

Political Economy of Reforms in MENA Region under Arab Spring Threats (2005 – 2013)

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ABSTRACT

The paper provides a comprehensive review on the political economic perspective towards the Arab spring. It gave a clear manifestation towards the threats faced after the Arab spring, which gave a rise to economic and political crisis within the Arab region and especially for MENA countries.

The goal of this research is to scientifically contribute towards assessing the political and economic perspective from Arab spring era. The quantitative analysis has been conducted and variety of factors has been taken into consideration which affects the social, economic and political stability within MENA region. The quantitative method was selected and the major economic and political indicators were selected from the period of 2005 till 2013. The Study used t-test interpreted revealed that the Arab spring resulted in various other consequences such as the economic and political deteriorations. The study tried to answer the main question that "What is The Consequences and Outcome of Arab Spring"? in term of political changes, socio-economic development in the entire MENA region and to what extent it was achieved.

The finding of study reveals that the Arab spring causes social, political and economic instability due to various complex factors. The result form the findings indicated that the Arab Spring has failed to create an outcome of optimistic changes; whereas it lead towards spread of religious radicalism, empower political Islamism and reduce state secularism. Therefore, this lead towards increase in civil wars, riots, intervention of neighbourhood, social militarization, Iranian hegemony, proxy wars, revival of terrorist cells and anarchized petrodollar. Hence, the findings from study collectively show the negative outcome of Arab spring on social, economic and political factors in the MENA region.

Keywords: Arab Spring, Political Economy, Middle East, North Africa, Reforms.

1. Introduction

1.1: Background of the study

The post Arab spring has been the centre of debate until today because it has been portrayed as revolutionary era between authoritarianism and democratisation (Bellin, 2012pp.127-149). The ideology behind the Arab spring was to bring social and economic reforms by means of creating a stable politics within the region. The objective of riots was to achieve a profound democratic shift based on economy centralised on stronger public sector and primacy of the external revenues (Brynen, Moore, Salloukh, and Zahar, 2012, pp.2-15). However, the prevailing model proposed by the social liberation forces resulted in increasing crisis and that ended up with aggressive and diplomatic manifestations (Lang, and De Sterck, 2014,pp.12-21). The study focused upon demonstrating the underlying impact of political economic reform in terms of rising treats in post Arab spring era.

The riots were seen in the MENA (the Middle East and North Africa) region transpired during the era when the entire world was restrained by the economic recession during 2008. The major challenges were faced in meeting the production and consumption goals in almost every economy of the world. This resulted in higher rate of unemployment, slow economic growth, rising poverty, poor FDIs and dissatisfaction among masses (Ansani, and Daniele, 2012,8-12).

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Table 1.1: Unemployment rate in Arab countries

Arab Unemployment Rate, 2005-2012(%)								
Country	2005	2006	2007	2008	2009	2010	2011	2012
Tunisia	14.2	13.9	14.1	14.1	13.3	14	18	-
Iraq	25	18	-	15.2	15.3	15	15.2	15.1
Syria	12.5	-	9	8.6	8.5	8.3	14.9	14.9
Egypt	9.5	10.3	9.1	8.4	9.4	9.7	12.2	-
Libya	-	-	-	-	-	20	20	-

Source: IMF, World Economic Outlook Database October 2012

The above table (1.1) represents the change in the unemployment rate due to rising situation of war and its serious consequences faced in terms of poor social development and stability. Comparative to the years 2005-2010, there was increase in unemployment rate seen since 2011. Especially, huge impacts have been witnessed in Tunisia, Syria and Libya.

The wave of the revolution in the Arab took place during 2010 where the situation of war was witnessed in terms of social riots, non-violent and violent demonstrations, military coups, foreign interventions, and protests that resulted in the situation of anarchy. The Arab spring is referred to the events that took place after the *war of Iraq*. A major movement is seen in the Arab world that aimed to enable democracy in terms of liberalisation, but the outcome was seen in terms of civil resistance. The need of economic and political reforms in the Arab arose due to the strict and autocratic culture within the government. The government and the other public sectors were involved in corruption that affected the entire system of the region.

Table 1.2: Corruption Perceptions Index

Corruption Perceptions Index Rating			
COUNTRY	2006	2012	CHANGES
Egypt	70	118	48
Libya	105	160	55
Tunisia	51	75	24
Syria	93	144	51
Iraq	160	169	9

Source: World Bank, Worldwide Governance Index database.

Table (1.2) highlighted the corruption index among the 5 countries of Arab spring. Due to the rising situation of war and law and order, corruption have been witnessed and a massive change from 2006-2012 have been witnessed. This is because of the threats that these countries have received directly and indirectly from foreign interference. This increased the effect on the social system of the region where inequality and injustice were in practice and the societies were not receiving their necessities. This gave a rise to the rebel armies to stand against the government, but these armies were at extreme vengeance that this led to social disruption (Campante, and Chor, 2012, pp 67-88). The resistance was seen from the side of a young generation that raised their voices against oppressive authoritarians and the great recession faced by the region capsulated the society in social distress (Hassan, and Dyer, 2017, pp 2-13.). However, the entire timeline of the event is shared in the subsequent chapters of the paper. Based upon this, the focus of the study was on identifying the specific threats received from post Arab spring.

1.2 Statement of the Problem:

The Arab spring was meant to protect the civil rights with the goal of maintaining human rights, increasing employment, democracy, fair elections and economic freedom. However, the situation turned wrong way up to where the upshots of the Arab spring were faced (Brownlee, Masoud, and Reynolds, 2015, pp 100-120). The major threat was

to the economy of the region especially MENA countries because a major economic collapse and inflation was recorded during the year 2010-2014 that resulted in the restriction towards financial services, lack of business competitiveness, poor trading, and FDIs (Binhuwaidin, 2015, pp.1-25).

Table 1.3: GDP of Arab Spring

Real GDP (percentage change)					Inflation (percent)			
	2010	2011	2012	2013	2010	2011	2012	2013
Egypt	5.1	1.8	2.2	1.8	11.4	10	7.8	8.6
Jordan	2.3	2.6	2.8	3.5	5	4.4	4.8	6
Libya	5	-62.1	104.5	-5	2.5	16	6.1	4
Morocco	3.6	5	2.7	5	1	0.9	1.3	2.3
Tunisia	2.9	-1.9	3.6	3.3	4.4	3.5	5.6	6
Yemen	7.7	-12.7	2.4	6	11.2	19.5	9.9	12

Source: World Bank, World Development Indicators 2014.

The table (1.3) presented above highlights the change in GDP due to the rising war situations and several conflicts over time. Mainly, the decrease in GDP affected the economic change. Besides, war, infrastructure devastation, and human capital erosion were also the consequences of Arab spring crisis. Based on this, the paper focused on investigating the problem that aimed to explore *the political economy of reforms in MENA region under Arab spring threats*.

1.3: Objectives of the study:

The study intends to investigate the manifestation of the political economy of reforms in post Arab spring threats especially by investigating the impact that the event created on the economic development, liberalisation and political stability of the region. The study tried to understand the following objectives:

[1] Discuss the intervention of economic and political institutions towards social, economic and political development in MENA Region.

[2] Explain the factors of variations in term of political changes, socio-economic development in the entire MENA region.

[3] Clarify the goals and expected the outcome of Arab spring and to what extent it was achieved.

1.4: Questions of the study:

The main question of the study that "What is The Consequences and Outcome of Arab Spring in MENA countries"? Also the main question divided to two questions as the following :

[1] What are the factors which explain the variations in term of political changes, socio-economic development in the entire MENA region?

[2] What were the specific goals and expected the outcome of Arab spring and to what extent it was achieved?

1.5: Significance of the study:

The study played a significant part in understanding the revolutionary era witnessed due to the Arab spring. The reason for the Arab spring was to enable an economic and political revolution in terms of bringing socio-economic and geopolitical stability, but the extreme situation of riots, military coups, and chaos led the economy towards anarchy and created an imbalanced economy. This not only affected the stability in North African and Middle Eastern region but in its neighbouring countries as well. Hence, the paper played a fundamental role to analyse the Arab revolution in terms of the violent and non-violent actions occurred during the regime. The paper further provided manifestations on the Arab revolts based upon its desired goals such as occurrence of free and fair elections, change in regime, increasing human rights, prevailing democracy, and enabling economic freedom, but the methods adopted by the society to bring

change resulted in increasing social and political anarchy, which created disturbance in the entire region. Hence, the study played a significant role in outlining the entire event of Arab spring and the consequences of the event on MENA region. Further, the study also provided imperative understanding towards present situation in terms of the threats raised at post Arab spring. The post Arab spring is facing long-term consequences of the anarchy and thus affecting the economic and political stability of MENA region.

1.6: Methodology

The modernisation theory has been taken into the account which states the internal factor such as economic growth and the socio-economic and political development. The comparative politics method was selected which is well known in similar system design. The method allowed to present the comparison among various similar cases which only differ in term of dependent variables. The statistical method is further applied and the cases were divide in to two group. The five countries were selected for the research based on inclusion criteria which was:

- (a) Countries are located in Arab world.
- (b) Countries share the similar language, culture and the religion
- (c) Countries that have experienced major political changes including Yemen, Tunisia and Egypt
- (d) Countries that have faced minor political changes i.e. Morocco, Jordan and Lebanon

Instead of considering own operationalizaion the study is relied on the work presented by Axel Hadenius, Martin Seymour Lipset, and Larry Diamond. The works of author have applied widely to explore modernisation theory. Besides this to measure the socioeconomic development the Gini-Index was used that measure class structure and income inequality. The material used in the paper is based on statistical data which is quantifiable in nature. The reliable sources were used for the analyse which includes CIA World Fact Book, World Bank Data for world Development Indicators and Quality of Government (QOG) Database. The Study used t-test interpreted revealed that the Arab spring resulted in various other consequences such as the economic distress.

Quantitative analysis has been used for investigating the results. Quantitative analysis contributed towards using different statistical techniques for reaching on to a comprehensive results. Secondary data collection method was used for collecting the data for the purpose of this research work. For the purpose of this research work, special care was taken to extract the data from all the reliable sources. The data was extracted from the peer reviewed journals for maintaining the authenticity of the research work.

1.7: Previous and Related Studies:

Mosco (2009) presented the study on political economy and elucidated that it studies the science of commodity, wealth, utility, value, capital, land, labour, and commodities. The political reforms are referred as the changes in the policies of institutions or government. These policies are changes because either they are not working properly or they are inefficient to achieve the economic goals and objective. Marx (2010), emphasise the concept of political economy, its importance, and reforms. The author investigated that the concept of political economy has been originated from the idea of Adam Smith, Karl Marx, and David Ricardo. Today, the concept of political economy and reforms has been defined as the analysis, which studies and investigates the linkage between economics and politics. Brownlee, Masoud, and Reynolds (2015) argued that the economic theories are traditionally focused on the market decisions where the voluntary exchange creates Pareto efficiency.

Many authors shared the varied definition of policies economy, for instance, Öncel and Malik (2015) elucidated that political reforms are the improvement in constitutions and laws that are accordance with the public expectation, the era not only resulted in social instability but also created a long-term impact on the bilateral ties of Gulf state with the other regions. Especially, the countries faced long-term consequences because the political and economic union was under the threat.

Another author such as Salamey (2015), mentioned that the political economy aims to fulfil the requirement of all segments that are from society. Fawcett (2016) shared that political reforms evolve an electoral system in which the gentility can be empowered. Blaikie (2016) mentioned that political reforms aim to develop the structure of policy in

which not only the horizontal sovereignty is recognised but the vertical sovereignty is also recognised in respect to the allotment of politico-economic power. Asongu and Nwachukwu (2016) mutually agreed on the most basic function of the political economy and concluded that it evolve a draft of a global treaty and work mutually to ratify the treaty in order to implement judicious politico-economic order.

Howard, Duffy, Freelon, Hussain, Mari, and Maziad (2011), argued that the Arab Spring was caused due to 2000 energy crises, sectarianism, authoritarianism, Kleptocracy, Self-immolation, Inflation, human right violations, unemployment, political corruption and other structural factors.

The study of Campante and Chor (2012) highlighted the methods used by civilians in Arab Spring. The authors mentioned that the overall event was conducted through civil disobedience, riots, insurgency, defection, mutiny, civil resistance, protest camps, silent protest, Sit-ins and social media activism etc.

Tobin (2012), studies the rise in oil prices at the beginning of Arab spring that adversely affected the economic system of oil importing countries. Besides this, Moghadam (2013), studies the impact of Arab spring on imports, exports and tourism movement that caused adverse capital flows. Snider and Faris (2011), mentioned that the Arab Spring greatly affected on the countries that were having an economic relationship with MENA region. For instance, the foreign trade and investment relationship between Turkey and Arab Spring countries were negatively affected (Malik and Awadallah, 2013).

According to Abdelzaher Latheef and Abdelzaher (2017), the infrastructure destruction is widespread in the war-torn nations but it is often difficult to access the associated cost because of limited data and restriction to access the damages.

1.8 Concepts of Study Terms:

Political Economy:

Political economy is a combined discipline branch of social sciences whose focus is on the relationships that exist among people, their governments, as well as the public policy (Baudrillard, 2019). In political economy, scholars study how different theories such as socialism, capitalism, as well as communism do work in real environments. From a wide perspective, political economy is the term that was initially used for what is currently known as economics. However, it is still utilized in description of a government policy that has an impact economically. Political economy is classified into three major ways. First, there is interdisciplinary studies that use different fields such as economics, sociology, and political science to determine how government systems affect and influence them (Kanth, 2019). Second, there is the new political economy that treats political ideologies as beliefs and actions. Lastly, there is international political economy that analyzes the connection of international relations and economics.

Economic Development:

Economic development is known as the process that involves the transformation of simple and low-income economies into modern industrialized economies. In other words, it is the change of countries with low standards of living into countries that have high living standards (Hanson, 2019). In economic development, the overall health, academic level, and well-being of a country improve. One of the main features of economic development is a population change from mainly agriculture to industrialization, which is followed by services. Economic development results into longer expectancies of life, for instance, as well as other effects such as increased productivity, high literacy rates, as well as improved public education (Johnson & Kriz, 2019). The theory of economic development is important to countries that are not developed as it is from this perspective that the discussion of economic development is made.

Political Reform:

Political reform is derived from the general meaning of reform, which means to amend or improve things that are wrong. The need for political reform is an aspect that recurs in all economies globally (Strickland, 2019). This need is due to the fact that people are continually methods that are used to run political offices in their countries. The different mechanisms of politics, electoral processes, parties, as well as representations, are all in crisis in different countries in different countries thus the need for political reform. These systems have turned into exclusive systems of the elite and

the wealth thus denying people their legitimate representation as they demand through their democratic processes (Chadwick, 2019). As a result, political reforms are continually placed as among parliamentary agendas to correct and strengthen legislation form reforms.

Arab Springs

The Arab Spring began as a series of anti-governmental protests, armed rebellions, and protests that spread across the region of North Africa and the Middle East from the spring of 2011 (Massoud, Doces, & Magee, 2019). The protests started in Tunisia as a response to an oppressive regime and due to deteriorating living standards. In this regard, before the Arab Spring, the issue of political reform was a cosmetic one in the Arab world. There were issues all over about rigged elections and weak legislatures. Additionally, economic governance reform was mostly attached to the administrative reforms by the Arab regimes (Çarkoğlu, Krouwel, & Yıldırım, 2019). However, the Arab Spring has resulted into a wide range of political reforms, economic changes, and changes in the political economy, which has meant that most Arab countries have to move toward the path of reforming their political and economic systems.

2. The Reasons stand behind Arab Spring

The Arab spring is explained as the anti-government protest that started in the year 2010 in the Middle East and North Africa (MENA) region. The Arab Spring was initiated by Tunisia when the local street vendor in front of government building set himself on the fire because he was assaulted by the officials (Gause 2011, pp 81-90). This incident depicts the struggle of a poor man because of financial disadvantage that brought many people in the street. The public protest was based on the reaction that leads towards an outburst of multiple events. The riots expanded to Egypt and Libya due to which the political leaders were facing opposition from society. Later on, Yemen, Syria, and Bahrain were also affected and the survival of political rules was often questioned (Masoud and Reynolds, 2015, pp85-110). The revolts against the corruption, corrupted officials, and ineffective government led the phenomena of Arab spring and the people were free to express their opinion due to democracy and they fought for the economic and social development (Malik and Awadallah, 2013 pp.296-313.).

Table 2.1: Economic Development

Economic development							
	Gross National Income Per Capita	Power Consumption	Agriculture, value added (%)	Industry, value	Services, etc., value	Distribution of Family	Urban population
Jordan	5 956,00	2 225,57	3,00	31,00	66,00	39,70	82,00
Lebanon	13475,00	5 903,35	6,00	23,00	71,00	-	87,00
Morocco	4 628,00	472,22	15,00	30,00	55,00	40,90	57,00
Egypt	5 889,00	1 607,93	14,00	38,00	48,00	34,40	43,00
Tunisia	7 979,00	1 349,97	8,00	31,00	61,00	40,00	66,00
Yemen	2 387,00	248,62	8,00	29,00	63,00	37,70	32,00

Source: World Bank database 2013.

Table (2.1) highlighted the change in the economic development witnessed over the period due to political instability. Much of the production has been decreased in these countries due to rising war situation. The social and political instability resulted in increasing situation of chaos within states thus affecting the economic development.

Table (2.2) projected the rising inflation rate at the time of war and in post war situation. A huge economic impact has been witnessed since 2010 because of the Iraq War. The era since after 2010 increased threats for the Arab spring. It referred to this incident in May 2011, that the G8 countries developed the Deauville partnership in which four Gulf States and Turkey and other financial institutions were involved. The basic aim of the Deauville partnership was to

motivate Arab countries in order to pursue the stabilisation path and provide them financial support. Hence, the international intervention manifested political reforms because the Arab Spring not only affected weak countries, but it also affected the countries that were having strong socio-cultural economic and political relationship (Bayat, 2013pp.587-601).

Table 2.2: Inflation Rate

Inflation Rate, 2005-2012(%)								
Country	2005	2006	2007	2008	2009	2010	2011	2012
Tunisia	2.1	4.6	3.1	5	3.5	4.5	3.5	-
Iraq	33	64.8	4.7	6.8	6.8	4.2	5.6	-
Syria	5	8	12.2	15.4	2.6	5.9	4.8	10.2
Egypt	4.9	6.5	9.5	18.3	11.9	12.8	10.2	-
Libya	3.4	3.1	6.3	10.4	2.4	3	15.9	-

Source: IMF World Economic Outlook Database October 2012

Table 2.3: Economic Development Mean Comparison

Economic development - Comparing mean values							
State of Democratisation	Gross National Income Per Capita	Electric Power Consumption	Agriculture, value added	Industry, value added	Services, etc.,value added	Distribution of Family Income, Gini Index	Urban population
Minor Change	8 019,67	2 867,05	8	28	64	40,3	75,33
Major Change	5 418,33	1 068,84	10	32,67	57,33	37,37	4

Source: IMF World Economic Outlook Database 2013

Table (2.3) presented the mean values obtained based on the comparison of economic indicators. Major changes have been reported in agriculture, industrial, service, family income distribution, and urban population.

Table 2.4: FDI for Arab Spring

Arab Foreign Direct Investment, 2005-2012(USD bil)								
Country	2005	2006	2007	2008	2009	2010	2011	2012
Tunisia	0.712	3.239	1.5153	2.6007	1.5252	1.335	0.4327	1.5543
Iraq	0.5153	0.383	0.9718	1.8557	1.5983	1.3962	2.082	3.4
Syria	0.5	0.659	1.242	1.4656	2.5695	-	-	-
Egypt	5.3756	10.0428	11.5781	9.4946	6.7116	6.3856	0.4827	2.7977
Libya	1.083	2.064	4.689	4.1113	1.371	1.784	1.6	-

Source: UNCTAD International Investment Database October 2012

The rising situation of war, civil anarchy and the military interventions in various situations has affected the trust of foreign investors, which led the states as infeasible option to invest. Despite of the oil reserves, the business situation in these countries became threatening. Table (2.4) highlighted the change recorded in the FDIs. Especially a decrease in FDI has been witnessed in Syria, Egypt and Libya.

The below is the Aftermath of Arab Spring Civil War:

- Domination of Muslims brotherhood by the court and military and removal of Morsi from the workplaces. This repression was not only limited to Egypt but it expanded all over Saudi Arabia and other Gulf countries
- The ambassador's crises threaten the countries and it created adverse effects on the functioning
- The Islamist group took place and they were prominent in Libya, Syria, Yemen, and Iraq. The Islamist found it easier to compete non-Islamist to fill the state failure by securing external fighters, funding, and weapons. The norms made in the Islamist areas were militia-based

- The sectarianism violence increases across Lebanon as Sunni militants were targeting the Hezbollah, Yemen (Conflicts between Shiite and Sunnis) and Iraq (conflicts among Shiite militias and Islamic state)

- Increase in political learning and caution in various countries such as Iraq and Algeria where the Islamist chose not to lead the core challenges against their government

The Tunisian reaction spread over the Arab world countries and reach to its shores. The council includes the economic and political union made up of various Arab states Qatar, Kuwait, Oman, Bahrain, United Arab Emirates, and Saudi Arabia. Almost every country faced street protest and in majority cases, the protest lead towards disruption and violent resulting in imprisonment of protestors and death.

3. The Consequences and Outcome of Arab Spring

The multiple series of protest across the MENA region is referred as Arab Uprisings, Arab Awakening, and Arab Spring. The Arab Spring brought huge transformation in the Middle East since the decolonisation (Asongu and Nwachukwu, 2016, pp.439-482). During the period, several leaders communicated their intentions to step back and announced that they will not seek ant re-election in future. The protest created geopolitical implications and it draws the global attention towards the affected region (Snider and Faris, 2011,pp.49-62). The below are the economic and political reforms:

3.1: Tunisia

The riots started in 2010 and the government of Zine El Abidin was overthrow and Ben Ali flees into Saudi Arabia. The Prime Minister Ghannouchi resigned and the political police was suspended. The RCD and other assets were dissolved by Tunisia ruling party and the political prisoners were related. The constituent assembly elections were held by 2011 and during 2013 to 2014 the protest was done agents interim Islamist-led government. Besides this, the new constitution was adopted and by 2014, Tunisia become the unicameral parliamentary republic(Çarkoğlu, A., Krouwel, A., &Yıldırım, K. 2019, pp 440-463,).

3.2: Egypt

The government of Hosni Mubarak was overthrown and later on it was convicted with the charges of corruption and killings of protesters. Prime minister Shafik and Nazif resigned in 2011 and the constitution was suspended and the parliament was dissolved. Besides this the state security investigation system was disbanded and Hosni Mubarak family was arrested for prosecution. Furthermore, 31 years old state energy was lifted and new election was held. The former armed force commander was elected as the president and the Egyptian armed forces launched the anti-terror military operations in Sinai. Violence and attacks by the insurgents were increased since the ouster of Morsi (Gause III, F.G., 2011, pp 81-91).

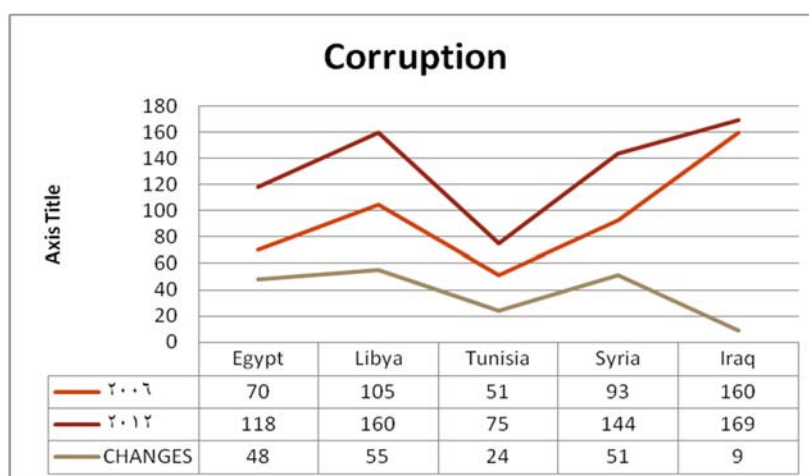


Table 3.1: Corruption rate in five major Arab countries

The affect of war and political instability led increase in corruption, which shows a major change in 2006-2012 (See table 3.1). The increasing corruption resulted in increasing mistrust of civilians over politicians.

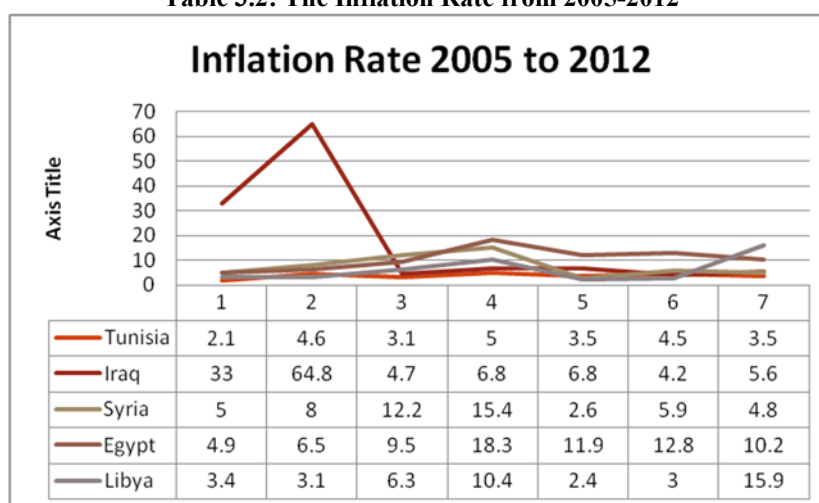
3.3: Yemen

Ali Abdullah Saleh was overthrow and MPs from ruling party resigned. Houthi and Al Qaeda rebels occupied several areas in territory and military forces were restructured by sacking its leaders. Moreover, the presidential election was held and Abd Rabbuh Al-Hadi was inaugurated and elected and increase in Yemeni Crises as Al-Hadi ousted by the Houthi Rebels and the Yemeni Civil war started (Massoud, T. G., Doces, J. A., & Magee, C. 2019).

3.4: Iraq

The Prime Minister Maliki proclaims that he will not run the presidency for the third time and local authorities and provincial government resigned. About 2/3 wages increased and ISIL insurgents took swathes of Iraq. Iraqi civil war started due to coalition of countries and Iraqi Army battling ISIL insurgents which increased the high inflation rate (Volpi, 2013,pp.969-990).

Table 3.2: The Inflation Rate from 2005-2012



Source: UNCTAD International Investment Database October 2012

Due to rising war situation, a major change has been witnessed in the inflation.

3.5: Syria

Political prisoners released and the emergency law was ended along with Provincial government was dismissed. The free Syrian army was formed and the ongoing violence due to fleeing of Syrian from their homes, which resulted in formation of ISIL (Ianchovichina, 2016, pp 1-4).

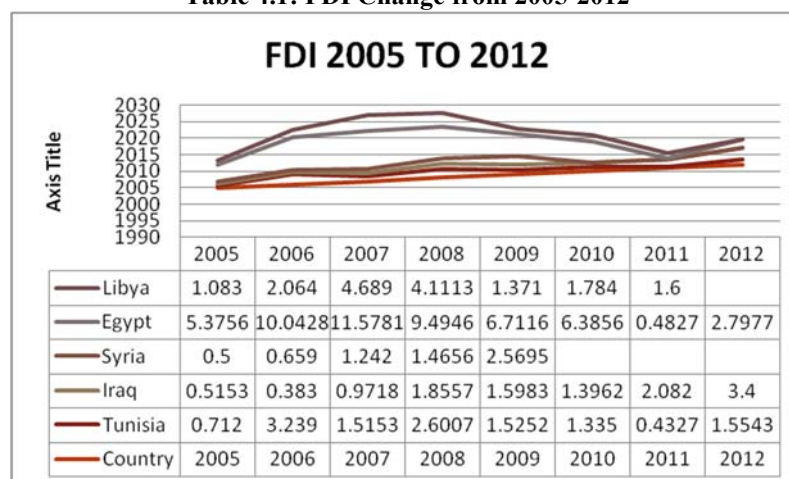
4: The Direct Effects of Arab Spring

Since the end of World War II, there is an increase in the incidents of Civil War, which has been intensified due to interstate conflicts. The civil war has been lasted for three years longer on average and in the MENA region, the political violence has been escalated (Matthiesen, 2013,pp110-118). From last decade, more than 40% of civil wars started in the MENA region and the political violence has been intensified after the Arab Spring 2011 revolution. Since then the Yemen, Syria, Libya, Iraq has been torn by the ongoing civil war and there is a surge in the terrorist activities (Volpi, 2013, pp.969-990).

The civil ways during post Arab spring era are associated with the economic collapse in war-torn nations and it creates spillover effects in the neighbouring economies (Howard, Duffy, Freelon, Hussain, Mari, and Maziad, 2011pp 2-11.). This economic collapse resulted in the decline in skills of labour and size due to death, displacement, disability, equipment destruction, infrastructure destruction, productivity losses and increase in trade cost (Kuhn, 2012,pp.649-683). The political and macroeconomic instability spiked and the investment plummeted, inflation soared, poverty

increased and the financial services were restricted because the government of MENA region countries needs to increase their defenses spending (Noutcheva, 2015 pp.19-36).

Table 4.1: FDI Change from 2005-2012



Source: IMF, World Economic Outlook Database 2013

The post-Arab spring was even more disruptive to the economic activities than any previous civil war. The rising situation affected the decrease in FDIs. The countries that were facing riots reduced their GDP by 2% during the conflicts. The Syria real Growth was slowed down by 10% between the years 2011 to 2014 (Öncel and Malik, 2015p.17,). The Yemen economy contracted by 38% during 2015 and Libya's economy was shrunk by 14% on average during 2013 to 2015 and the Iraq GDP decline by the 3% since 2013 (Del Sarto, 2016,pp.215-232). These wars create direct effects on the MENA countries including Turkey, Egypt, Lebanon, and Tunisia. The inflow of refugees boosts the goods and service consumptions, which increased the labour supply and the size of economies (Khandelwal and Roitman, 2013).

Table 4.2: Change in real GDP

Real GDP (percentage change)				
	2010	2011	2012	2013
Egypt	5.1	1.8	2.2	1.8
Jordan	2.3	2.6	2.8	3.5
Libya	5	-62.1	104.5	-5
Morocco	3.6	5	2.7	5
Tunisia	2.9	-1.9	3.6	3.3
Yemen	7.7	-12.7	2.4	6

Table 4.2 reflects the change in GDP, which shows a real change and even negative change have been recorded in Libya. The private investments were increased because the Syrians businesses were relocated to the neighbouring countries. However, some of the sectors such as tourism industry was affected negatively due to the escalation of violence, which discouraged investment and increases risk premium (Ianchovichina, 2016,pp 1-5). The direct cost was fallen short of true cost because they put an end towards then plans for deepening the ties due to intra-regional trade that was envisioned in the Levant Quartet agreement 2010 (Alkazemi and Wanta, 2015, pp.630-653). The negotiation among the regional trade agreement better Tunisia, Turkey, Lebanon, and Syria were advanced as they were reflected in the joint deceleration on establishing neighbouring economic and trade association (CNETAC). These reforms have allowed Iraq and Syria to modernise themselves by diversifying and increasing the competitiveness of firms. It also

changed the composition of trade and the Iraq and Syria imported more goods in term of equipment and machinery (Ianchovichina, 2016,pp 2-5).

The remarkable decline in the skills and size of the labour force was due to the increase in displacement, loss of life and disability (Ianchovichina, 2016, pp 1-5). The major sources that resulted in output loss and it dramatically decline the birth rate, especially in Syria. According to the report of Abdelzaher Latheef and Abdelzaher (2017pp.222-244), external displacement and death in Syria caused 16% decline in the economic output during the initial years of war. The direct death toll reached about half million deaths in Syria, In Iraq, the war-related death doubled from 2012 to 2014 and it reached about 17000 death (Ianchovichina, 2016,pp 1-4). In Yemen, thousands of civilians lost their lives in the first year of way. The civil way led towards nonviolent death, which could have been prevented, but due to war-related circumstances, the death toll increases because of unavailability of medical facilities, lack of medical personals, unavailability of essential medical equipment and basic services.

Besides this, the post Arab Spring also created forced displacement crises as the majority of people fled towards the neighbouring nations in search of food, home, and safety. Especially the pool of skilled workforce decline and the data from UN high commission (UNHCR), and International organisation Migration (IOM) shows that about 20 million people were migrated in Europe and beyond (Cavatorta, 2017,pp 3-12). The civil war also revered the development and progress in Libya, Iraq, Syria, and Yemen. Millions of people were in need for humanitarian assistance and the estimates show that the poverty rates in Yemen and Syria surpassed about 80% in the year 2015 and the half of the refugees were Children. In Lebanon, the poverty rate estimated around 70% during 2014 (Ianchovichina, 2016,pp 1-5). Many of the refugees were remained unemployed, as they did not get a work permit. In Lebanon, the vulnerable and poor suffered due to deteriorated public services, unemployment, the decline in wages and unskilled workers (Ferguson, 2017). Besides this, due to civil war, millions of children's were forced out of their school and the majority of schools were destroyed. The ISIS also occupied the majority of schools. The diseases, starvation, and war-related disability also affected the children's and their ability to contribute to economic activity.

Table 4.3: Change in the Social Development

Social Development								
Countries	UNDP Human Development Index (HDI)	Mortality rate Infant	Life Expectancy at birth	Literacy rate	School Enrolment	School enrollement Secondary	School enrollement Teriary	Public spending
Jordan	,6810	18,00	73,10	93,00	92,00	87,00	38,00	4,90
Lebanon	-	9,00	72,40	87,40	105,00	81,00	54,00	1,70
Morocco	,5670	29,00	71,80	56,00	111,00	64,00	13,00	5,40
Egypt	,6200	19,00	70,50	72,00	106,00	72,00	32,00	3,80
Tunisia	,6830	15,00	74,30	78,00	110,00	90,00	36,00	6,20
Yemen	,4390	58,00	63,90	64,00	87,00	44,00	10,00	5,20

Source:IMF Outlook Database October 2012

During civil way, ISIS destroyed multiple archaeological monuments and some of the estimates illustrate that in Syria the cost was over \$70 billion during the initial year. The damage to housing and residency accounted for 65% of the total damages (Ianchovichina, 2016,pp 1-3). Table 4.3 indicates the major impact of war within 6 major states of Arab spring. The continuous episodes of war affected the social development in all the ways resulting in serious economic crisis. According to the report of World Bank 1/3 of the pharmacies, clinics, hospitals in Syria were damaged entirely during 2011 to 2014 (Ianchovichina, 2016,pp 3,4). The education facilities were limited and the different assessment shows that 15% of educational institutes in Syria sustained damaged in first 3 years.

5: Discussion and Analyses

The post Arab Spring era resulted in the rising social and economic instability due to continuous war and terror situation faced in the region. The riots and protests from the MENA region were spread to Arab Spring countries because the societies found it as an influential way of bringing change in corrupted social systems, especially the societies and the people of countries considered it as the way to fighting against the government, which as a result started affecting the social stability. However, due to strict laws of the countries like UAE, Kuwait, Qatar, Oman, KSA, and Bahrain, many protestors were put behind the bars as social vandalism was considered as the crime in such countries.

The long-term consequences include the threat to the people where due to the military interventions and riots, many civilians lose their lives. Children and women faced more physically and psychologically devastated. Even the infrastructure damage affected the entire social system because the schools, colleges, and hospitals were destroyed as the result of the war. This brought the agony among people and made them more rancorous.

Table 5.1: Social Development Mean-based Comparisons

Socioeconomic development - Comparing mean values								
Countries	UNDP Human Development Index (HDI)	Mortality rate Infant	Life Expectancy at birth	Literacy rate	School Enrolment	School enrollement Secondary	School enrollement Teriary	Public spending
Minor Change	,624	18,667	72,433	78,800	102,667	77,333	35,000	4,000
Major Change	,581	30,667	69,567	71,333	101,000	68,667	26,000	5,067

Source: World Economic Outlook Database October 2012

Table 5.1 indicates the change in the mean values obtained for the social factors of the Arab Spring. The change has been witnessed at major level due to the impact of war situation. Many people were evacuated from such areas that are completely destroyed because there was no facilities and necessities available to live at such places. This resulted in rising number of refugees, which were unfortunately unaccepted by such neighbouring countries with developing economies. This was also reported by IOM that approx 20 million people migrated to different places because they were not receiving adequate necessities (Cavatorta, 2017,pp 3-12). Even the healthcare issues also stimulated at its peak because of poor health facilities and climatic conditions (Azevedo, 2017pp. 163-201,).

The table above indicates the t-test obtained on the political and economic factors that helped in evaluating the change witnessed in the Arab spring. The indicators that have been analyzed as the variables represented the industries and sectors, GDP, urban population, income distribution and electricity. The mean difference revealed a change in the entire model due to the impact of various factors.

The t-test interpreted revealed that the Arab spring resulted in various other consequences such as the economic distress. The major hit of the violent and non-violent demonstrations was towards the economic stability of MENA region. The lack of growth in GDP was witnessed and even the FDIs were reduced due to the uncertain political situation. Social inequality and chronic inflation were recorded after the Arab spring era that changed the entire global dimension of trade and aid. Even the foreign intervention in the Arab crisis resulted in rising war situation because the religious armies were against the foreign intervention, which affected the social stability of the region (Ansani, and Daniele, 2012,pp 8-11).

t-test for Equality of Means

		t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
							Lower	Upper
Gross National Income Per Capita (PPP2008 \$)	Equal variances assumed	813	4	,462	260,133,333	320,130,982	-628,692,764	1,148,959,431
	Equal variances not assumed	813	3,249	,472	260,133,333	320,130,982	-715,837,771	1,236,104,438
Electric Power, Consumption kWh) Per	Equal variances	1,087	4	,338	179,820,384	165,369,667	-279,319,417	638,960,186
	Equal variances not assumed	1,087	2,270	,379	179,820,384	165,369,667	-456,428,286	816,069,054
Agriculture, value added (% of GDP)	Equal variances assume	-,485	4	,653	-200,000	412,311	-1,344,758	944,758
	Equal variances not assumed	-,485	3,124	,660	-200,000	412,311	-1,483,107	1,083,107

6. Conclusion and Implications

This research work is based on investigating the manifestation of the political economy for the post Arab Spring reform through investigating the impact of the event that has been created on the liberalization, economic development and political stability of the region. This research work has concluded that for many people, the opinion towards Arab spring era was undeniably represented as a hope for change in terms of political reforms and social evolution. However, the evolution that was expected from the Arab spring resulted in the loss in hope of millions of people. The reason of reduced hope among people was the consequences faced due to Arab spring. Countries that faced the major consequences were Egypt and Tunisia where the phase of political transition was faced. Even the protests and riots situation in Syria and Libya resulted in abrupt civil war. More or less, the other countries of the Gulf state faced the same consequences, and even today, the political regimes of these states are still the same that was before the epidemic of Arab spring.

The impact of Arab spring era is huge that it cannot be reduced by minor reforms. Major reforms at the state level are needed to be made in order to overcome the political instability. Especially, it has become more important to strengthen the political system of these states by means of creating a strong governmental and democratic control and keeping the military away from state matters. Further, there is much need of policy implications by the United Nations in terms of providing aids to these states so that the social and economic stability can be achieved. Especially, there is need of rehabilitation because the local people have migrated due to lack of facilities of living. These aids can help to reconstruct the homes and buildings of the people and give a new life to them so that they can rebuild their future. There is also much need of providing counselling to the females and children so that the everlasting impact of the civilian war can be lessened from their minds. The loss in terms of lives cannot be regained, but there is need of rebuilding the people in order to recover their social system.

At the state level, the education system needs to be redesigned so that the young generation instead of being the part of the war should focus upon rebuilding their country by seeking education and acquiring the chances of business within the region. Hence, the first assistance needs to be given to establishing a strong, democratic, and corruption-free

political system so that the entire economy can overcome the threats that are faced after the civil war seen in Arab spring era. These can be the major implications for the policymakers in order to bring stability and integrity to the social systems of economic and politically deprived Arab states.

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الاقتصاد السياسي للإصلاحات في منطقة الشرق الأوسط وشمال إفريقيا في ظل تهديدات الربيع العربي

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ملخص

تقدم الورقة مراجعة شاملة للمنظور السياسي والاقتصادي تجاه الربيع العربي، وقد أعطت تجسيداً واضحاً للتهديدات الربيع العربي التي أدت إلى نشوء أزمة اقتصادية وسياسية داخل المنطقة العربية وخاصة دول الشرق الأوسط وشمال إفريقيا، والهدف من هذا البحث هو المساهمة العلمية في تقييم المنظور السياسي والاقتصادي في عصر الربيع العربي. إذ تم إجراء التحليل الكمي وأخذت في الاعتبار مجموعة متنوعة من العوامل التي تؤثر على الاستقرار الاجتماعي، والاقتصادي، والسياسي في منطقة الشرق الأوسط، وشمال إفريقيا. وتم اختيار المؤشرات الاقتصادية والسياسية الرئيسية من المدة 2005 حتى 2013، وقد كشفت الدراسة باستخدام اختبار (ت) أن الربيع العربي نتج عنه العديد من النتائج السلبية مثل: الازمات الاقتصادية، والسياسية، والاجتماعية، وحاولت الدراسة الإجابة على السؤال الرئيسي "ما نتائج ومخرجات الربيع العربي؟ من حيث التغيرات السياسية، والاجتماعية، والاقتصادية في منطقة الشرق الأوسط بأكملها وإلى أي مدى تم تحقيق ذلك.

وكشفت نتائج الدراسة أن الربيع العربي تسبب في عدم الاستقرار الاجتماعي، والسياسي، والاقتصادي نتيجة عوامل معقدة مختلفة، وفشل في خلق نتيجة للتغييرات المرجوة والمتوقعة، مما أدى إلى انتشار التطرف الديني، وتمكين الإسلام السياسي، وتقليل علمانية الدولة وزيادة الحروب الأهلية، وأعمال الشغب، وتدخل الجوار، والعسكرة الاجتماعية، والهيمنة الإيرانية، والحروب بالوكالة، وإحياء الخلايا الإرهابية، فإن نتائج الدراسة مجتمعة تظهر النتائج السلبية للربيع العربي في منطقة الشرق الأوسط وشمال أفريقيا..

الكلمات الدالة: الربيع العربي، الشرق الأوسط، شمال إفريقيا، الاقتصاد السياسي، الإصلاحات.

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