production sectors, banking and financial activities, and social affairs. The Moroccan government also signed its third agreement with the IMF since

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<sup>241</sup> Fadil al-Amin. "Libya on the Verge of Collapse: A Humanitarian Crisis [Arabic]." *Al-Wasat*, January 12, 2015: <http://alwasat.ly/ar/news/170/56098/>

2012 for 3.5 billion dollars in return for several structural reforms and austerity measures to be implemented over two years<sup>242</sup>. All these agreements are accompanied by a set of conditions that are bound to increase the suffering of the people, especially the impoverished and the marginalized who suffer the most upon the implementation of austerity measures and the lifting of subsidies.

Arab governments do not seem ready to admit where they went wrong and obviously are not yet willing to step down. Social disparities will never be eliminated and social justice will never be achieved without governments' realizing that the stability of any community is based first and foremost on equality, social justice, and sustainable development and that alternative solutions are needed after the current ones proved a failure. This will not be possible without serious attempts at eliminating corruption and supporting participatory practices in which the people are involved in the decision-making process and in which civil society, cooperatives, and unions are really independent. Acknowledging the dangers social disparities pose to any given society is the first step towards a fair system in which people receive equal opportunities and gain equal access to public services.

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<sup>242</sup> Fathi Chamkhi. "International financial institutions and post- Arab Spring social disparities," included in this book.

# Appendix (1)





# Social and economic transformations in Syria

**Joseph Daher**

The revolution in Syria was mainly a result of the social and economic transformations that started taking place with the coming to power of Hafez al-Assad in 1970 and which paved the way for the adoption of neoliberal policies. Those policies, however, reached their peak in 2000 when Bashar al-Assad succeeded his father and worked on suppressing all forms of dissent especially by the working class, whose members were the most affected. While economic growth in Syria reached 5% during the years that preceded the uprising, marginalized classes did not benefit from it<sup>243</sup>. On the contrary, social disparities kept increasing. For example, a report by the UN Development Program<sup>244</sup> revealed that the Gini coefficient, which measures inequality, rose from 0.33% to 0.37% between 1997 and 2004. Between 2003 and 2004, the poorest 20% contributed 7% of the total spending while the richest 20% contributed 45% and this situation kept aggravating until the eruption on the revolution.

Economic growth during the era of Hafez and Bashar al-Assad mainly followed a rentier system that depended on oil revenues, economic aid given for political reasons<sup>245</sup>, and cash flow including remittances. This system obstructed development in several ways. During the two Assad regimes, investments

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<sup>243</sup> FIDA (2009), "République Arabe Syrienne, Programme d'Options Stratégiques pour le Pays," p.1: <http://www.ifad.org/gbdocs/eb/98/f/EB-2009-98-R-22.pdf>.

<sup>244</sup> Khalid Abu-Ismaïl, Ali Abdel-Gadir and Heba El-Laithy (2008), "Poverty and Inequality in Syria (1997- 2007)", UNDP: <https://is.gd/X7jJlv>

<sup>245</sup> For example, in the Arab League summit held in Baghdad in 1978 to condemn the peace treaty between Egypt and Israel, Syria was given a grant of USD 1.8 billion annually for 10 years as a reward for its "struggle" against Israel.

were directed towards traditional crafts and low-quality services, real estate, transportation systems, and family projects that benefited the ruling elite rather than the people<sup>246</sup>.

The previously mentioned UN Development Program revealed that the unemployment rate on the eve of the revolution had reached 14.9% according to official statistics and 20-25% according to other sources. The unemployment rate among youths had reached 48%, three times its percentage among adults<sup>247</sup>. The report also revealed that in 2007, the percentage of Syrians living under poverty line reached 33% that is around 7 million people, while 30% lived right above poverty line. Even the Syrian General Union of Chambers of Commerce, which is controlled by the regime, warned in 2009 that the rich are becoming richer and the poor are getting poorer and those small workers, who constitute 80% of the Syrian people, are looking for extra jobs to support themselves financially<sup>248</sup>.

The rise of inequality and lack of social justice had their impact on women in particular. For example, the unemployment rate among women was four times that among men in 2007<sup>249</sup> and between 2001 and 2007, half of the working women lost their jobs and the gap increased between the percentage of working women in the countryside and in the city<sup>250</sup>. Neoliberal policies were in the best interest of rich classes in Syria and foreign investors, especially from the Gulf region and Turkey, at

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<sup>246</sup> Linda Matar. *The Political Economy of Investment in Syria*, Palgrave Macmillan UK, 2015, p. 131.

<sup>247</sup> <https://is.gd/aIDY5j>

<sup>248</sup> Raymond Hinnebush and Zintl, Tinti, "Syrian Uprising and Al-Assad's First Decade in Power", in *Syria from Reform to Revolt Volume 1, Political Economy and International Relations*, (Syracuse University Press, 2015), p. 293.

<sup>249</sup> Samir Aita (2009), "Labour Markets Performance and Migration Flows in Syria," p. 6: <https://is.gd/q6ZnMb>

<sup>250</sup> *Ibid*, p.3.

the expense of average citizens who suffered from inflation, the deterioration of public services (education, housing, and healthcare), and rising cost of living<sup>251</sup>.

Before the revolution, the percentage of poverty in the countryside reached 62% compared to 38% in the cities. Poverty was more acute in the North West and North East where it reached 58.1% in Idlib, Aleppo, al-Raqqah, Deir el-Zor, and al-Hasakah, in which 45% of the population lives<sup>252</sup>. More than half the unemployment rate (54.2%) is concentrated in rural areas<sup>253</sup>.

Before the revolution, commercial activities were geographically distributed as follows:

The distribution of small institutions (less than 5 employees) across governorates:

- Damascus and Rif Dimashq: 27.36%
- Aleppo: 21.72%
- Homs: 9.93%
- Hama: 6.06%
- Remaining governments (10): 34.93%

The distribution of small institutions (5-14 employees) across governorates:

- Damascus and Rif Dimashq: 29.40%
- Aleppo: 41.55%
- Homs: 5.89%
- Hama: 4.70%

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<sup>251</sup> Linda Matar. p. 20.

<sup>252</sup> FIDA (2009), "République Arabe Syrienne, Programme d'Options Stratégiques pour le Pays".

<sup>253</sup> Syrian Arab Republic, <https://www.ifad.org/documents/10180/7c26bd8a-48b6-4beb-a78b-6f4760883bdc>

- Remaining governments (10): 18.46%<sup>254</sup>

Foreign investments were concentrated in Damascus and Aleppo in non-productive sectors such as real estate, tourism, and services like banks and insurance companies while other governorates and the countryside have almost no share of development projects. In addition, predominantly Kurdish regions in the north east of Syria, in the region known as Upper Mesopotamia, were the most subjected to impoverishment and had the highest rates of illiteracy and poverty. This region is home to 58% of impoverished citizens in Syria even before the 2006 drought that had a detrimental impact on farmers and shepherds. In 2010, the poverty rate in the North West reached 80%.<sup>255</sup> The North West produces two thirds of the national seeds crop, 70% of wheat, and 69% of cotton (yet only 10% of textile industries)<sup>256</sup> as well as of hydrocarbon production despite lack of development and the fact that industrial facilities there do not exceed 7% of the entire industrial sector. In addition, different ethnic groups in Syria such as Assyrians and Kurds suffer from economic marginalization.

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<sup>254</sup> Seifan, Samir, *Syria on the path of economic reform*, (Fife, Scotland, University of St. Andrews: Boulder, Lynne Rienner Publishers, 2010), p. 57.

<sup>255</sup> United Nations (2011), "Report of the Special Rapporteur on the Right to Food, Olivier De Schutter", p. 5:  
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<sup>256</sup> Myriam Ababsa, "The End of a World, Drought and Agrarian Transformation in Northeast Syria (2007-2010)", in *Syria from Reform to Revolt*. Volume 1, Political Economy and International Relations, (Syracuse, NY: Syracuse University Press, 2015), p. 201.

# **Social disparities and social justice in Algeria**

**Fadila Akkache**

## **Introduction:**

Algeria is one of the Arab countries that made social justice one of the priorities of its developmental strategy since independence and meeting the social demands of the people was a main principle in different official documents. Despite economic crises and relative economic liberation, a substantial number of social rights acquired during the planned economy stage were maintained. According to the Gini coefficient, Algeria is classified as a medium country in terms of the intensity of social disparities. According to the National Office of Statistics, the spending rate of the richest 20% is estimated at 40% of the total consumer spending, while this percentage reaches 86% on the international level. However, the achievement of social justice is linked to creation of wealth while social policies in Algeria rely on a rentier rather a productive economy, which renders social development contingent upon oil revenues. This process will be examined through the following points.

## **1- Political choices and post-independence socio-economic conditions:**

Colonialism in Algeria played a major role in deepening social disparities between the French and Algerians, as the former adopted a number of discriminatory social policies that gave precedence to the former in terms of wages, employment, and social security at the expense of the latter. After independence, the state worked on eliminating social disparities through adopting a number of policies that aimed at achieving social harmony and that mainly depended on the country's revenues.

The state provided free education and healthcare, issued a labor law that provides all jobs in all sectors with social security, set an equal-pay system, and unified the social insurance system in different sectors created during the colonial period. However, most these policies were not properly implemented on the ground whether in terms of distribution or quality due to lack of adequate human or financial resources. The result was that those policies became more of a formality rather than a reality. For example, many services were indeed offered for free, yet they kept deteriorating over time.

## **2- The economic crises and liberation of the economy:**

The drop in oil prices in the mid-1980s made the Algerian regime lose the main source of legitimacy and the main justification for its full control of the distribution of revenue. It was through oil revenues and the way they stabilized the society that the state monopolized social and economic action and marginalized the middle class for fear it would become a rivaling political power. The crisis resulting from the drop in oil prices restricted the social and economic role of the state which then had to be open to the private sector as far as investment and labor relations are concerned and to exercise more flexibility in terms of running the development process. The state, therefore, started withdrawing from several sectors it previously supported and started looking for new sources of funding. This transformation saw a shift in the state's approach to issues like labor relations and wages which became more subject to negotiations rather than determined by the central government. Investment was also encouraged through offering a number of incentives and lifting previous restrictions. This gave rise to the informal sector where work was no longer stable and mass layoffs became frequent, which in turn resulted to increasing poverty rates and creating social disparities.

Meanwhile, many post-independence social gains were maintained and this was especially important during the political turmoil that overtook the country. The social security system adopted during the socialist phase remained in place and was expanded to protect the rights of victims of mass layoffs and early retirement. The state kept supporting public services in a way that offered equal opportunities for all citizens. For example, education in Algeria is free throughout its different stages including university education in which 80% of youths (around 1.5 million) enroll. However, that was not the case with healthcare services for while public medical facilities remained available for all citizens, the quality of service kept deteriorating and those facilities became incapable of competing with the private ones that started opening one after the other. This created a discrepancy between the rich and the poor as far as medical care is concerned.

### 3- **The oil boom and social disparities:**

Since 2000, Algeria witnessed an oil boom that brought the state back to its role as the major player in the economic and social scene especially in the distribution of oil revenue, yet this time within the framework of the liberation of the economy. Social disparities in Algeria acquired their own specificity since they became linked to how far each social class benefits from oil revenues, which were distributed through a centralized system that allowed the state to choose prioritizing certain classes over others for political reasons usually.

Social disparities do not exist between one class and another, but also within the same class. For example, there is discrepancy in income and working conditions within the working class in Algeria, particularly between public sector workers and their counterparts in the private sector. The liberation of the economy, which was accompanied by wage flexibility, created a wide gap between the two groups as the wages of public sector workers at

times exceeded those of private sector workers by 70%<sup>257</sup>. Public sector workers also benefit from social security. The public sector is home to the majority of permanent workers, whose number is estimated at more than 3.5 million. On the other hand, informal work is more dominant in the private sector where the number of temporary workers shifted from 300,000 in 1991 to more than 3.7 million in 2014.

There is also a discrepancy in benefiting from revenues within the bourgeoisie as the national bourgeoisie benefits less while the petit bourgeoisie benefits from a number of funding and investment programs that constitute 80-90% of loans directed towards the economy and the comprador bourgeoisie receives several funding and tax facilities as part of the partnership agreements signed by the state.

Low-income and impoverished segments of the Algerian society benefit from different types of social security whether through subsidies, direct aid to senior and handicapped citizens with no income, and medical insurance. Workers dismissed in the aftermath of the liberation of the economy are compensated and receive up to three years insurance depending on the time they spent working.

Unemployed youths do not benefit from any form of social security with the exception of subsidies and that is why they are the most prominent in protests and social movements especially in remote and inland areas. It is noteworthy that social transfers in Algeria were estimated at more than USD 17 billion in 2015, which constitutes around 10% of gross domestic product.

The rentier nature of the Algerian economy impacted the social policies adopted by the state and created discrepancies in the degree to which each class or each segment within the same class benefits from national revenues. This also obstructed the establishment of a productive economy that would overcome

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<sup>257</sup> The National Office for Statistics, 2016: [www.ons.dz](http://www.ons.dz)



subordination to revenue and become the first step towards social justice.



# **The impact of social disparities on the middle class in Jordan**

**Zuhair Tawfiq**

## **Introduction:**

A discussion of the middle class in Jordan requires taking a number of points into consideration:

1- Jordan, like many other developing countries, is characterized by class fluidity where it becomes difficult to demarcate each of the different classes for it is more likely than not for classes and different segments of the same class to overlap.

2- Jordan is characterized by constant class mobility where individuals move easily from one class to another, therefore the rise of poverty rates denotes the movement of large number of people from the middle to the lower class.

3- The overlap of classes is reflected in the overlap of the economic activities in which they engage so that landlords can be capitalists and members of the middle class can do manual and other jobs.

4- The structural fragility of the class system and civil society in Jordan is attributed to the political and historical transformations that accompanied the development of the nation state in Jordan from the Emirate of Transjordan to the Hashemite Kingdom of Jordan. One of the most significant reasons for the deformation of this system is the fact that the authorities, one of the pillars of the state, preceded the establishment of the state and the state preceded civil society and society with its different classes. This led to the Jordanian society

being dependent on the state and the authorities rather than being a social and political base for them.

5- The Jordanian society moved from a self-sufficient economy at the time of Transjordan to neoliberal policies after the establishment of the state. The Jordanian society was originally Bedouin and rural and did not for a long time have private property. In fact, the Department of Land and Property was established at a late stage of the emirate's history. When the nation state was established, it restructured the society based on its own vision and in a way that suits its existence. That is why understanding the structure of the Jordanian society necessitates going back in history to the time of Transjordan when tribal affiliations, clan loyalties, and the nomadic lifestyle played a major role in determining relations between members of a community as well as in understanding the current disparities between different social classes.

After the establishment of the monarchy in Jordan, many members of the middle class found it in their best interest to become part of the state apparatus and the state welcomed this initiative since it expanded their social base especially among land owners, capitalists, tribal chiefs, and the educated youths who formed the Jordanian bourgeoisie. A large number of intellectuals and civil servants became part of the middle class or the petit bourgeoisie. Small employees moved to the upper class through tribal connections and the intelligentsia expanded as it encompassed university graduates and educated citizens. The middle class became crucial for the stability of Jordan as well as an important pillar of the Jordanian economy.

Gradually, the Jordanian economy adopted capitalist policies and local markets opened to foreign goods as import and export flourished (import of manufactured goods and export of raw material). This new system required the establishment of franchises, brokering agencies, and commissioning services,

which meant the emergence of a comprador bourgeoisie that was both the reason and the result for the state's adoption of a subordinate position on the both the political and economic levels. The emergence of the comprador bourgeoisie came at the expense of the national bourgeoisie.

### **Middle class transformations in Jordan:**

The sudden rise of oil prices following the October 1973 war played a major role in the transformation through which the middle class in Jordan went. Members of the middle class started working in Gulf countries which attracted university graduates, experts, and professionals. These migrations were essential to social mobility as large numbers of Jordanians improved their financial status and moved to upper classes. This transformation contributed to allaying domestic tension that resulted from social disparities as more people improved their conditions and started owning property or started small projects upon going back home. Gulf countries received tens of thousands of middle class members who benefited financially from this move yet at the same time lost politically since they no longer had any leverage in the domestic scene. Those became no longer interested in taking part in the political process or in seeing democratic transition in their homeland. Even upon coming back and contributing to the Jordanian economy through investments, this economic power did not translate into any political clout. They even lost their rights as voters for around a million expats did not vote in the latest elections. On the other hand, Jordanian expats stabilized the Jordanian society through contributing in bridging the gap between classes. Meanwhile, returnees from the Gulf, especially Saudi Arabia, brought back conservative values that started pervading the Jordanian society and transformed a large part of it from liberalism and modernizations to conservatism and at times fanaticism.

The decline of the middle class in its initial shape poses a grave threat to the Jordanian society since it was this class that managed to promote moderate values and bridge the gap between classes as it combined those who came down from upper classes and those who went up from the lower class. The middle class, therefore, was the balancing power of the Jordanian society.

Social disparities, which also constituted a threat to the middle class, started emerging with the widening gap between the capital and other regions in the country. This was both the reason for and the result of migrations from the countryside to the city. This movement changed the characteristics of the city as the center of the moderation of the middle class and a representative of the ideologies and lifestyle of its members. The city lost its identity as it became endowed with Bedouin and rural characteristics that altered its features and divided society into two parts: one that is moderate and exposed to the outside world and another that is conservative and traditional.

In addition to the discrepancy between the city and the countryside, there also grew a discrepancy between upper class neighborhoods and densely populated slum areas with high poverty and unemployment rates and deteriorating services, a discrepancy between low incomes and high incomes, and a discrepancy in social status and the ownership of capital.

The comprador and bureaucratic bourgeoisie monopolizes the political and economic resources of the country for it is the class that benefited from its strong ties with the state to multiply its profits through flooding markets with consumer and service projects while crushing the national bourgeoisie that grew poorer, closed its small businesses, and became unable to meet its financial commitments. Unemployment and poverty rates started rising as development projects did not make human resources and the quality of life their main priorities. This

situation was aggravated by the fast growth of the population that reached 8 million, 2 million of whom are refugees and expatriates, as well as the limited number of women in the labor market and the high percentage of youths in the population. This was accompanied by lack of interest in quality as quantity took precedence, so for example it was important to establish new schools regardless of the level of education they offer and the same applies to healthcare and cultural facilities.

### **The middle class in the age of globalization and privatization:**

The Jordanian society is suffering from the crises that mainly resulted from the adoption of neoliberal policies introduced by the International Monetary Fund (IMF) and which include lifting subsidies on basic commodities, increasing direct and indirect taxes, austerity measures, less spending on public services, the freezing of salaries, and more incentives for investors. All these widened the gap between different segments of society, increased poverty and unemployment rates, and drove many more to migrate to oil-rich countries in the Gulf region. Neoliberal policies necessitated opening local markets to foreign products and less state contribution in public services and social security while offering more facilities to investment projects that do not really benefit the Jordanian society and economy.

The increasing impoverishment of the middle class not only intensifies social disparities, but also makes room for the comprador and bureaucratic bourgeoisie and businessmen to take control as the middle class joins the poorer classes and they all turn into the silent majority that feels indignant at their conditions yet take no action to change them.

Absence of social awareness, the temptations of religious extremism, the weakness of political factions that should effect a change, lack of a participatory culture and a sense of national

belonging, and the unfair distribution of wealth and resources are all factors that contribute to accentuating social disparities and make it difficult for citizens to trust the state that is not working on achieving social justice and equality. Social disparities give rise to feelings of resentment and even with the large number of parties that took part in the September 2016 election and which amounted to 39, many segments of the Jordanian society still found no place in the political scene. This particularly applies to youths who when not finding the legitimate way of voicing their demands are likely to resort to illegitimate channels mostly through joining militant extremist groups.



# **Hanging by a thread: On social justice in Egypt**

## **Omayma Kamal**

A woman in her forties who looks much older sits with her husband and child on the floor in a small unfurnished room that only has a shabby rug. This is a scene from the documentary film chosen by the Egyptian Ministry of Social Solidarity in a luxurious event held at a five-star hotel overlooking the Nile in Cairo to celebrate the success of the social security program launched by the state. The event, which was attended by the Egyptian prime minister, was part of a campaign launched by the Egyptian government to convince Egyptians and international financial institutions of the success of the program called Takaful and Karama, Arabic for “welfare and dignity,” in assuaging the repercussions of the economic reform program. This program started before Egypt signed the three-year, USD 12-billion loan agreement with the International Monetary Fund (IMF), followed by other loans, the total of which will amount to USD 21 billion. The loan, which was accompanied by the implementation of austerity measures, increased poverty rates and resumed the same strategies followed by the government before the revolution and which were a major reason for its eruption. Social disparities were even deepened further after the revolution. The poor classes, who constitute the actual labor force, only get 30% of the domestic product while the remaining 70% goes to businessmen, capitalists, landlords, interests, and revenues according to the National Council for Wages in Egypt.

The Egyptian social security program provides a segment of the impoverished class with a modest subsidy that is actually

below the national poverty limit (482 Egyptian Pounds for one person per month), according to the latest study conducted on income and spending in 2015 by Central Agency for Public Mobilization and Statistics. Yet this monthly amount is right above the national acute poverty line (321 Egyptian Pounds), in which 3.5% of the Egyptian population live, with a 1% rise in the past two years according to official statistics.

The number of people living under poverty line decreased before the revolution, starting 2008, by 1.3%. This drop is possibility the result of the increasing numbers working in menial and informal jobs such as home delivery, security services, street peddling, and valet parking. The income of these jobs was enough for substantial numbers of people to rise above the national poverty line, under which 27.8% of the population live at the moment. People living under poverty line are incapable of getting their basic needs such as housing, transportation, and food.

The woman in the documentary, who lives in a village in the governorate of Beni Suef in Upper Egypt, says she cannot even dream that her son, who is in elementary school, can be a doctor one day. This means that she is well aware of her social status and that no matter how much it improves, it will not provide her with more than sheer survival. In fact, several economic studies revealed that only 3% of the woman's class, which is categorized under the poorest 20% in Upper Egypt, gets the chance to join medical or engineering schools. In fact, only 9% of this class gets the chance to reach university level to start with, according to a study conducted by Raji Asaad, former regional director of the Population Council- North Africa and presented at the Economic Research Forum in Cairo under the title "Equal Opportunity in Education." Social class is also linked to job opportunities. For example, half the youths whose parents completed their high school education are more likely to find jobs right after

graduation. This percentage drops to 35% in the cases of youths whose parents got less education. This means that poor families are usually destined to remain poor as if the parents bequeath this poverty to their children, according to a study conducted by the Population Council under the title “Justice and Social Classes in University Enrolment.”

What becomes obvious from the documentary is that women’s chances at moving up the social ladder are nonexistent even with the initiation of the social security program that barely protects them from starving. According to the woman, the money she got from the program only paid for medical tests and medication for cirrhosis, from which she was suffering for years, and for one kilogram of meat. When she was asked by the representatives of the program about what she wants, she spontaneously answered, “I want everything.” The program, which started a year ago, only aims at reaching 1.5 million families until next year, which means that it will take years to reach the rest of the poor and when it does it will not manage to change their status.

The woman in the documentary represents a large number of Egyptians who are forced to give up services such as education and healthcare in order to meet their basic needs such as food, which takes half of their income. This was especially the case when the government started implementing austerity measures, which it marketed with an intensive campaign manifested in a number of billboards that flooded Cairo under the slogan “It is not reform if it is not bold.” In fact, the government was quite “bold” when it committed to imposing austerity measures in order to decrease budget deficit based on IMF instructions. One of the manifestations of this “reform” was the authorization of the value added tax to replace the sales tax following daily visits by the minister of finance to the House of Representatives until the law was passed. The new tax is bound to increase the burden

on consumers by 2.5% at least. The tax, which is currently 13% and will reach 14% next year, is imposed on all commodities and services with few exceptions and poor and low-income citizens will suffer while Egypt is home to several businessmen on the Forbes list of the world's richest people.

One example of the impact of the tax is the 25% increase in the price of cigarettes, taking into consideration that a large number of people in the poorest 10% spend 5.7% of their income on cigarettes, which is double what the well-to-do spend. This demonstrates how the “bold” reforms implemented by the government will have more impact on the poorer classes than the rich ones. Added to this is the fact that members of the poor classes are likely to stay there owing to the meager chances they get in education, which is the main asset for social mobility. The percentage of poverty among university graduates does not exceed 7% according to the result of the general income study for the year 2015, which is less than that in the previous study conducted in 2012. The new policies are not expected to make the situation any better especially with speculations on how they are expected to affect free university education. Even the 10% allocated to education and healthcare in the public budget is now being circumvented by a parliament that does not side with the woman in the documentary and other members of her class.

The woman in the video is most likely unaware that the annual inflation rate has reached 16.4%, the highest in eight years, yet she is definitely aware that the prices of vegetables increased by 41% and rice 53% and that healthcare increased by 30%. A study conducted by the Social Contract Center, affiliated to the Egyptian Cabinet's Information and Decision Support Center, revealed that living costs of the richest 10% in Egypt increase with a lesser percentage than that of the poorest 10% when food prices increase, which leads to a further deepening of social disparities. According to the latest income research, the

food consumption percentage among rich classes reaches 19.5% compared to 44.5% for poorer classes.

As part of its “reforms,” the government declared its intention to cut on different subsidies, including the fuel subsidy, which will be completely lifted in three years’ time as well as natural gas and foodstuffs. Water prices were also raised by 30%. The price increase of electricity was applied to the lower echelons of consumers, starting from 50 kilowatts, which means that the poorest classes will be affected, while subsidies will soon be completely lifted on those who consume more than 1,000 kilowatts per month, which affects a large portion of the middle class.

According to official data, the woman in the documentary is registered to have a ration card, which means she gets a subsidy of 18 Egyptian pounds per month for each member of her family. The government cites these subsidies, which provide the poorest 10% with not more than 10.5% of their food needs, as one of the reasons for the budget deficit. That is why it is not a surprise that 92% of Egyptians subjected to malnutrition or lack of nutritional security do have ration cards and that half the families in this category only each chicken wings, fish heads, and bones, according to statistics conducted in July on the characteristics of families subjected to malnutrition.

Even though official entities admit that ration cards hardly provide a small portion of the basic needs of poor families, the government is attempting to reduce the benefits citizens get from ration cards under the pretext that many of them are not qualified to receive rationed goods. This argument is supported by the fact that 77% of the richest 10% have ration cards. However, this argument ignores the fact that the so-called richest 20% includes a wide range of people from those who spend more than 1,000 Egyptian pounds per month to those who spend millions of pounds.

The government also came up with the civil service law, which aims at reducing the number of government employees and freezing their salaries, which are claimed to be one of the reasons for the budget deficit based on the fact that this budget item increased from 85 billion Egyptian pounds before the revolution to 228 billion. Under this law, no fixed-term employees will be appointed and employees who retire will not be substituted, which means that the government will lose 200,000 employees every year. The law also gives the government more rights in terms of terminating the service of senior employees.

The government overlooks the fact that austerity measures reduce consumption, based on which the growth rate in the past few years was determined. Every 1% growth in consumption leads to a 2.79% drop in the number of the poor in urban areas and the percentage is a bit less in the countryside, according to a study conducted by Hanaa Kheir al-Din, professor of economics at Cairo University.

The government is quite “bold” when it comes to poorer classes and is much less bold with the richer ones, for while subsidies for basic needs are lifted on the first, export subsidies, which benefit the second, are increased. The first post-revolution budget decreased export subsidies in favor of the newly-devised welfare allowance, yet in the following budget export subsidies will be doubled to reach six billion Egyptian pounds. The government will also provide iron factories with natural gas at cheaper prices after lobbying from businessmen who wanted to get the same privileges as cement, glass, and tile factories. The government decided to overlook the Egyptian Competitiveness Report 2014/2015, which revealed that the percentage of excess subsidized natural gas used in iron factories reaches 25%, cement factories 50%, and glass factories 70%.

Another problem is due in May 2017 with the return of the 10% stock market tax, or the capital gains tax, which was frozen for two years for the aim of adding more than 7 billion Egyptian Pounds to state resources according to estimates by Former Minister of Finance Hani Kadri. It will also be time to presumably renew the temporary wealth 5% tax.

Every time the government protects the wealthy, it pushes the poor further down, thus widening the gap between classes and deepening social disparities. In fact, every 1% increase in the income distribution gap is enough to increase the number of the poor by 3.6% in urban areas and 1% in the countryside according to the afore-mentioned study by Hanaa Kheir al-Din. A definitive evidence of the impact on injustice and inequality on increasing poverty is the fact that economic growth achieved between 2005 and 2008 could have resulted in decreasing poverty rates had it been accompanied by a fair distribution of income according to a study by professor of statistics at Cairo University Heba al-Leithi for the Social Contract Center about the social impact of the financial crisis on the Egyptian economy.

The government should maybe focus on the fact that the woman in the documentary and her likes are now disillusioned enough to realize that the contract they signed with the state is no longer valid. This contract stipulated that the state provide the poor with basic needs and services in return for their “contentment” and their submission. However, now that the state is not fulfilling its part of the contract, the poor are realizing that they are no longer content and that it could be about time, they seek better conditions.





# **Inequality and the Search for Developmental Alternatives in Pursuit of Social Justice**

**Toufic Haddad**

The quest for an Arab alternative vision of development and social justice immediately comes up against the question of inequalities between different sociopolitical constituencies and identity groupings (ethnic, religious, confessional, denominational etc.) and within each grouping (inter and intra class divisions).

That is, trans- or cross-group inequalities (horizontal divisions) and class inequalities (vertical divisions) within groups form the major lines of division that characterize existing political economic arrangements across the 'Arab' world, and prevent the establishment of an alternative developmental vision that could realize social justice.

Here, the role of the state in overseeing the particular arrangement or constellation of forces and distributions of powers must be underscored. The state is the key institutional coordination mechanism, which governs these sets of forces and has within its stead, the capacity to coordinate overall as well as individual/communal strategies.

Here, literature on the political settlement becomes immediately relevant. In the words of Jonathan DiJon and James Putzel, political settlements are "bargaining outcomes among contending elites" (DiJon and Putzel, 2008). These authors rely upon Mushtaq Khan's definition of political settlements, whereby the 'political settlement' refers to:

the balance or distribution of power between contending

social groups and social classes, on which any state is based. (Khan, 1995, 2000)

According to Khan, looking at the political settlement focuses attention on:

“intra-elite contention and bargaining (political versus economic elites; landed and nonlanded elites, regional elites, rural and urban, religious and secular, etc.). on contention and bargaining between elites and non-elites (either within groups or across them, as between classes); inter-group contention and bargaining (gender, regional, ethnic/linguistic, religious) and on contention and bargaining between those who occupy the state and society more widely.”

These sets of relations are ‘balanced’ through the coercive powers of each constellation and the overarching coercion of the state in enforcing the individual and collective orientation and ‘bargain’ of forces in play.

To this must be added at least two additionally significant factors determining the political economy. The role of external powers and forces with the capacity to intervene in the internal balance of forces on the state and its sub actors, and; the ideological and political character and orientation of the collective and individual ‘pacts’ between the state and within each constituency.

Clearly, a historically dialectical and relational approach to understanding these factors is the best way to understanding how these interactions derive and are enforced on the ground. These are dynamic relations at their core, shifting and competing in essence, constantly in flux.

From the basic set of theoretical understandings of the role of the state and the political settlement, we can begin to explore the particular arrangement of each Arab state setting and how a

potential alternative developmental vision organized around the principles of social justice might arise.

Gilbert Achcar has written extensively about repetitive patterns characterizing the nature of many Arab 'developmental' arrangements, particularly those associated with rentier economies. Achcar describes a kind of politically determined capitalism whereby Arab states develop a 'state bourgeoisie' characterized by the Arab 'bourgeoisie deriving its economic power from the state, while functioning as private capitalism' (Achcar, 2013, p. 58). This takes place thanks in large part to the provision of rents by the state, with investment largely going into sectors that are more often than not, low-value added, speculative and 'lazy', particularly in tourism, real estate, construction and consumptive trade:

The absence of any real rule of law in virtually all Arab countries [. . .] fetters the development of the type of capitalism led by entrepreneurs willing to take risks of the sort implied by investment in fixed capital with long-term amortization. In contrast, speculative or commercial capitalism motivated by the pursuit of short-term profit thrives under such conditions. Such capitalism coexists and, often, combines with the state bourgeoisie's 'politically determined capital'. (Achcar, 2013, p. 62)

All too often, those alienated from the privileges of this arrangement, and exploited accordingly are forced to survive within small and medium enterprises, where traditional patriarchal, familial, clan and sectarian values are promoted and entrenched as strategies for maintaining minimal forms of social protection and social reproduction overall.

When combined with forms of neoliberalism, the powers of elites to manipulate and expand their powers increases and consolidates, as the divisions and inequalities that this

arrangement inherently relies upon and embodies, accelerates. Over time, the system destabilizes as poverty, marginalization, exploitation and inequalities further increase, and the essentialisation of inter-group and intra-group divisions hardens. The arrangement becomes destabilizing and potentially explosive, as a competition between deformed worldviews arises and polarizes. More often than not, this takes the form of types of struggles between the values promoted by a politically determined capitalism on the one hand, and the values of the petit bourgeois-inspired capitalism on the other, often Islamist in character.

While this brief description can only capture very general trends in the pattern of existing 'Arab development', the key challenges facing the creation of an alternative development model based on social justice, would thus seem to revolve around the following set of questions that progressive political actors must attempt to answer, if genuine progressive socio-political change within and between groups composing the state is to arise:

How is it possible to promote working class values that challenge intra-identitarian vertical class arrangements – especially within the objective circumstances characterized by small and medium enterprises and its accompanying modes of production/ surplus extraction?

How is it possible to develop these values across communal (horizontal) lines to break the inter-communal 'divide and rule' logic promoted by the state bourgeoisie overall, constituted in the political settlement?

What are the temporal aspects of this struggle? Is this fundamentally a reformist or revolutionary transition or break? Is it both? What is desirable and what are the tradeoffs at stake?

How might the promotion of values to undergird these

struggles be irrigated and promoted in the context of the existing polarizations, inequalities, and hardened identitarian nature already created by the historical evolution of these trends to begin with?

What might be done regarding the role of external regional and international actors in so far as they play a role in ‘tipping’ the balance of forces within the struggles overseen by the state?

Finally, what are the ideologies and institutions needed to be able to imagine and promote a political settlement that promotes social justice, which at the same time does not fall victim to the trappings of identity or consociation understandings?

It is around these questions that an alternative developmental vision and the possibility of social justice across the Middle East and North Africa, would seem to be predicated.

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# Appendix (2)<sup>258</sup>

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<sup>258</sup>Annex in: Mohamed Said Saadi, Social disparities in the Arab region: Concepts and problematics.

الجدول 1: Human Development Index and its components

HDI rank	Country	Human Development Index (HDI)	Life expectancy at birth	Expected years of schooling	Mean years of schooling	Gross national income (GNI) per capita (2011 PPP \$)	GNI per capita rank minus HDI rank
		Value	(years)	(years)	(years)	2014,0	2014,0
		2014,00	2014,00	2014,00	2014,00	2014,00	0
<b>VERY HIGH HUMAN DEVELOPMENT</b>							
32,00	Qatar	0,85	78,20	13,79	9,07	123124,36	-31,00
39,00	Saudi Arabia	0,84	74,30	16,27	8,70	52821,36	-27,00
41,00	United Arab Emirates	0,84	77,00	13,33	9,49	60868,33	-34,00
45,00	Bahrain	0,82	76,60	14,40	9,42	38598,51	-20,00
48,00	Kuwait	0,82	74,40	14,75	7,21	83960,62	-46,00
52,00	Oman	0,79	76,80	13,64	8,00	34857,71	-23,00
67,00	Lebanon	0,77	79,30	13,75	7,92	16509,28	-1,00
80,00	Jordan	0,75	74,00	13,51	9,91	11365,22	11,00
83,00	Algeria	0,74	74,80	13,97	7,61	13054,31	-1,00
94,00	Libya	0,72	71,60	14,04	7,31	14910,92	-19,00
96,00	Tunisia	0,72	74,80	14,62	6,84	10404,50	1,00
108,00	Egypt	0,69	71,10	13,53	6,55	10512,42	-12,00
113,00	Palestine, State of	0,68	72,90	13,00	8,87	4699,15	21,00
121,00	Iraq	0,65	69,40	10,08	6,38	14003,22	-44,00
126,00	Morocco	0,63	74,00	11,56	4,37	6850,14	-8,00
134,00	Syrian Arab Republic	0,59	69,60	12,27	6,25	2728,22	21,00
156,00	Mauritania	0,51	63,10	8,50	3,77	3560,12	-14,00
159,00	Comoros	0,50	63,30	11,50	4,60	1455,78	16,00
160,00	Yemen	0,50	63,80	9,15	2,60	3519,49	-17,00
167,00	Sudan	0,48	63,50	7,00	3,14	3808,89	-27,00
168,00	Djibouti	0,47	62,00	6,39	3,84	3276,22	-22,00
	<b>Developing countries</b>	0,660	69,8	11,7	6,8	9 071	—
	<b>Regions</b>						
	Arab States	0,686	70,6	12,0	6,4	15 722	—
	East Asia and the Pacific	0,710	74,0	12,7	7,5	11 449	—
	Europe and Central Asia	0,748	72,3	13,6	10,0	12 791	—
	Latin America and the Caribbean	0,748	75,0	14,0	8,2	14 242	—
	South Asia	0,607	68,4	11,2	5,5	5 605	—
	Sub-Saharan Africa	0,518	58,5	9,6	5,2	3 363	—
	<b>Least developed countries</b>	0,502	63,3	9,3	4,1	2 387	—
	<b>Small island developing states</b>	0,660	70,1	11,4	7,9	6 991	—
	<b>Organisation for Economic Co-operation and Development</b>	0,880	80,2	15,8	11,5	37 658	—
	<b>World</b>	0,711	71,5	12,2	7,9	14 301	—



الجدول 2: Inequality-adjusted Human Development Index

Country	Human Development Index (HDI)				Coefficient of human inequality	Inequality-adjusted life expectancy index	Inequality-adjusted education index	Inequality-adjusted income index	Income inequality			
	Value	Value	Over all loss (%)	Difference from HDI rank					Value	Value	Value	Quintile ratio
	2014	2014	2014	2014	2014	2010 - 2015	2014	2014	2014	2014	2005 - 2013	2005 - 2013
<b>VERY HIGH HUMAN DEVELOPMENT</b>												
	0,849											
3	76836											
2	5	..	..	..	..	6,05	0,84	..	..	..	..	..
	0,837											
3	27397											
9	7	..	..	..	..	8,73	0,76	..	..	..	..	..
4	0,835											
1	46904	..	..	..	..	5,52	0,83	..	..	..	..	..
	0,823											
4	92195											
5	7	..	..	..	..	6,26	0,82	..	..	..	..	..
	0,816											
4	27176											
8	8	..	..	..	..	7,23	0,78	..	..	..	..	..
	0,793											
5	01947											
2	7	..	..	..	..	7,00	0,81	..	..	..	..	..
	0,768	0,608	20,82									
6	89783	7916	2818		20,2			24,0		29,9		
7	7	34	8	-15	3	6,65	0,85	5	0,49	9	0,54	..
	0,748	0,624	16,48									
8	32854	9353	9170		16,4			16,9		20,4	5,1	1, 33,6
0	2	71	74	2	1	11,85	0,73	0	0,59	9	0,57	4 37 9
	0,735											
8	62376											
3	7	..	..	..	..	16,71	0,70	..	..	..	..	..
	0,724											
9	46401											
4	1	..	..	..	..	10,10	0,71	..	..	..	..	..
	0,721	0,562	22,01									
9	19113	4545	0332		21,3			34,5		18,8	6,3	1, 35,7
6	2	66	53		6	10,65	0,75	8	0,41	5	0,57	5 49 9
1	0	689	524	23,99	-2							
0	94865	4214	1236		22,8			40,9		14,1	4,3	1, 30,7
8	5	39	94	-5	3	13,43	0,68	0	0,35	7	0,60	6 19 5
1	0,677	0,576	14,86									
1	49260	8105	0978		14,8			16,5		14,9	5,5	1, 34,4
3	9	8	15	16	5	13,07	0,71	0	0,55	8	0,49	3 40 6
	0,653	0,511	21,75									
1	86083	6135	4984		21,4			30,6		16,1	4,3	1, 29,5
1	9	16	26	2	7	17,65	0,63	3	0,34	5	0,63	8 08 4
1	0,627	0,441	29,69									
2	95366	4520	9905		28,5			45,8		23,0	7,3	1, 40,8
6	2	2	15	-2	2	16,75	0,69	0	0,25	0	0,49	4 96 8
1	0,593	0,467	21,19									
3	72056	8572	9074		20,7			31,4		18,3	5,7	1, 35,7
4	1	95	95		8	12,56	0,67	9	0,38	2	0,41	2 51 8
1	0,505	0,337	33,37									
5	86720	0542	1002		32,8			40,7		21,2	7,8	1, 40,4
6	8	5	47	1	6	36,61	0,42	9	0,21	0	0,43	0 92 6
1	0,503	0,268	46,68									
5	18352	2788	3703		45,9			47,6		56,0	26,	6, 64,3
9	4	22	04	-18	5	34,23	0,44	1	0,25	1	0,18	67 99

1		0,328	34,01																	
6		0,498	6615	8311	33,0			48,0		20,5		5,6	1,	35,9						
0	Yemen	11025	55	23	0	0	30,33	0,47	9	0,18	8	0,43	3	53	1					
1																				
6		0,479																		
7	Sudan	11312	..	..	..	..	32,80	0,45	7	0,17	..	..	6,2	1,	35,2					
1		0,470	0,307	34,57																
6		44273	8046	1278																
8	Djibouti	5	69	16	1	4	32,53	0,44	7	0,16	1	0,41	1	87	6					
						25,5														
	<b>Developing countries</b>	0,660	0,490	25,7	—	4	19,91	0,61	7	0,37	6	0,51	—	—	—					
	<b>Regions</b>																			
	Arab States	0,686	0,512	25,4	—	24,7	17,4	0,643	38,9	4	17,7	6	—	—	—					
										0,49	0,52									
	East Asia and the Pacific	0,710	0,572	19,4	—	19,2	11,7	0,734	18,4	1	27,4	0	—	—	—					
										0,65	0,61									
	Europe and Central Asia	0,748	0,651	13,0	—	12,9	14,3	0,690	7,9	5	16,6	1	—	—	—					
	Latin America and the Caribbean	0,748	0,570	23,7	—	23,2	13,3	0,734	21,0	2	35,2	5	—	—	—					
										0,28	0,49									
	South Asia	0,607	0,433	28,7	—	27,9	24,4	0,563	41,5	8	17,9	9	—	—	—					
										0,28	0,38									
	Sub-Saharan Africa	0,518	0,345	33,3	—	33,1	36,6	0,375	35,3	5	27,5	5	—	—	—					
										0,25	0,36									
	Least developed countries	0,502	0,347	30,9	—	30,7	32,3	0,451	36,4	3	23,4	7	—	—	—					
	Small island developing states	0,660	0,493	25,3	—	24,9	18,6	0,628	21,3	7	34,9	8	—	—	—					
	Organisation for Economic Co-operation and Development	0,880	0,763	13,3	—	12,9	5,6	0,873	9,5	0,74	4	23,6	5	—	—					
										0,44	0,57									
	World	0,711	0,548	22,8	—	22,7	17,4	0,654	26,8	2	24,0	0	—	—	—					

الجدول 3: Gender Inequality Index

Country	Gender Inequality Index		Maternal mortality ratio	Adolescent birth rate	Share of seats in parliament	Population with at least some secondary education (% ages 25 and older)		Labour force participation rate (% ages 15 and older)		
	Value	Rank	(deaths per 1,000 live births)	(births per 1,000 women ages 15–19)	(% held by women)	Female	Male	Female	Male	
	2014	2014	2013	2010/2015	2014	2005–2014	2014	2013	2013	
<b>VERY HIGH HUMAN DEVELOPMENT</b>										
3	Qatar	1	116	6	10	0	67	59	51	96
3	Saudi Arabia	0	56	16	10	20	60	70	20	78
4	United Arab Emirates	0	47	8	28	18	73	61	47	92
4	Bahrain	0	51	22	14	15	57	51	39	87
4	Kuwait	0	79	14	14	2	56	56	44	83
5	Oman	0	53	11	11	10	47	57	29	83
6	Lebanon	0	78	16	12	3	53	55	23	71
8	Jordan	0	102	50	26	12	69	78	16	67
8	Algeria	0	85	89	10	26	27	31	15	72
9	Libya	0	27	15	3	16	55	42	30	76

9										
6	Tunisia	0	48	46	5	31	33	46	25	71
1										
0										
8	Egypt	1	131	45	43	2	44	61	24	75
1										
1										
3	Palestine, State of	..	..	..	46	..	54	59	15	66
1										
2										
1	Iraq	1	123	67	69	27	28	50	15	70
1										
2										
6	Morocco	1	117	120	36	11	21	30	27	76
1										
3										
4	Syrian Arab Republic	1	119	49	42	12	29	40	14	73
1										
5										
6	Mauritania	1	139	320	73	22	8	21	29	79
1										
5										
9	Comoros	..	..	350	51	3	..	..	35	80
1										
6										
0	Yemen	1	155	270	47	1	9	27	25	72
1										
6										
7	Sudan	1	135	360	84	24	12	18	31	76
1										
6										
8	Djibouti	..	..	230	19	13	..	..	36	68
1										
6										
9	South Sudan	..	..	730	75	24	..	..	..	..
	<b>Developing countries</b>	0	—	225	51	20	44	58	50	79
	<b>Regions</b>									
	Arab States	1	—	155	45	14	35	48	23	75
	East Asia and the Pacific	0	—	72	21	19	55	66	63	79
	Europe and Central Asia	0	—	28	31	19	71	81	46	70
	Latin America and the Caribbean	0	—	85	68	27	54	55	54	80
	South Asia	1	—	183	39	17	29	55	30	80
	Sub-Saharan Africa	1	—	506	110	22	22	32	65	77
	<b>Least developed countries</b>	1	—	439	97	20	17	26	66	83
	<b>Small island developing states</b>	0	—	220	61	23	51	55	53	73
	<b>Organisation for Economic Co- operation and Development</b>	0	—	21	25	27	83	86	51	69
	<b>World</b>	0	—	210	47	22	55	65	50	77

الجدول 4: Multidimensional Poverty Index: developing countries

Country	Year and survey	HDRO specifications		2010 specifications		Population in multidimensional poverty		Population near multidimensional poverty (%)	Population in severe multidimensional poverty (%)	Contribution of deprivation in dimension to overall poverty (%)			Population living below income poverty line (%)	PPP \$1.25 a day 2002-2012
		Index	Headcount	Index	Headcount	Headcount (thousands)	Intensity of deprivation (%)			Educational	Health	Living standards		
Jordan	2012 D	0,0	1,22	0,0	1,69	85,20	35,29	0,99	0,10	31,50	65,00	3,49	14,40	0,08
Libya	2007 N	1,00	1,40	1,00	1,51	79,00	37,50	6,30	0,10	31,90	47,90	20,20	..	..
Tunisia	2011/2012 M	0,0	1,48	0,0	1,16	160,80	39,31	3,24	0,17	33,70	48,18	18,12	15,50	0,74
Egypt	2014 D	2,00	4,19	1,00	3,56	3491,17	37,40	5,58	0,36	45,55	46,68	7,76	25,20	1,68
Palestine, State of	2010 M	1,00	1,88	1,00	1,54	75,38	37,43	6,19	0,13	13,91	68,78	17,31	25,80	0,08
Iraq	2011 M	0,0	13,31	4,00	11,64	4236,46	39,40	7,35	2,55	50,07	38,63	11,30	18,90	3,91
Morocco	2011 N	7,00	15,65	7,00	15,43	5016,15	44,28	12,65	4,85	44,76	21,80	33,45	2,50	7,7
Syrian Arab Republic	2009 N	3,00	7,20	2,00	4,39	1519,00	39,10	7,40	1,30	54,70	34,00	11,30	35,20	1,70
Mauritania	2011 M	0,29	55,62	0,28	52,18	2059,79	52,40	16,79	29,94	34,49	20,26	45,26	42,00	23,43
Comoros	2012 D/M	0,17	34,34	0,17	36,04	246,56	48,11	23,11	14,92	29,08	25,95	44,97	44,80	46,11
Yemen	2013 D	0,20	39,96	0,30	0,00	9753,74	50,14	22,36	19,42	29,54	32,23	38,23	34,80	9,78
Sudan	2010 M	0,29	53,06	0,25	57,80	18915,55	54,58	17,93	31,93	30,40	20,67	48,93	46,50	19,80
Djibouti	2006 M	0,13	26,94	0,14	29,32	212,15	47,33	15,96	11,11	36,09	22,74	41,16	..	18,83
South Sudan	2010 M	0,55	89,30	0,56	91,09	8877,08	61,73	8,47	69,58	39,32	14,33	46,35	50,60	..